

# HEINL RADIO BUSINESS LETTER

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## INDEX TO ISSUE OF SEPTEMBER 24, 1943

Senators Try to Beat Each Other Introducing Quiz Kids .....	1
RMA Steps Up \$4,000,000,000 Military Radio Program .....	2
Hearing Set For Oct. 11 on Sale of WFTL to Storer .....	3
House Judiciary Committee Sidesteps Cox-FCC Row .....	4
Switzerland Linked to U. S. by RCA Radiophoto Service .....	5
FCC to Investigate Racing Circuits .....	5
Believed FCC Approval of Blue Net "Is in the Bag" .....	6
Sharpe New WPB Radio Division Assistant Labor Aide .....	7
Cecil Brown Out of CBS; White Again Hits Commentators .....	8
Drew Pearson and Blue Sued for \$28,000,000 .....	10
WOR Signs Up With Petrillo; 6 Concerns Still Hold Out .....	10
To Press Probe of FCC Alleged Reds; Hits Back at FDR .....	11

No. 1564

September 24, 1943

## SENATORS TRY TO BEAT EACH OTHER INTRODUCING QUIZ KIDS

There was a scramble among senators to introduce the Quiz Kids in Washington on a War Bond tour, when they visited the Senate last Tuesday. Rising in his seat, Senator Hatch of Arizona said: "The Senate has on many occasions had distinguished visitors to whom it has paid tribute. I now wish to interrupt the proceedings of the Senate sufficiently long to call attention to the fact that there sits in the family gallery at this time, on the front row, a distinguished group of citizens for whom I have the highest admiration and respect. They are commonly referred to as The Quiz Kids. Every Sunday night when it is possible I listen to their radio program with a great deal of interest, and obtain not only pleasure and entertainment, but a great deal of information. I am happy to have the Senate pause at this time in its deliberations to recognize these young people, and to say that we are delighted to have them as our guests today."

Whereupon Senator Lucas of Illinois broke in with: "The Senator from New Mexico has made my speech. I was sitting here quietly waiting for an opportunity to say what my able friend has said about these distinguished young people in the gallery, because they happen to be my guests in the Senate today.

"Perhaps I should apologize to the Senator from Illinois for having anticipated him", Senator Hatch said.

"Not at all".

"I wish to recognize the fact that these young people come from the Senator's city of Chicago, but neither his city nor the State of Illinois has any monopoly upon the entertaining and educational features of their program. I feel that they belong to the entire country," the Senator from Arizona persisted.

"There is no doubt of that", the Senator from Illinois commented.

"I am sure the Senator will point out now the purposes of their present tour, which I forgot to mention", Hatch put in.

"There is no question about what the Senator has said to the effect that these young people belong to the Nation and to no particular State," Senator Lucas said. "But, fortunately for Illinois, three of them live in the city of Chicago, and the other youngster lives in the State of Indiana."

"There is no citizenship in the United States that more uniformly listens to, or appreciates more keenly, the program of the Quiz Kids on Sunday night than the people of Kentucky," Senator Barkley of Kentucky disclosed. "I, myself, listen to them nearly every Sunday night, and I enjoy their program. I listened last Sunday, and I was not only entertained and amazed by some of their erudite answers to questions, which are not pre-arranged, as I understand, but I was also very much amused at the situation which arose when the young lady from Brazil, I think Anna Maria Martins, paid a very deserved compliment to one of the boys of the group, I believe Richard.

"I wish simply to say that not only was the compliment well deserved, but if occasion arose I could pay the same kind of compliment to them all, not only from the standpoint of their appearance and their standing, but to me it seems amazing that young girls and boys of their tender age have been able to accumulate such a vast store of knowledge as to be able to answer questions which, I am sure, would sometimes embarrass even Members of this body, as I know they would me."

Miss Martins, the daughter of the Ambassador from Brazil, during the broadcast last Sunday night, first delivered a short message in Portuguese to be short-wave by the Blue Network to South America, and then she repeated it in French. When asked to translate this in English, Miss Martins at first demurred and then replied blushing: "I said I felt honored to be asked to appear on a program with the Quiz Kids -- especially with Quiz Kid Richard who is so handsome."

