

HEINL RADIO BUSINESS LETTER

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No. 1554

August 17, 1943.

SHORT-WAVE BONERS MAY DOOM WHAT IS LEFT OF OWI

With Representative Ditter (R), of Pennsylvania, and Representative Barry (D), of New York, on the warpath and others in Congress sure to follow, it looks as if what was left of the Office of War Information after Congress so mercilessly swung its axe may also be a goner. It seemed to be the idea after that first terrible blow that if Elmer Davis could be eliminated from the picture temporarily by having him take a little trip abroad, things would quiet down. And they probably would have if during his absence the Overseas Branch hadn't insulted the King of Italy by short-wave - the most colossal boner in the history of diplomacy. As if that hadn't been enough, the OWI ideologists later followed through, in the words of Representative Ditter, "by browbeating the radio industry into deluging the American public with distorted propaganda about the Atlantic Charter anniversary".

This touched off the critics anew. "It is not merely the brazen effrontery of the Office of War Information that is causing so much concern", George Rothwell Brown, one of the best known of the Capital correspondents wrote in the Washington Times-Herald. "It is the increasing evidence of its unreliability, the unsoundness of its philosophy, its disregard of truth, and its lack of sound judgment that is developing a strong feeling in Congress that it should be completely reorganized, even to the point of abolishment.

"Whether Elmer Davis can continue to hold it together much longer through the personal prestige which he still maintains is problematical.

"The 'moronic little king' incident has been followed by others even more disquieting.

"During the period of Mr. Davis' absence abroad OWI appears to have got completely out of hand. Under date of August 2, John Hymes, Chief of the Stations Relations Section of the Domestic Radio Bureau, issued an official request to war program managers to ballyhoo the second anniversary, so called, of 'Atlantic Charter Day' - a 'day' incidentally, which has no more existence than John Durfee, OWI's fraudulent 'Voice of America'.

"This communication to the war program managers was predicated on a bare-faced falsehood so serious as to impugn the general veracity of this Government propaganda agency. That falsehood - as T.R. would have said, it would even be possible to use a 'shorter and uglier word', was as follows:

"The Atlantic Charter has been formally adopted by all the United Nations and thus has become the most important single document in setting forth the principles for which we are fighting."

"The deception here must have been deliberate. It constitutes an obvious effort to 'persuade' radio commentators to promulgate an untrue statement. The Atlantic Charter, so called, has not been formally adopted by all the United Nations. In particular it has not been adopted by the United States. It could not be 'adopted' by the United States without the consent of the Senate. It has not even been submitted to the Senate.

"The Atlantic Charter is not even a charter. It is merely the expression of a pious hope by two of the world's most brilliant politicians, Mr. Roosevelt and Mr. Churchill. It has a political purpose and a political use, but it is not an official document.* * *

"Before the Cox Committee, in New York, allegations have been made of a tieup of OWI and the Federal Communications Commission that reveal an attempt to control radio through the hiring and firing of foreign broadcasters with the desired ideological 'slant'.

"OWI needs a thorough going-over by Congress. It has embarrassed the President. It has embarrassed the State Department. We shall be lucky if it has not embarrassed the British government.

"From information available here, it is clearly indicated that if Mr. Davis does not do a job on OWI, and pronto, Congress will."

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WEISS REBUKES SELF-APPOINTED NEW DEAL CENSOR

George Myers, secretary of the Los Angeles County Democratic Committee is evidently a little wiser than before he encountered Lewis Allen Weiss, Vice-President and General Manager of the Don Lee Broadcasting System. Mr. Myers advised Mr. Weiss that the Committee had passed a resolution taking cognizance of the fact that many commentators were critical of President Roosevelt and the New Deal. Furthermore, the resolution set forth that such broadcasts were made possible by sponsors who were able to purchase the best time on the aid and that the Los Angeles Democratic Committee proposed to "disseminate information" about these critical commentators in a letter to sponsors. There was also a complaint about alleged misstatements Fulton Lewis, Jr. had been making.

Mr. Weiss, replying to the Committee, wrote, in part:

"Upon receipt of the letter to the sponsors, I became aware of the device that your Committee evidently intends to employ by intimidating, if you can, all personalities on the air who do not happen to hold the same political beliefs that you do. I need hardly point out to you how undemocratic and even brazen, the implications of your communications are, and do not believe that it would redound to the credit of your Committee if I were to expose the threats of free speech contained in them."

