

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

HEINL BROADCASTING COMPANY, INC.
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ATTACKS RENEWED ON COX AS UNFIT TO CONDUCT FCC PROBE

The week-end was marked by a sharp renewal of the demand that Rep. Eugene E. Cox (D) of Georgia be removed as chairman of a special committee investigating the Federal Communications Commission. FCC Commissioner C. J. Durr again asked Speaker Rayburn (D) of Texas to disqualify Mr. Cox.

A public letter was likewise directed to Speaker Rayburn by the Washington Post, demanding the removal of Rep. Cox. Drew Pearson added his protest over the Blue Network Sunday night. Mr. Pearson said that two members of the Cox Committee, Representatives Magnuson (R) of Washington and Hart (R) of New Jersey, would soon submit a minority report stating that they do not approve the tactics used by Mr. Cox in not permitting FCC officials to be heard.

However, there appears to have been a reversal of this procedure in the committee inviting witnesses from the Radio Intelligence and the Foreign Broadcast Intelligence Divisions to testify when the hearings are resumed, probably sometime this week. It is also expected that Commissioner T.A.M. Craven will also be called upon to resume the stand.

In his letter to Speaker Rayburn, Commissioner Durr pointed out he had filed the petition last May 13, but that no action had yet been taken.

Chairman Sumners of the House Judiciary Committee informed Mr. Durr Thursday that the committee had no jurisdiction to consider the plea for Mr. Cox's disqualification. Originally Mr. Durr's petition had been sent to Mr. Rayburn who transmitted it to the Judiciary Committee.

The petition alleges Mr. Cox has a personal interest in the investigation and is prejudiced.

"I am not familiar with the rules of the House, but certainly there must be some method by which my petition can be formally brought to its attention," the Commissioner wrote. "I cannot believe that the House of Representatives, with full knowledge of the facts set forth in my petition, filed over four months ago, would indorse Representative Cox as a suitable person to serve as Chairman or even as a member of the select committee," he added.

Absence of procedure for bringing such a petition before Congress would make the constitutional right of petition meaningless, Mr. Durr declared.

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OFFICIALS PRODDED TO PROSECUTE COX IN BRIBE CHARGE

If a bazooka gun had exploded in the Army Show sponsored by the Washington Post, it would not have attracted any more attention in the Capitol last week, than the front page letter Eugene Meyer, publisher of the Post, addressed to Speaker Sam Rayburn, urging him to take notice of the bribery charges against Representative Cox.

Appearing in the paper that practically every important official sees in the morning, Mr. Meyer's letter read in part:

"The Washington Post is addressing you on a matter which, in its opinion, goes to the very roots of public confidence in the House of Representatives.

"The Department of Justice has for many months been considering submission to a grand jury of the evidence laid before it by the Federal Communications Commission to support a criminal charge against Congressman Eugene E. Cox of Georgia. The charge is that, in flat violation of the Criminal Code, Mr. Cox received pay for legal services rendered to a private client before the Federal Communications Commission. This charge against a Congressman must be one of particular gravity to you, as Speaker of the House. For it implies an offence which undermines a basic principle of good government, namely, that the legislator shall not for private pay place himself in a position of possible conflict with public duty.

"The Attorney General's hesitancy to act in the case of Mr. Cox is, in our view, related only to one thing, and that is to the undeniable fact that the House by its action shows a continuing sense of confidence in Mr. Cox.

"As Speaker of the House, you appointed Mr. Cox last spring a member (he subsequently became chairman) of the Select Committee to Investigate the Federal Communications Commission. Last May, a member of that commission, Mr. Clifford J. Durr, filed with you, as Speaker of the House, a petition requesting that the House disqualify Mr. Cox as a member of the Select Committee 'because of his bias and personal interest.'

"During the entire past summer, while the Durr petition was asleep in the Judiciary Committee, the Cox investigation, if it may be called that, proceeded apace. In the opinion of no qualified and dispassionate observer has this investigation proven anything but a mockery of basic American traditions of fair play. It has been a star chamber; it has been black with bias; it has sought to terrorize those who exposed the chairman's own corrupt practices. Mr. Cox has corrupted the high function of the investigatory power of Congress. If there was ever ground for the House retaining confidence in Mr. Cox, if there was ever ground for believing that it was right for him in particular to head an investigation of the Federal Communications Commission -- what ground is left now?

