

# HEINL RADIO BUSINESS LETTER

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No. 1573

October 26, 1943

NETS, SEEING THEMSELVES NEXT, UNITE TO BUCK PETRILLO

Fully believing that they are next on the list of James C. Petrillo, President of the American Federation of Musicians and that a big network music strike may be in the immediate offing, the major networks have united - NBC, CBS, Mutual and Blue - and are digging in for the biggest fight in their history. In this they will be backed to the hilt by the National Association of Broadcasters, whose steering committee in a "prewar" session in New York last week condemned the Musicians' Union's principle of seeking payment for use of recorded music as "being as uneconomically and socially unsound as extortion is immoral and illegal".

This followed the announcement last week that four more record manufacturing companies had signed up with Petrillo - Standard Radio, Lang-Worth, Associated Music Publishers and C. P. MacGregor - leaving RCA-Victor and Columbia Recording Company holding the bag.

The NAB steering committee denounced the special War Labor Board panel, headed by Arthur S. Meyer, for departing from "the task assigned to it" to assume a mediatory role which resulted in the transcription contract incorporating the principle of direct payments.

Describing the present position of the RCA and CBS recording subsidiaries as "unfortunate", the Committee's statement added:

"The merits of the principle which they oppose may now be adjudicated by the very panel which as mediator brought about the making of the contract which embodies the principle the panel is now supposed dispassionately to evaluate."

The NAB Committee asserted that it believed perpetuation of the principle of payments direct to the union, rather than to the union members who actually do the work, would "thwart democracy within the labor movement itself" and would be "equally destructive of the rights of employers and union members".

Officials seemed convinced that Petrillo had the stage all set for a network strike which might be called within the next few weeks.

Commenting upon the music dictator's latest victory, the New York Times said:

"Four more transcription companies have capitulated to Mr. Petrillo, and will doubtless gain a temporary advantage over their more reluctant competitors in doing so. Mr. Petrillo has condescended to sweeten the pill by agreeing that his private unemployment relief scheme, to which he is forcing the companies to contribute,

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shall be kept separate from other union resources and that no part of the fund may be used for payment of salaries of union officials. The contract provides for a closed shop for members of the Petrillo union in making records. At a time of critical labor shortage, it contains various make-work provisions to give needless jobs.

"A panel of the War Labor Board not only approved of the provision obliging the companies to pay a private tax direct to the Petrillo union on every record they make, but by suggesting that 'an advisory committee representing the public' be appointed by the Chairman of WLB in the administration of the fund, the board panel has given the whole arrangement an official sanction. It does not appear, however, that Mr. Petrillo is under any obligation to take the advice of this 'advisory committee'. Nor are there any Federal laws whatever which oblige him to make his accounts public, to submit to an independent audit, or to be, in fact, responsible to anybody for what he actually does with the funds.

"The principle has now been established, in short, that a labor union leader is able to levy a private tax on employers to maintain a private unemployment relief system. The companies involved have finally agreed to this 'voluntarily', of course, but the state of the law and the attitude of the administrators have put Mr. Petrillo in an extremely strong bargaining position and the companies in an extremely weak one. It would not be too much to say that Mr. Petrillo has made this deal thanks to the cooperation of the Federal Government."

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#### DAVEGA DISCLOSED AS LARGE OWNER OF WMCA STOCK

With the filing of papers at Albany, Nathan Straus, recent purchaser of Station WMCA in New York from E. J. Noble, new Blue Net owner, revealed the fact that a new organization, the Cosmopolitan Broadcasting Company, had been set up to take over WMCA for which \$1,255,000 had been paid. Mr. Straus will be the President of the Cosmopolitan Company but a large block of the corporation's \$675,000 authorized capital stock will be held by Davega-City Radio, Inc., the New York chain store organization.

H. M. Stein, President of Davega, will be Treasurer and a member of the Board of the new corporation. Abram Davega, Vice-President of Davega-City Radio, also will be a Board member. Charles Stark, Vice President and General Sales Manager of WMCA, will continue in that capacity while serving as a director.