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FCC N.Y. HEARINGS CONTINUE - FLAMM CASE MAY COME UP

There is every indication that the subcommittee hearings of the House FCC Investigation in New York, which were only expected to last a few days but are now entering their third week in New York, may continue even longer. No one in the office of Chairman Eugene Cox, of Georgia, at the Capitol, would venture an opinion as to when the sessions might be resumed in Washington but it was said there was a possibility of a sub-committee meeting here if the New York proceedings had not finished by that time, a week from Wednesday (August 25).

It is believed sensational charges may be made at the New York hearing in connection with the proposed sale of WMCA by Edward J. Noble, whose purchase of the Blue Network has necessitated his disposing of WMCA so as not to have two stations in New York City. Mr. Noble purchased the station from Donald Flamm. Last week Mr. Flamm brought an action in the State Supreme Court to rescind the sale of WMCA in 1941.

Mr. Flamm, who received \$850,000 for the property, sold January 17, 1941, charged he "was an unwilling seller and was coerced by various threats on the part of defendant and his agent into agreeing to the sale." Mr. Flamm not only wants the station returned to him, but he is asking for an accounting of the profits, explaining he incurred \$200,000 expenses in the negotiations.

Motion for a temporary injunction was heard Friday when Supreme Court Justice David Peck granted a stay order until a decision is handed down probably this week. Regardless of how the Court decides the Flamm case will probably be made a Roman holiday in the Cox-FCC investigation with plenty of charges made by all parties concerned.

There was a lively time in New York last week when Chairman Fly, who "just happened to be there" and still not given an opportunity to testify, answered charges made at the hearings by issuing statements to the press but at the same time charging the opposition with "trying their case in the newspapers".

The principal bone of contention was the FCC War Problems Division, Mr. Fly asserting it had been discontinued, and Eugene L. Garey, Cox Congressional Committee attorney, declaring it "has been changed in no way except in name".

Mr. Fly told an interviewer that the Division existed for about a year and was discontinued about six months ago "largely because some members of the House questioned it." He added that "there may have been some feeling against two or three members of the Division."

Mr. Carey, at his law office, later said that functions of the Division, dealing with supervision of foreign language radio stations in the United States, "are still being carried on. No change has been made except in name."

The War Problems Division entered the testimony at the subcommittee hearing when Robert K. Richards, Executive Assistant for Broadcasting in the Office of Censorship, said that "broadcasters who have talked to me fear mainly one division of the FCC."

"The War Problems Division?" Mr. Garey asked him.

Mr. Richards replied affirmatively.

The House subcommittee recessed over the weekend but are scheduled to resume the New York hearings today (Tuesday).

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CALLS IT THE "COX PERSECUTION COMMITTEE"

Taking another swat at Representative Eugene Cox, of Georgia, Drew Pearson, widely syndicated columnist, writes:

"Congressman Cox's spite investigation of the Federal Communications Commission continues to reach amazing lengths in flouting established legal procedure. Latest flouting of the law is to cross-examine witnesses without any member of the Cox Committee present.

"Actually, a Congressional investigation is supposed to be what it says - an investigation by Congress. Congressional members of a committee are supposed to be present and do the job themselves. But since other members of the Cox Committee apparently regard this as a personal vendetta by Cox against the FCC (the FCC accused him of taking an illegal lobbying fee), they don't come around to many hearings.

"The other day, for instance, Lucien Hilmer, former Assistant General Counsel of the FCC, was called before the alleged Cox Committee. When he arrived, he found two paid minions of the committee, Fred Walker and Ernest Hauser, but no Congressmen. So when they attempted to give him the oath, Hilmer refused.

"This subpoena is returnable before a committee of Congress', he said, 'and no Congressman is present.'

"So after some embarrassed telephoning, Chairman Cox arrived. He tried to make Hilmer swear that he would tell the truth to the 'Committee or its agents', but again Hilmer refused. He pointed out that he was supposed to testify before the committee, not before its agents.

"So Cox finally gave him the correct oath, and sat for a few minutes while Hilmer testified. Then apparently bored with his own inquisition, the little Georgia Congressman departed.

"As soon as he stepped out of the room, Hilmer stopped testifying. So after more scurrying and telephoning, Congressman

NEW POLICY TO KEEP UP RADIO SETS

A policy to maintain radios, automobiles, refrigerators and other electrical appliances "essential" to the civilian economy, was indicated in the tentative program for production of essential consumer goods presented by WPB, Arthur D. Whiteside, Vice Chairman of the Office of Civilian Requirements, advised. No details as to additional goods which may be authorized for manufacture, however, were indicated, the Radio Manufacturers' Association reports. Among the basic policies announced were:

"Adequate repair parts, replacement parts and labor must be made available to maintain existing essential equipment in the hands of civilians in operating condition."