"The House, which by its past action has created the illusion of confidence in Mr. Cox, must now by present action dispel that illusion. As things stand, there is no ground for confidence in Mr. Cox, and the House must by what it now does either reject Mr. Cox or vindicate him. The Durr petition, which now again lies on your desk, Mr. Speaker, must be taken up. It is for you and the House to determine through what committee in the House it is appropriate to act, but a method must be found. The House, through some appropriate means, must conduct its own investigation of Mr. Cox, and, in the process, not fail to instruct Mr. Cox in the method of investigation that truly conforms to American tradition.

"Mr. Speaker, you are known to us and to the country as a legislator of integrity and good will. The House is in the main composed of such legislators. The Post calls upon you and your colleagues to arouse yourselves and to submerge whatever there may be of personal loyalty to Mr. Cox to the far higher compulsions which derive from your proven loyalty to the integrity of the American legislative process."

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BOTH SIDES APPEAR ON SHAKY GROUND IN FCC EMPLOYEES CASE

With the comeback at President Roosevelt of Chairman Kerr (D) of North Carolina of the House Appropriations Subcommittee investigating the loyalty of Messrs. Watson and Dodd, FCC employees, and Dr. Lovett, another big fight looms between Congress and the President.

Mr. Roosevelt said there were no findings of incompetence against the trio, pointed out that no impeachment proceedings had been instituted, and described the legislative action as similar to a bill of attainder (sentence without trial).

Representative Keefe of Wisconsin, a Republican member of Kerr's committee, said the three men had assured the committee they felt they had received a "good, fair hearing".

"On the question of interference with judicial procedure raised by the President, I would point out that if they have any claims for court action, they can go into the courts," Keefe added. "We are not stopping them. And so far as impeachment against mere employees is concerned, it's an absurdity. These men do not hold Federal posts subject to impeachment."

As yet, Representative Kerr has not set a date for the Committee to renew its deliberations. An editorial in the New York Times expressed the opinion that both sides were on "dubious" grounds. It said:

"Congress' reason for trying to oust these officials was merely vague charges of 'radicalism'. No convincing case was presented to the country to substantiate these charges. So far as the country was concerned, Congress was legislating against these

specified individuals on the mere principle of 'I do not love thee, Dr. Fell; the reason why I cannot tell.'

"By such methods, Congress could effectively prevent the Executive from exercising his executive functions.

"Yet, the President's message goes too far, and would itself establish a dangerous precedent. The President declares that he regards this rider as unconstitutional because it 'inflicts punishment without judicial trial.' But it is certainly stretching our ordinary concepts to assert that it is legal 'punishment' to oust a man from public office or to refuse to confirm him. Congress itself has been able to remove officials obnoxious to it by the simple expedient of abolishing by legislation the office they held, or withholding funds to pay the salary of that office, or by merely hinting that it would not appropriate funds for an agency as long as a certain individual was retained as the head. If Congress had adopted one of these indirect methods for ousting these three persons, then, whether Congress was justified or not in its suspicions or dislike, it is difficult to see what constitutional objection the President could have made.

"The President's message raises a still further issue. He declares that he does not consider himself bound by one of the terms of a bill that he himself has signed, because he was 'forced' to sign it 'to avoid delaying our conduct of the war'. In sum, Congress chose a dangerous method to do a dubious thing, and the President has chosen some dubious grounds for his opposition."

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ACCUSES WEATHER BUREAU OF CAMOUFLAGE BUNGLING

There was a minute of stormy weather in the House last week when Representative Carl Hinshaw (D) of California said:

"The Weather Bureau seems not to be immune from that disease which pervades Government agencies during wartime -- namely Bureaucratic bungling and aggrandizement of power. I am mortified to find that this Bureau, of all bureaus, should be so afflicted.

"On the east coast, weather information is published currently and obtainable by dialing one's telephone. On the west coast it is very hush-hush and nobody must know anything, yet every meteorologist knows that weather moves generally from west to east. West coast weather comes from off the Pacific, and a Jap sub or two a few hundred miles off-shore can know more about tomorrow's weather on shore than we who live there. Nazi subs in the Atlantic need only the currently published east coast United States weather reports to apprise them of the weather to come.

"The Weather Bureau's cunning camouflage is back end to. They cannot be that dumb. What is their peculiar purpose?"

Representative Hinshaw did not mention the fact that while newspapers are allowed to print weather reports, radio stations are not permitted to broadcast them.

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RADIO-TELEPHONE SEEN AS POSTWAR POSSIBILITY

One of the big after the war developments may be the radio-telephone, John Mills, an expert connected with the Bell Laboratories has disclosed.

Even now, in some sections of the United States, telephone conversations are being jumped across gaps where there are no poles and no wires.