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## GRACIE FIELDS DENIES SOLDIER CHARGES; GUEST OF WEISS

Gracie Fields was quick to deny the charges that she had let the soldiers of the British 8th Army down in Africa in order to take advantage of lucrative radio contracts in this country. Miss Fields said the whole tour was in the hands of the British service entertainment organization who made up the schedule in accordance with radio commitments made long in advance. Furthermore, Miss Fields, clearing her sponsors, the American Cigarette and Cigar Company, of any of the blame, said they had put off her first appearance a week and paid the participants for loss of time.

"It is my desire to do all in my power to entertain servicemen", Miss Field declared, adding that she would refuse all commercial engagements to be fully prepared to do her bit.

Following the premiere broadcast of her "Victory Show" over the Mutual-Don Lee networks originating at KHJ, Los Angeles, 200 Hollywood stars, representatives from the United Nations and men in uniform welcomed Gracie back at a reception given by Lewis Allen Weiss, Vice-President of Mutual-Don Lee network. Among those present were British Consul General E. A. Clough and his wife; U.S.S.R. Consulate V. Pastoev and his wife; Monte Woolley, who co-starred with Miss Fields in her latest picture, "Holy Matrimony"; Miss Una O'Connor; Dame Mae Whittey; Harry Ravel, composer of many of Miss Fields' songs; Millicent Bartholomew; Bill Tilden, former tennis champion and old time friend of the singer; Monty Banks, the star's husband; and Mrs. Fred Stansfield, her mother.

Miss Fields told how her visit at Catania was accompanied by her first experience with the famous "sirocco", a hot wind that nearly swept her voice and spirit away. However, when she saw the thousands of boys gathered to hear her sing, looking up at her entirely unmindful of the wind, she too forgot it, she said, and as far as she was concerned, from then on the sirocco was only a wind she'd read about.

John K. Hutchens, Radio Editor, of the New York Times, took exception to Gracie's new show, saying:

"It sets what probably will be the season's record for (1) wasting the talent of a fine performer, and (2) creating a new standard of dubious taste for wartime radio. Miss Fields does sing a song or two, and in her hearty, exuberant style. But then it is someone's singular idea to envision on each program the victory parades that will follow the war that is not yet won, the bands playing, the crowds cheering, all presented with great bombast and with no apparent thought of some millions of people whose chief concern at the moment is what will happen between now and then."

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## FLY QUIZZED ABOUT NEWSPAPER STATIONS STUDY AND OTHER THINGS

Questions fired at Chairman Fly of the Federal Communications Commission at his weekly press conference covered a wide range but did not yield a great deal of copy. One of the first was whether the FCC had any intention of completing or resuming its study on the newspaper ownership of stations. Mr. Fly said that no action had been taken on that but did say that a request had been received to clear it up. Also that he believed a complaint had been received recently from the American Federation of Labor about Kaltenborn's broadcasts.

Asked if he saw any prospects of a merger of international carriers, the FCC head replied:

"Yes, I always see prospects of that. I have been seeing them for four years. It is one of my continuing, not merely perennial but really continuing, illusions."

"Do you think this is a step in the right direction?" he was asked.

"Oh, I haven't any doubt of that. It becomes more urgent every day, and the problems internationally, including the problems abroad, are more difficult, more burdensome, all the time. And I do feel that the American system of international communications must get going, or else!"

"Will it get going under its own steam, or the Government's?" was the further query.

"That's a matter for the judgment of Congress. My main point is that we must have a strong and efficient and comprehensive system and that we provide for the economic flow of communications for every point on the face of the globe. As to how that is accomplished I haven't any strong ideas - the ultimate aim is the important thing.

"There must be a monopoly of common carrier companies in the international field and that is utterly essential if American interests are to be preserved and promoted. As to the particular form of it that's less important than the other essential characteristics which I have pointed out."

When someone recalled that years ago the Navy objected to such a merger Mr. Fly said he hoped that the matter could be worked out so that all departments would be in agreement. Asked if he had read Representative Mundt's recent speech, he retorted, "I don't have time to read other people's speeches."