This little confession almost stopped the show. The Quiz Kids were also introduced to Vice-President Wallace and later were photographed with Mrs. Eisenhower, wife of the General.

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#### RMA STEPS UP \$4,000,000,000 MILITARY RADIO PROGRAM

The Radio Manufacturers Association is doing its utmost to solve the many problems facing the manufacturers in stepping up the 4 billion dollar military radio program. This was the predominant note of the fall meeting of the association held in New York last week.

The RMA board approved an increased annual budget for extension of Association work; authorized subscription of \$25,000 to the "Back the Attack" war bond campaign and approved applications of fourteen new RMA members, bringing the association membership to its greatest strength since 1931. As sponsored by RMA and the Institute of Radio Engineers, formal organization was effected of the post-war Radio Technical Planning Board. The next meeting of RTPB will be held September 29 at New York.

The Set Division and the executive committee of the Parts Division, and also the special Postwar Planning Committee



9/24/43

held meetings. Cooperation between prime and sub-contractors on contract cancellations was arranged by the Set and Parts Division, which held a joint conference on equitable procedure.

Maintenance of the public's receiving sets, of which tube replacements are the major and growing shortage, was discussed at the Board meeting. Arrangements for cooperation of set manufacturers were made. Tube Division members later held another meeting on the civilian replacement program with WPB Radio Division officials. War contract termination problems were discussed separately and also jointly by the Set and Parts Divisions in New York which conferred with the set manufacturers and arranged for cooperation and exchange of information on termination clauses for war contracts which would be more equitable for parts manufacturers. Plans also were made for prompt approval of claims and payment of parts manufacturers in the settlements of war contracts.

Arrangements were made to re-establish the Advertising Committee which was suspended when the industry was converted to war production. Trade practices will be under the committee's jurisdiction and it also will act in the promotion of better understanding of the industry's contribution to War production. Another function in paving the way for future industry conversion to peace production, will be information to the public on the increased cost of labor and materials occurring during the gap between suspension and resumption of commercial production. Compilation of industry statistics and market surveys also was planned by the Set Division and Postwar Planning Committee, together with export trade promotion. Patent and licensing problems also were discussed at the New York meetings, including legislation now pending in Congress and also future postwar patent problems. The Legislative Committee and the Association's executive committee were authorized to take proper action on all patent legislation.

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HEARING SET FOR OCT. 11 ON SALE OF WFTL TO STORER

The Federal Communications Commission last Tuesday granted the petition of Ralph A. Horton, former investment banker of Fort Lauderdale, Fla. and the Fort Industry Company, of which Lieut. Commander George B. Storer is president, but on leave of absence for the duration, asking that the hearing be expedited in the applications of Mr. Horton for assignment of license of WFTL, WAAD and WRET, to cover construction permit and of The Fort Industry Co. for modification of license; ordered that a consolidated hearing on the applications be set for Monday, October 11, in Miami; and further ordered that the presiding officer at the hearing be authorized to adjourn it to such other points as he deems necessary for its expedition.

This has to do with the sale of WFTL at Fort Lauderdale established by Mr. Horton to the Fort Industry Company, the Vice-President of which is J. H. Ryan, Assistant Director of Censorship



in Washington, also on leave for the duration.

In designating the proposed assignment for hearing, the FCC also set down for consideration at the same time the application for license to cover the construction permit authorizing WFTL to change its frequency from 1400 to 710 kc and to increase its power from 250 to 10,000 w. which would make it the most powerful in the south. The station has been on program tests for several months on the new facility and the hearing on that phase of the proceeding is in connection with the issuance of a formal license for the new facility. Also designated for simultaneous hearing was WFTL application to move main studios from Fort Lauderdale to Miami.