"The distributive and service trades must be maintained to the extent necessary to make essential goods and services available to civilians when and where needed."

"Every effort will be made to economize the use of resources and to conserve the goods now in civilian hands."

"The emphasis on distribution will be substantially increased", was another policy announced, indicating that OCR has not solved the difficult problem of distribution so that consumers in all localities will have a proportionate share of scarce items, and it was stated that a principal problem facing OCR was 'inadequate distribution of scarce goods', as well as manpower and shortage of critical materials."

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HEARINGS OF BLUE NETWORK SALE MAY BE PUBLIC

It was intimated by Chairman James L. Fly that the Federal Communications Commission hearings to be held before the sale of the Blue Network to Edward J. Noble are approved would probably be public. Mr. Fly said he couldn't speak for the whole Commission in the matter but the Blue Net sale was of such importance that it wouldn't surprise him if there would be a complete public record of it.

Mr. Fly said the question of whether or not there would be a public hearing might be decided at the regular FCC hearing today (Tuesday).

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The New York Fire Department has set a precedent by appointing two women as radio operators at the Fire Department Station WNYF. Their duties will be to get in contact with fireboats, rescue companies and to keep in touch with all branches of the department and broadcast all developments.

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FCC "FEAR" AND "TERRORISM" EXAGGERATIONS, FLY CHARGES

Fresh from the scene of his guerrilla warfare with the Cox FCC Investigating Committee in New York, where he was on the outside looking in, Chairman James L. Fly of the Federal Communications Commission at his press conference Monday in Washington continued to talk back to Representative Cox and his associates. Congressional Committee, or no committee, Mr. Fly said, the FCC was going to keep an eagle eye on the foreign language broadcasting stations. He reiterated that the War Problems Division, which was charged with throwing announcers objectionable to the Government off the air, was no longer in existence but said with considerable emphasis that the Commission still is.

"We have in the monitoring of foreign language stations a duty to which we shall devote ourselves", Chairman Fly said. "I think the charges of 'fear' and 'terrorism' in the broadcasting industry raised by the Cox Committee seem to have sprung from the exaggerated description of this foreign language station scrutiny. Anybody who knows anything about the industry or the Commission knows that the average broadcaster has not the slightest ground for worrying about having his license taken away from him."

Mr. Fly said he had been Chairman of the FCC for almost four years and not a single station had ever been off the air on account of its program.

Someone asked if the Chairman meant by that, general approval of the programs of all 900 stations.

"No, I did not mean to say that I approve all program content", Mr. Fly answered. "It is not up to me to say that I approve of the program content and in general it is not up to me to disapprove it. I think there are many cases where the quality of the program can be improved. I think the industry in the interests of its own welfare has in recent months devoted considerable attention to that very program of notching up the level of the programs. That, of course, is their job and not mine."

To a question as to when the Cox Committee might conclude its hearings in New York brought the Communications czar retort that he had no word from the Cox Committee and never had any word from them giving him any information. All he knew about the hearings was what he read in the papers.

"In New York while the Congressional subcommittee hearings were going on, the Associated Press called up mentioning some facts which had been referred to in my press conference the day before", Mr. Fly said. "They wanted to know why those matters have not been cleared up in the hearing. They said that it would take only a few minutes to put in these facts and documents, etc., and why weren't they cleared up at the time of the hearing. I was a little bit shocked that there was anyone connected with the news services following this that did not completely understand that we have not had a chance

to put in a word or a document. In fact that was one of the main points I tried to cover before - there was no opportunity for any sort of hearing. That's one thing that is most discouraging about the whole procedure."

Asked if he thought the FCC would ever have a chance to give its side, the reply was:

"I am very discouraged about the whole business. So long as they are willing to follow the practice of letting their counsel read one paragraph of a letter and not putting the balance of the letter into the record at that time; so long as they take these star chamber records and read four lines from them into the record and refuse to put the balance of it in, and in no case permitting us to see the balance of the document or the balance of the transcript of the star chamber proceedings, and when they put in one letter refusing to take the response to that letter when the response clears up the whole matter - that sort of proceeding as is carried on from day to day - you can't look forward very optimistically for any hearings at all, and certainly there is no prospect of one in the near future. If there were any desire at all to get the full facts, the time to get a letter is the very time when the few lines are read into the record from that letter."