When the matter of preparation of a study on postwar frequency allocations was brought up, the Chairman said that was going on all the time both by the Commission and, he presumed, the industry groups. When told that it would take at least a year,

someone wanted to know if it couldn't be accelerated. "That is accelerated - that's a short time - it's a tremendous study" was Mr. Fly's comeback.

Asked if the Commission had been notified that WPB is attempting to make repair and maintenance equipment more readily available to radio stations, the Chairman said there had been some discussion of that.

Queried as to whether the Commission had taken any interest in the tube situation for home sets, Chairman Fly replied in the affirmative but said that was not a matter for the Communications Commission to decide.

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#### DOESN'T BELIEVE RADIO IS RIGHT ANSWER FOR RETAILERS

Broadcasters will be interested in the "comeback" of Editor & Publisher, trade paper of the newspapers, at the recently launched drive of the National Association of Broadcasters for retail advertising.

"Most certainly, where the possibility of radio competition exists, the rationing of newspaper space to stores must be done with tact and appreciation of the advertiser's problems, and assurance of fair and equal treatment of all competitors", Arthur Robb, Associate Editor, writes. "Frankly, however, we are not greatly disturbed by the prospect that radio can become a major medium for retail advertising. Stations in the big cities now have waiting lists for their choice time periods - waiting lists of national advertisers. The stores will not find it easy to get into that company.

"After watching the 'master showing' of the NAB retail promotion plan last week, we are not at all sure that the radio people have yet found the program combination that will produce sales for a store. The most popular programs with large city stores which have experimented with radio have apparently been news broadcasts - and if the newscast is adequate enough to engage listener-interest, it affords little time for strong selling messages. On minor stations in large cities and on most small city stations, the advertising of retail stores is the most unattractive on the air. It's the kind of stuff that makes people twist the dial or turn the thing off entirely. To date, the experience of most retailers with radio has been unsatisfactory, probably for the reason that the range of goods that can be advertised is limited by time, and also because few have hit upon a selling formula that does not repel the audience.

"For that reason, we should not give prospective radio competition much weight in considering the rationing of retail store space in the present paper emergency. The shortage of paper is real and present, and unless publishers meet it with firmer measures than they have used this year, it is likely to become worse. A cut of

30 per cent from 1941 tonnage for next year is not beyond possibility, and if that goes into effect, publishers will have no alternative to placing stern limits on all advertising.

"If they had imposed moderate restrictions nine months ago, they could probably have gone through this year and next with little trouble. Few did, and the present fix is the result. Resolute action now seems to be the only chance for avoiding a cut in the 1944 supply that will draw blood. The situation will get no better unless it is faced realistically and with the courage to take any steps that are needed."

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#### GERMAN ARMY RADIO REPORTED YEARS BEHIND OURS

"German radio equipment is five years behind our own in design, components, and construction", Captain James P. Lipp, Signal Corps, has reported to the Chief Signal Officer. This seems to be due, the Captain explained, to the fact that the Germans standardized their radio apparatus during 1934-1938 and have failed to attempt further improvements.

Captain Lipp is assigned to the Signal Section of the Allied Force Headquarters in North Africa. He recently returned to this country to submit a report on captured enemy communications equipment to the Chief Signal Officer and will return shortly to North Africa.

"There is no doubt that our radio equipment is superior in electrical design. Examination of the Nazi radio sets captured revealed them to be obsolete as compared to present American standards. The Italian radios were definitely inferior, not only to our equipment, but to their erstwhile allies' too.

"However, Jerry radio sets are mechanically well-built and have a great deal of strength. They are heavier than ours and can withstand a lot of punishment. Those that we have tested were certainly not made for Africa. They lacked waterproofing and were not dustproofed. In many cases stop-gap measures were used. For instance we have noticed that tape and various sealing compounds were used in an attempt to make sets resistant to corrosion and to exclude dust. An obvious fault was the lack of impregnation of coils and transformers to keep out moisture."