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#### HOUSE JUDICIARY COMMITTEE SIDESTEPS COX-FCC ROW

The House Judiciary Committee, of which Judge Sumners, (D) of Texas is chairman, doesn't propose to get caught in the scrap between Representative Cox (D) of Georgia, and the Federal Communications Commission which Mr. Cox now has on the grill. This became known when the Judiciary Committee turned down a plea from FCC Commissioner Clifford J. Durr. Mr. Durr had petitioned Speaker Rayburn (D) of Texas last May to oust Cox as chairman of the special House committee investigating the FCC, because of "bias and personal interest." The petition went to Sumner's committee. Durr then asked to be heard on the petition, renewing his request to the committee when Congress returned from its recess.

Chairman Sumners' reply to Durr's requests, said: "The opinion seems to be general among the members of the committee, and is one in which I concur, that the committee has no jurisdiction and no responsibility as a committee with reference to the subject matter of the communication (Durr's letter).

Durr's last letter, dated September 14, charged that the procedures of the Cox committee "have more than confirmed my original feeling that an investigation by a committee created and staffed as this one is, could serve no purpose except to prostitute the investigatory powers of Congress."

He recalled that his petition had cited "acceptance by Congressman Cox of a \$2500 fee for services rendered Station WALB, Albany, Ga., in connection with its application to the commission for a radio station license, and his use of this \$2500 to purchase stock of Albany Herald Broadcasting Co., party to an application then pending before the commission for a transfer of such license."

Representative Cox early last year described the transaction to the House and said that the \$2500 went to a private charity.

9/24/43

Durr's first appeal to Chairman Sumners for a hearing said in part:

"Feeling as strongly as I do about the importance of the investigatory power of Congress, I would regret being placed in the position which could be construed as one of hostility to the exercise of that power, or as an indication that I have something to hide from Congress.

"However, I am equally strong in my reluctance to testify before the select (Cox) committee as now constituted because I am convinced that its chairman and staff have purposes to serve which are inconsistent with a fair and impartial determination of the facts."

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#### SWITZERLAND LINKED TO U.S. BY RCA RADIOPHOTO SERVICE

Opening of a new radiophoto circuit between New York and Berne, Switzerland, only neutral country in the heart of Nazi-held Europe, was announced Tuesday by R.C.A. Communications, Inc.

The new 3,900-mile circuit, which RCAC operates in cooperation with Radio Suisse, is licensed by the Federal Communications Commission to carry commercial photographs, drawings, sketches, documents and all types of printed or written material.

The Switzerland circuit is the sixth opened by RCA since the outbreak of the war, the others being to Sweden, Russia, Egypt, Hawaii and Australia.

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#### FCC TO INVESTIGATE RACING CIRCUITS

To conserve critical materials and skilled personnel for war purposes and to improve telegraph service, the Federal Communications Commission has ordered an immediate investigation of telegraph and telephone facilities leased for such "non-essential" uses as the rapid dissemination of race-track information for gambling purposes.

The Commission's inquiry as directed toward the leasing of telegraph circuits with "drops" to bookie establishments and not to the use of wire facilities for the transmission of racing information by press associations, newspapers and radio stations in the regular course of their business of informing the general public.

From testimony presented during the course of public hearings on the merger application of Western Union and Postal Telegraph, Inc., it appeared that Western Union has over 12,000 miles of circuits leased for the dissemination of racing information. It further appeared that critical materials and skilled personnel are required to install, maintain and disconnect these "non-essential" facilities.



9/24/43

BELIEVED FCC APPROVAL OF BLUE NET "IS IN THE BAG".

One of the high officials of the Federal Communications Commission told this writer Thursday that in his opinion, Edward J. Noble had nothing to worry about regarding the approval of the Commission on his purchase of the Blue Network.

"Why then," this writer asked, "is the FCC stalling along and why after all this testimony has been taken when they must know the proposition backwards and forwards are they asking Mr. Noble for a statement of general policy in the handling of the network?"

"They are simply getting a record", was the reply. "The Commission has been criticized for passing on transfers too hastily. Also you want to remember that this is a big thing -- an \$8,000,000 proposition -- and the first time the Commission has had to approve the sale of a network and they want to make sure of their procedure."