"We don't know how far the experiment will be carried," Mr. Mills said. "It's probably economically unsound. Then, again, we may find it commercially practicable . . . We have always used radio telephone when engineering considerations indicated that to be the best method, instead of wire.

"There is more secrecy in wire connections between telephones, because once you place a message on the air it is bound to spread out. And that is why the radio-telephone does not appear at this time to be ready for popular usage."

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OWI TO GIVE PRESS AND RADIO ALL POSSIBLE WAR NEWS

Palmer Hoyt, Director of the Domestic Branch of the Office of War Information, took down his hair addressing the Southern Newspaper Publishers Association at Hot Springs last Monday. Mr. Hoyt summed up the policy of OWI as briefly this: "Give the newspapers the radio and the motion pictures all possible information about the war day by day. That is the way we feel the public can best be kept informed.

"The paramount job is to see that you get the news" the Oregon publisher declared, "all the news all the time - about all phases of the war so that you and the people you serve will understand fully every possible part of America's greatest experience and adventure.

"In this year of 1943 - because of the advance in all types of communication - it is possible for the people of America to sit in ringside seats and see the war firsthand. That is, it is possible because of the wonder of radio transmission, wire-photo and the airplane to bring the war to everyone's home if only the armed services, the OWI, and the press cooperate entirely,

"And all this suggests a question which I wish that every newspaper publisher, every editor, every radio executive, and every motion picture man would ask himself: 'In view of all the marvelous technical facilities at my disposal, am I doing all that I can to bring the full story of the war to the people whose war it is?'"

"Recently, nearly every newspaper in the country carried a remarkable news photo of MacArthur's parachutists descending behind the Jap lines in New Guinea. The event happened on a Sunday. The picture brought in by wire and radio was carried in Monday's papers. This is an illustration of what can be done. It is the sort of thing and the only thing that will make people understand the war and be willing to participate more thoroughly in it.

"This country, above all countries, has the facilities, the equipment and the skill for doing a brilliant job of reporting the war. If we but want to, we can produce a running play-by-play story of the war, with pictures, with radio accounts, with newsreels, that will make each of us an eye witness. It isn't being done. The fact that it isn't being done is a responsibility first of OWI, second of the military services, and third of the newspapers and radio and motion pictures.

"An OWI function which is little understood, is that of clearing general information for all phases of media. This year, for example, we will channel information on advertising campaigns through the War Advertising Council which will result in the use of almost half a billion dollars worth of paid advertising on both radio and the printed page. In this regard the War Advertising Council has served OWI and America well. This organization composed of leading advertising men of the country, headed by Chester J. LaRoche, has done yeoman service for this country in war time."

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PICTURES FROM WAR-FRONT IN 7 MINUTES

Along the line of what Palmer Hoyt of OWI told the Southern newspaper publishers at Hot Springs about the speed pictures being handled by wire and radio, Drew Pearson writes:

"Every day now, pictures are arriving in a little room in Washington which seven minutes before were in Algiers, 3400 miles away. One day, just after the landing in Italy, 41 pictures came through the air and landed safely on top of the Pentagon Building, in a little room marked, "Confidential--Keep Out."

"And ditto for the South Pacific. It is farther away, but the seven minutes requirement still holds. From an unmentionable post in Australia, the dots of light flash into the little room, and you have a picture of General MacArthur flying in a bomber over New Guinea.

"The pictures may have been taken by any one of the four photo syndicates-- Acme, AP, INP, or Life-- or they may have been taken by the Army Signal Service. In any case, they can be telephotoed only by the official airwaves."

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SEES COMPANIES KILLED OFF IF U.S. PREVENTS ADVERTISING

Westbrook Pegler discussing the war advertising situation, says: "Senator Truman has put a finger on an ouch that has been fretting a lot of us in the newspaper business and, I guess, in the magazine and radio trades, too.

He says that some big corporations which have gone over entirely to war industry, abandoning the production of consumer goods, have been spending the people's money on their good will or institutional advertising campaigns. They get their incomes from Government contracts nowadays, and altho they have nothing to sell to the public, they continue to keep their names in the public eye and ear lest they are forgotten. The cost of this advertising is reckoned as a business expense, deductible from income in the computation of their income taxes, and the Senator thinks it shouldn't be deductible but should be paid out of profits, instead.

"The Treasury raised this issue a long time ago when there was no question of war-order revenues and the companies were drawing their money from straight commercial business with the public. Some of the leftward ideologists in the Treasury argued that advertising constituted a needless expense added to the price of merchandise, but that proposition was resisted as an attempt to starve the press of the income which enables it to remain free and objective and thus superior and preferable to the subsidized pressure press.