Asked if letters received by the Commission about the Cox hearings were favorable or otherwise, Mr. Fly replied:

"I think consistently so. Particularly since the Committee has so publicly and recurrently demonstrated the attitudes and methods which are going to control the Committee throughout."

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BANKHEAD DEFENDS U. S. ADS IN NEWSPAPERS

There was a lively defense of the bill for the Government to spend \$25,000,000 in newspaper advertising by its co-author Senator John H. Bankhead of Alabama. There is a belief if this bill were passed the next move would be to vote a similar subsidy to radio stations.

"It seems strange that some people believe that advertisements sponsored and paid for by business corporations do not threaten the independence of the press', he said, 'but that paid advertisements by the Government create a terrible menace. That position is absurd", Senator Bankhead declared.

"Corporations are in a position to select the newspapers from whom they buy space and to withhold future advertisements if the editorial attitude of a newspaper does not suit them", he said. "Under the Bankhead-Cannon bill the Treasury has no discretion about placing or withholding advertisements.

"The Treasury must allocate advertisements under regulations prescribed in cooperation with representatives of newspaper associations and advertising agencies."

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SET MAKERS POST WAR BOARD INITIAL MEETING SEPT. 15

Final arrangements have been made by the Institute of Radio Engineers and the Radio Manufacturers' Association for a conference of the joint committee to consider postwar radio products and services. It is to be known as the Radio Technical Planning Board and the meeting will be held in New York City Wednesday, September 15th.

The "R.T.P.B." will be a technical advisory body to formulate recommendations to the Federal Communications Commission and other government and industry agencies on the technical future of radio developments, including spectrum utilization and systems standardization for many public services, such as television and frequency modulation. The new group will develop studies, investigations, recommendations and standards as are required, submitting them to the FCC and other agencies having final authority.

Chairman James L. Fly of the FCC originally proposed the industry technical organization now being established. The R.T.P.B. will be a representative, all-industry body. Initial sponsors, in addition to RMA and I.R.E., now being invited to participate in its organization meeting, include:

American Institute of Electrical Engineers, American Institute of Physics, American Radio Relay League, F.M. Broadcasters, Inc., National Association of Broadcasters, National Independent Broadcasters.

Other major, non-profit radio organizations, as well as communications, aeronautical and similar groups concerned also may be included later.

The respective RMA and IRE Chairmen are A. S. Wells, of Chicago, and Haraden Pratt, of New York, who now are submitting the plans to other industry groups prior to the formal September 15th meeting.

The other members of the RMA Committee are H. C. Bonfig, Camden, N. J.; W. R. G. Baker, Bridgeport, Conn.; R. C. Cosgrove, Cincinnati, Ohio; Walter Evans, Baltimore, Md. and Fred D. Williams, Philadelphia, Pa. The other members of the IRE Committee are Alfred N. Goldsmith, New York, N. Y.; B. J. Thompson, Princeton, N.J., and H. M. Turner, New Haven, Conn.

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The Columbus (Ohio) Dispatch has inaugurated a new 15-minute radio program. Its purpose is to broadcast a preview to Columbus and Central Ohio, of the food pages appearing in The Dispatch Friday editions. The announcement says:

"Local radio support is the most recent addition to services offered advertisers who use The Dispatch exclusively."

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SILENCING "UNDESIRABLE BROADCASTERS" PROVES "SHOCK"

Expressing its opinion of disclosures of the Cox Committee New York hearings, the Editor & Publisher said:

"Disclosure that officials of the Federal Communications Commission and the Office of War Information used the former's licensing powers as a means of shutting out 'undesirable' broadcasters should be read with a sense of angry shock, called by its right name and prevented for all future time. The admission by one official that the tactics were 'extra-legal' and that he had to wrestle with his conscience to accept them is just so much chatter. The tactics were not extra-legal, they were plainly illegal, violating a specific dictum of Congress.

"It is intolerable that appointed minor officials should assume the power of final judgment over the utterances of radio speakers. If broadcast statements are treasonable, the law provides measures for dealing with them. If they are subversive or harmful to the national interest we have war time statutes which can be readily invoked. Neither of these smacks of the near blackmail which is implicit in the methods freely admitted in testimony before the House committee.