"You understand, of course, the Commission doesn't have anything to say about the actual sale. However, it has the authority to pass upon the transfer of the licenses of the three stations, WJZ, New York, KGO, San Francisco, and WENR, Chicago. It could block the sale in that way, but I am certain there is not a possibility of the Commission doing that."

Nevertheless, Mr. Noble was questioned sharply when he appeared before the Commission.

Mr. Noble said that he approved the net's stand in selling time to advertisers and giving time to non-commercial groups to advocate their philosophies.

"Have you ever set standards for selling time to groups?" asked Commissioner T. A. M. Cravan. "We have not," was the answer.

"The Commission is entitled to a formulated policy," said Chairman Fly.

"It would be difficult," replied Noble. "If you begin selling arguments, you lose your audience. Under the present arrangement, both sides get equal treatment. They get time free."

"Suppose you owned a station in the District of Columbia" he asked, "and some citizens organized a campaign against taxation without representation, would you sell them time?" Mr. Noble said he would give time but not sell it. When Mark Woods, President of the Blue, was asked why Blue does not sell to ideological groups, he replied:

"We are afraid that if we sell time for preaching of philosophy or ideas, the best time would gratitate to those with money, and other groups, such as religious groups, would be left out in the cold."



9/24/43

Mr. Woods said that the Blue spent close to \$1,000,000 a year on sustaining programs.

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#### SHARPE NEW WPB RADIO DIVISION ASSISTANT LABOR AIDE

Ray C. Ellis, Director of the Radio and Radar Division of the War Production Board, Thursday announced the appointment of Harold R. Sharpe of Philadelphia as assistant director for labor.

Mr. Ellis has delegated to Mr. Sharpe responsibility within the Radio and Radar Division for handling labor problems, determining manpower needs in critical plants and areas, and securing appropriate interagency action to alleviate plant and community hindrances to the most effective use of available manpower. Mr. Sharpe also will analyze individual plant manpower requirements, upon request, in conjunction with Selective Service National Headquarters, advise regional WPB radio specialists on labor problems and make any necessary recommendations as to re-adjustment of production schedules.

In handling such problems, Mr. Sharpe will be guided by the policies and methods of the WPB Vice Chairman for Labor Production and the WPB Vice Chairman for Manpower Requirements who were consulted, in accordance with WPB directives, before his appointment.

Mr. Sharpe has served as secretary of the labor-management Electronics Manpower Advisory Committee, formed several months ago at the request of WPB and the Army and Navy to assist the rapidly expanding industry in handling manpower problems.

Mr. Sharpe was born in Wilkes Barre, Pa. He is 44 years of age and is married. For the past seven years he has served as Secretary and Business Agent of the United Electrical, Radio and Machine Workers (CIO) local union representing employees of the Philco Corporation in Philadelphia where he had been employed for four years as a radio laboratory inspection control supervisor. From 1929 to 1933 he was proprietor of a radio and refrigeration sales agency and from 1919 to 1929 operated a machine and metal working shop in Philadelphia.

His appointment as an assistant director is the first to be announced by WPB Industry Divisions since the establishment of the two vice chairmen from the ranks of labor and is in accordance with the organization plan outlined when their offices were established. Other labor men, who had previously been appointed, include Matthew Burns of the Pulp and Paper Division, Thomas F. Lynch of the Printing and Publishing Division, and Harold J. Ruttenberg of the Steel Division.

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## CECIL BROWN OUT OF CBS; WHITE AGAIN HITS COMMENTATORS

As a result of not heeding suggestions of the Columbia Broadcasting System to keep personal opinion out of news broadcasts, Cecil Brown, well known CBS commentator was offered and accepted a cancellation of his contract, effective not later than today (September 24).

At the same time Paul W. White, Director of CBS News Broadcasts, addressing the Association of Radio News Analysts in New York again blasted "opinionated" news broadcasts. Likewise tying into this CBS ran full-page advertisements in the New York and Washington newspapers captioned "Why Neither CBS News Broadcasters nor CBS News Sponsors 'Opinionate the news'".