"The situation is different now because the present advertisements to which Sen. Truman refers are strictly forget-me-nots and many of them, far from exhorting the people to patronize these companies, implore them not to. The railroads, for instance, put it up to you as a patriotic matter to keep off their trains unless your trip is absolutely necessary or your name is Mrs. Eleanor Roosevelt.

"In the original Treasury plan it was contended that the people paid double for this advertisement, first in the loss of taxes on these deductible expenses, and again in a retail mark-up to cover the advertising costs. It all added up to the exact cost of the advertising, not twice the cost, but when our Treasury wants to prove something in its own favor, two and two make one or 10 or whatever its point happens to be.

"Truman doesn't monkey with that, however. He simply claims that the taxpayers pay the advertising costs of companies which have nothing to sell.

"But, if it be granted, as I think he grants, that the good will which these companies have established by advertising and performance over the years is a living thing which must be fed if it is to be kept alive, and a possession of great value, then if you don't let them maintain their publicity for the duration, you are asking them to kill themselves off. Most of them are doing wonderful work in the war and would not have been in existence to do that work on short notice if they had not developed in time of peace.

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"If it would make anyone feel better it might be a nice idea to let them make more profits and pay their advertising costs out of profits but if you don't do that and you do disallow the deduction of this expense you kill off their advertising and that is where the interests of our free press are seriously jeopardized.

"Our free press, the best and the most independent in the world, lives by legitimate advertising revenue and the only alternative is the kept press of this or that group.

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COWLES FOUNDS \$36,000 MIDWEST FARM SCHOLARSHIP

In line with its dedication to the activities of the Midwest Farmer, WNAX has formally announced the foundation of the Gardner Cowles, Jr. scholarships to five farm boys and girls in each of the five states--Iowa, Minnesota, Nebraska, North and South Dakota, plus scholarship to Yankton College, Yankton, home of WNAX studios.

These scholarships are planned to assist Midwest farm boys and girls in a complete agricultural education, and are set up at present over a ten-year period in the amount of \$36,000.

WNAX has also made known a promotion schedule for the coming months. First is a give-away, four-color picture of America's new Tallest Radio Tower, combined with the picture of the "typical Midwest farmer," chosen at the recent dedication ceremonies. The initial showing of WNAX new motion picture, 22-minute features, titled "The Story Behind America's Tallest Radio Tower," technicolor film, depicting all of WNAX activities tied in with the efforts of farmers through the entire area, was made last Saturday in Sioux City at a luncheon of advertisers. This film will be shown in connection with personal appearances of the WNAX promotion staff, at various service clubs throughout the five-state area, plus presentation to all advertising agencies throughout the entire country. WNAX is offering a new 160 page album, covering WNAX personnel, plus outstanding CBS personalities to be sent out to listeners November 1.

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DECLARES FCC INVESTIGATION HAS GONE FAR AFIELD

Representative Magnuson, although a Democrat and a member of the Cox Committee, confirmed rumors that he was pretty warm under the collar about what he charged was the "strong-arm" conduct of the FCC investigation. Mr. Magnuson, who hails from Washington State, said he expected to express his views when the Committee meets today (Tuesday).

"I intend personally to inquire into the pattern of the investigation," said Rep. Magnuson, "and if it is what I believe it to be from reports, I shall vigorously protest against its continuation, or attempt to alter the pattern."

"Mr. Magnuson added that his reports were that the committee and its staff had gone "very far afield from the original authority granted by Congress."

He said he had left Washington last July with the understanding that no committee hearings would be held during the congressional summer recess. Ten days after reaching the West Coast, he said, he was informed the hearings were to continue during the summer.

"By that time, he added, he had already made plans, and he could not return to the East to attend the hearings.

"Magnuson is one of three Democrats on the committee. In practice, Chairman Cox and the two Republican members were understood to have stood on one side on tests of policy, with Magnuson and Rep. Hart (D) of New Jersey in the minority."

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WIRE RECORDS 60 MINUTES OF WAR NEWS CONTINUOUSLY

The magnetic wire recorder, a new device being built by General Electric Company, is now used on the land, air and sea fighting fronts to help cover these news areas quicker. More recorders will be put to work on these fronts as soon as they are produced for the Public Relation Divisions of the Army and Navy. Col. R. Ernest Dupuy, Chief of the News Branch of the Army's Bureau of Public Relations, explained that the Army is constantly trying to "move the news" faster and in conformity with the best interests of the nation. As an example, he pointed to the pioneering work being done by the Army with the new portable magnetic wire recorder being built by General Electric Company.