"Press and radio should stand as one on this issue. If one government underling can assume and get away with the power of gagging a radio speaker, we can be sure that others will try the same schemes in other directions. The postal regulations by which a number of publications have been silenced are already a danger to free publication; let them be administered in the manner described before the Cox Committee this week, and the menace to free journalism will be positive and constant."

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ROCHESTER STATION ASKS COURT RELIEF FROM PETRILLO

Station WSAY at Rochester, N. Y., has turned to the courts to regain its Mutual net programs. The station petitioned for an injunction against Petrillo and Leonard Campbell, presidents, respectively of the A.F.M. and Rochester Musicians Protective Association, seeking to restrain them from pressuring Mutual to prevent the net from supplying the programs. The petition was scheduled for Supreme Court hearing Thursday (12).

It charges unlawful interference with the station's business. It declares the station's owner, Gordon P. Brown, is willing to hire musicians whenever needed at union rates, but he is unwilling to hire unneeded musicians. The union asked that he hire a five-piece orchestra.

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U.S. NOW HAS SAY-SO OVER BROADCAST ENGINEERS

Broadcast engineers were the only ones in the industry included in the critical list issued by the War Manpower Commission and Selective Service last Sunday. Otherwise radio's classification as an essential industry remains unchanged.

Broadcast engineers will have to be engaged through the U. S. Employment Service and other radio personnel will be forzen into their jobs when regional and local stabilization agreements are adjusted to comply with the new regulations.

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PAUL PORTER GOES STEP HIGHER AS ASSISTANT ESD

Paul A. Porter, formerly counsel for the Columbia Broadcasting System in Washington, has been made Assistant to Fred M. Vinson, Economic Stabilization Director. Recently OPA Chief of Rent Control, he was boosted to chief aide of Marvin Jones. In connection with the last promotion, a well-informed person observed:

"The real food czar is now Paul Porter, who has joined the White House staff."

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RADIO ENCOURAGES YOUNG AMERICANS TO WRITE SOLDIERS

An article in Liberty Magazine captioned "A Million Kids Take Pen in Hand", says:

"Upon her return to America after four and a half months in the North Africa war theater, Martha Raye, of motion-picture fame, declared, 'The troops' only complaint was that they didn't get enough letters from home. That's what they want most.' If letters from home are what our fighting men want, 1,200,000 American kids are going to see that they get them!

"A few months ago Jack Armstrong, the redoubtable All-American Boy, who may be heard on your Blue Network station any weekday afternoon, organized the Write-A-Fighter Corps. At present it boasts amembership of more than 1,200,000 boys and girls between the ages of six and sixteen. The Corps has grown with a snowball-down-hill impressiveness, and ranges from coast to coast and border to border."

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 ::::: TRADE NOTES :::::
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Speaking of post-war developments, Senator Harry S. Truman (D), of Missouri, had this to say of television:

"Television is on the threshold of great development. It is true that there are many technical and commercial difficulties which must still be overcome. But the day cannot be far off when our homes, schools offices and automobiles will be equipped with television sets."

 Majestic Radio and Television Corporation - Year to May 31:
 Net income \$394,430, Or 37 cents each on 925,715 common shares in contrast to net loss of \$51,512 in previous fiscal year.

 Station KFMB, San Diego, California, will become affiliated with the Blue Network on September 1, as the San Diego outlet, replacing Station KFSD.

 Walter E. Schneider, Associate Editor of Editor and Publisher, will join the NBC press staff September 1, as Magazine Editor.

 Western Union informed the Federal Communications Commission that all "unnecessary duplicating branch offices and tributary offices" will be consolidated if the pending plan for merging its system with Postal Telegraph is approved.

 A new book is "Radio Networks and the Federal Government" by Dr. Thomas Porter Robinson, published by Columbia University Press, \$3. Dr. Robinson is an economist at present connected with the Office of Price Administration.

 A new line of two-bearing (ball), 3600-rpm motor-alternator sets in integral ratings up to 5 kva, single-phase, has been announced by the Motor Division of the General Electric Company. Compact and light in weight, these alternator sets are designed for converting direct current to alternating current for various uses. These include any applications which require a-c power, such as radio and other electronic equipment of standard a-c design.

 At the head of the editorial column of the Westmoreland Observer, a weekly newspaper published in Westmoreland County, Pa., this slogan appears:

"Get your news from the radio
 Get your ideas from us."

 Station W6XYZ, Television Productions, Inc., Los Angeles, Calif., was granted license to cover construction permit, as modified, which authorized new experimental television broadcast station.

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