Cecil Brown has been succeeded by Bill Henry, chief correspondent of Columbia's Washington News Bureau. CBS gave out the following statement with regard to the break with Mr. Brown:

"In a broadcast over the Columbia Network on August 25th, Cecil Brown, under the guise of news analysis, expressed personal opinions which Mr. White, Director of News Broadcasts, pointed out to him were not only dangerous to public morale in the war effort, but could not be justified as factual reporting.

"This criticism was contained in a memorandum from Mr. White to Mr. Brown on August 27th. It quotes certain of the passages which were inimical to the public interest and reiterates the CBS news policies which Mr. Brown had in this instance clearly violated. CBS would not ordinarily release an inter-office communication but does so in this instance only because Mr. Brown himself has seen fit to make the incident public.

"The memorandum follows:

"To: Mr. Brown

"From: Paul White

August 27, 1943

"I have looked over your 'analysis' of 11:10 on Wednesday night and have found it to be, in my opinion, nothing but an editorial.

"When you make the statement 'any reasonably accurate observer of the American scene at this moment knows that a good deal of the enthusiasm for this war is evaporating into thin air', in my judgment you are indulging in defeatist talk that would be of immense pleasure to Dr. Goebbels and his boys. That statement is made at a time when all production records are being broken, when the largest sum of money ever to be sought by our government is going to be invested in government bonds by the people themselves, and at a time, according to every single eyewitness account we have had from the battlefronts, when American military morale was never higher.



9/24/43

"The entire 'analysis' was a statement of what Cecil Brown thinks, of what Cecil Brown would have done had he been President Roosevelt, disregarding the very obvious truth that the people did not elect Cecil Brown but did elect President Roosevelt.

"Another statement seriously open to question is 'the need for sacrifice in America is becoming less acceptable to the people.' I submit that despite a very brief trip around the country, it would be impossible for anyone to gather sufficient information about the temper and spirit of the American public to give him sufficient authority to make such a statement. It illustrates to me what I previously suspected, that you undertook the tour of the country with preconceived notions and merely looked for the things which would support your theories.

"At any rate, you are completely familiar with our policies in regard to news analysis. These policies are in no sense capricious. They have been formulated for the protection of the public and to me it is vital that they be enforced if we are to achieve any genuine freedom of the air. I expect you to conform to these policies. If you find that it is impossible for you to do so, then, of course, I will be glad to consider affording you relief from your contract with us.

(Signed) PWW

"On September second, Mr. Brown asked for a release from his contract with CBS, effective not later than September 24th. CBS accepted Mr. Brown's resignation 'with regret'."

Concluding his talk to the Radio News Analysts, Mr. White said:

"The policies which are under discussion are those in which we say in effect: 'You, Mr. News Analyst, have been given a preferred position in a limited medium to aid the listener in understanding the news. You are to bring the news into focus from your own special or common knowledge and from your rich background in the study of current affairs. You will illuminate the news and enrich an understanding of it but you will not be a self-designated Messiah. To give you the opportunity to harangue and persuade in the direction of your own beliefs would be to tilt the scales on every public question in your favor. This would not make for a free radio, but for a one-sided and dangerously autocratic one. You and the small group of other news analysts could, if they "opinionated" their broadcasting, exert a dominating power over public opinion. Such power in the hands of a few would destroy all fairness on the air -- and in a democratic world there is no freedom without fairness'."

Major Fielding Eliot, president of the News Analysts Association, and William L. Shirer, both CBS commentators said they had not encountered any difficulties with Columbia.

However, H. V. Kaltenborn, NBC commentator almost exploded. He said: "There is not a single other network that agrees with Paul White", and argued that CBS "only pretends to do something it really doesn't do."



## DREW PEARSON AND BLUE SUED FOR \$28,000,000.

These days hardly anybody who is sued for libel is sued for less than a million, but a much fancier figure was set by Ira Chase Koehne, Frank Clark and H. Victor Broenstrop, who are endeavoring to nick Drew Pearson, the Blue Network and the Washington Evening Star, owner of WMAL, and Serutan, Mr. Pearson's sponsor, for \$28,000,000.