Col. E. M. Kirby, Chief of the Radio Branch of the Army's Bureau of Public Relations, demonstrated two models of the recorder. One model, a nine-pound recording field unit operated by batteries, is now being used in the African and European theaters of war, he explained. The other model, a combination unit, weighing less than 50 pounds, has built-in recording, play-back, and instantaneous erasure features. This is also used abroad, he said, as a "mother" unit to playback the recordings obtained with the smaller unit.

Capt. Leland P. Lovette, Director of the Office of Public Relations for the Navy, said that the Navy is experimenting with the units in the coverage of sea battles by accredited correspondents with the fleet.

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Sixty-six minutes of continuous speech and sound can be recorded magnetically on 11,500 feet of hair-like steel wire on a spool no larger than the ordinary doughnut in the recorder. When there is no longer any use for the recordings, the sound and speech can be "wiped" off the wire magnetically, and the wire is as good as new for future recordings, according to General Electric engineers. Unlike the wax cylinder which is breakable, there is no apparent wearout to the wire. In fact, 100,000 reproductions have failed to alter its quality in any respect.

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"FREEDOM TO LISTEN" FCC HEAD'S BOSTON TOPIC

James L. Fly is in Boston today (Tuesday) where addressing the Boston Advertising Club he will add to the "Four Freedoms" by discussing still another freedom "Freedom to Listen."

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RADIO AIDS FINE NAVY AVIATION AMBULANCE TEAM WORK

Each ambulance at the Naval Air Station at Pensacola is equipped with two-way radio of the same type as that carried in naval aircraft, so if a crash is spotted in the air the plane can circle over the spot and direct the ambulance to the scene by radio, and at the same time, the base can be continuously informed as to the progress of search, nature of injuries, etc. They even carry it further, with two such radio-equipped ambulances in a team, one a cross-country all-wheel drive vehicle, and one a fast highway type; directed by radio, the first goes across country to the scene, while the second remains at the nearest point on the highway. Meanwhile the hospital and operating room are kept ready and warned in advance what to have standing by, all by radio.

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IF OFFERED CBC JOB JOHNSON LIKELY TO STICK TO OPERA

There seemed to be little likelihood of Edward Johnson, general manager of the Metropolitan Opera House in New York and a Canadian by birth, accepting the position of general manager of the Canadian Broadcasting System. Mr. Johnson seemed to know little about the supposed offer and remarked that if true he was very much complimented but that his contract with the Metropolitan still had until 1945 to run.

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::: TRADE NOTES :::
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The usual Fall meeting of the IRE will be held at Rochester, N. Y. on November 8 and 9. A large attendance of radio engineers and executives is expected and there will be a number of committee meetings of the RMA Engineering Department and an exhibit of Army Signal Corps equipment.

Many technical papers will be delivered by prominent engineers and the annual message of Dr. W. R. G. Baker, Director of the RMA Engineering Department, as well as a report of the RMA Data Bureau, of which L. C. F. Horle is manager, will be submitted November 9. The annual banquet will be held Tuesday evening, November 9, and the toastmaster will be Roger M. Wise, Emporium, Pa.

Sparks - Withington Company -- Year to June 30: Net profit, after \$50,000 provision for post-war reconversion of plants and \$1,408,251 reserve for Federal income and excess profits taxes and Canadian taxes on income, was \$596,216 or 64 cents a common share. This compares with \$679,845 or 73 cents a share for preceding year when \$250,000 was provided for post-war adjustments and \$1,135,458 for taxes.

Canadian selective service officials said in Ottawa this week that a high priority rating has been given technicians, announcers and similar radio station employees under recently announced regulations which freeze about 1,500,000 Canadian male workers in high priority occupations.

Like newspapermen, radio station employees will not be able to change their employment without a permit from local selective service officials.

Answering a complaint issued by the Federal Trade Commission, Charles Shapiro, trading as Modern Home Diathermy, 505 West 8th Street, Los Angeles, denies he has disseminated false advertisements in connection with the sale of a diathermy machine designated "Vitatherm Short Wave Diathermy."

Since May 12, 1943, the answer avers, the respondent has not disseminated advertising of any kind and prior to that date none of his advertisements, including those referred to in the complaint, contained false or misleading representations.

Philco Corporation and Continental Radio & Television Corporation announced the continuation of their current campaigns on the Columbia network.