The plaintiffs claim Mr. Pearson made "public accusation and imputation of infamous crimes" against them. Koehne and Broenstrop are allegedly defense counsel for Wm. Dudley Pelley, the Silvershirter.

"I am complimented at the high figure," Mr. Pearson commented, "I recently sued Time Magazine for \$2.50 for lifting my stuff. I expect to collect more from Time than I think the \$28,000,000 boys will be able to collect from us."

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## WOR SIGNS UP WITH PETRILLO; 6 CONCERNS STILL HOLD OUT

The WOR Recording Studios signed a contract last Wednesday with the American Federation of Musicians, of which James C. Petrillo is president, permitting it to resume the use of music in the recording of commercial electrical transcriptions.

Thomas Kelleher, Manager of the WOR Recording Studios, stated: "Effective today (September 22), the WOR Recording Studios, because of an agreement just signed with the American Federation of Musicians, is prepared to resume immediately the use of music in the production of commercial electrical transcriptions."

The agreement is the same as that which World Broadcasting System, Inc., and Decca Records Inc. are expected to sign very shortly with the American Federation of Musicians insofar as commercial electrical transcriptions are concerned.

At this writing, the other six transcription companies are still holding out. Declaring that the agreement between World Wide and Decca provided for payment to the union instead of the musicians, A. Walter Socolow, counsel for the six transcription companies, described such a principle as "thoroughly abhorrent."

"It's just a 'slush fund' and we won't subscribe to it", Mr. Socolow said.

According to Variety the AFM gained a rather small victory in achieving the basis for a complete settlement.

"Petrillo has frequently quoted figures between \$3,500,000 and \$5,000,000 as the amount he expected to receive from the disc industry to help the AFM's unemployment" says Variety. "The contract with Decca, plus the eventual inclusion

of the remaining majors, Columbia and Victor, and the numerous smaller manufacturers, would make the total cash accumulation to the AFM from all sales approximately \$350,000 to \$400,000 annually, based on current war-restricted sales."

An editorial in the New York Times headed "Why Petrillo Wins" chalks the victory up to the labor policy of the Administration and Congress. The Times editorial reads in part:

"One of the phonograph record companies has succumbed in large part to Mr. Petrillo's demands. It has signed a four-year contract with him agreeing to pay fees on every record it sells, ranging from one-quarter of a cent on records selling for 35 cents to 5 cents on a \$2 disk. According to earlier reports the fees were to be paid to the musicians actually engaged in making the recordings. It was understood that the musicians, in turn, would be taxed by the union to aid its unemployed. Later reports, however, are that the fees will be paid by the record company direct to the union.

"Either of these arrangements would be unsound in principle, the second would be the worse. In either case Mr. Petrillo would be levying a private tax--in one case on employers, in the other on members of his own union.

"It would be lacking in clarity of thought to put the primary blame for the resulting situation either on Mr. Petrillo personally or on any record company that succumbs to his terms. The primary blame must be placed on the Administration and Congress, who, by their official labor policy, have placed in the hands of labor leaders the private irresponsible powers which enable them to drive such anti-social bargains."

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#### TO PRESS PROBE OF FCC ALLEGED REDS; HITS BACK AT FDR

More trouble with Congress was seen for President Roosevelt when it was revealed that his rebuke to that body in connection with Goodwin Watson and William E. Dodd, Jr., FCC officials and Dr. Robert M. Lovett would not be taken "lying down". Chairman Kerr of the House Appropriations Sub-committee investigating the loyalty of these employees characterized the President's rebuke as "nonsense" and "absurd".

Representative Kerr whose committee clashed with Mr. Roosevelt over the dismissal of the three Federal workers said it would meet soon and continue to fight the issue out with the White House.

Mr. Roosevelt recently sent a message to Congress assailing the House action. He described the legislative action as similar to a bill of attainder (sentence without trial).

"That stuff about a bill of attainder is a lot of nonsense," said Mr. Kerr. "We fully heard every one of those men and every one so admitted."