"German Signal prisoners of war whom I have had a chance to interview did not seem to be very well trained along technical lines", Captain Lipp said. "They seem to be fairly good operators, but they do not seem very well versed in theory or in maintenance. In many cases we have picked up radio sets that were intentionally sealed to prevent tampering so that German operators could not attempt their own repairs.

"Our own boys, of course, having 'Yankee Ingenuity', think nothing of repairing or improvising their own equipment if they have the tools and parts."

Damaged enemy equipment is cannibalized for coils, condensers, resistors, tubes, batteries, and meters. These are used to make emergency repairs on our own equipment as well as on damaged enemy apparatus to be adapted for Allied use.

Up to the present time, Captain Lipp declared, it has not been necessary to use captured equipment, since our forces have been adequately provided with communications equipment.

Although some of the captured enemy items come back to Allied Force Headquarters through regular channels, Captain Lipp and his men scout close to the front lines for finds. At one stage in the latter phase of the Tunisian campaign, they attached themselves to the British Eighth Army and were proceeding down a valley when they found themselves in the midst of an artillery duel between British and German batteries.

At one time, Captain Lipp began receiving a large amount of oval shaped instruments, tagged "loudspeakers". He soon discovered that they were really German land mines, and these misdirected instruments of destruction were immediately ordered re-routed to the Ordnance base for utilization or disposal.

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IF FCC STRONG-ARMING STATIONS, SAYS PUBLIC SHOULD KNOW IT

The removal of Representative Eugene Cox (D), of Georgia, as Chairman of the Federal Communications Commission Investigating Committee hasn't silenced the charge that the past performance of the FCC will still stand a good looking into. In some quarters an impression seems to prevail that with the ousting of Cox, everything is lily white with the Commission. However, showing that this is not true of the Middle West and that the issue is penetrating through the country, there comes the following sharp reminder from the St. Louis Globe-Democrat:

"Whatever may be the facts of the Cox inquisition - and there is much to support the protest - the retirement of the Georgian should not halt the FCC investigation. A little light on its maneuvering will help.

"When the House Committee opened hearings, its general counsel, Eugene L. Garey of New York, made twenty-four specific charges against the Commission. He said the FCC is in the hands of one man, Chairman James L. Fly. Further: It is motivated by political partiality and favoritism; its powers are unlawfully exercised to further its own political ideologies; it rewards its political friends and punishes its political enemies; it terrorizes the radio

industry; it unlawfully seeks to control the entire communications field, private and governmental, and does so by 'Gestapo' methods. These are a few of the charges.

"If the FCC is strong-arming radio stations, the fact should be established and told the public. If the FCC is a New Deal political weapon which can threaten to deny license renewals to broadcasting stations which will not comply with its formula, free speech is, indeed, the issue. Representative Cox may have been a martinet and he may have gone out of bounds in conducting hearings, but there is still something decidedly smelly in the FCC and the investigation should proceed.

"The House Committee should not be 'gagged'. If its authority to investigate serious charges against a governmental agency is challenged and sustained, then the right of Congress to inquire into any field is jeopardized."

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#### U.S. ATTACHE ABROAD; WIFE HERE, EXCHANGE RADIOPHOTOS

Because they haven't seen each other for a year and a half, and not likely to until the war is over, Mrs. Marie Mayer in New York City has been trying since last Christmas to find a means of sending her photograph to her husband, Gerald Mayer, who is an attache in the United States Legation at Berne.

Last Thursday, Mrs. Mayer stood in the radiophoto room at R.C.A. Communications, Inc., and watched nervously for ten minutes while two small cylinders spun round and round, each being scanned by a tiny spot of light.

In five minutes, she was told, her photograph that was on one of the cylinders would be reproduced for her husband in Berne. She believed it, for she had just seen his picture - transmitted from Berne - materialize as if from nothing.

With a little gasp of delight, Mrs. Mayer looked at her husband's photograph, which had been made only a day or two before. Then she said:

"Oh! It's wonderful! Ummmmm. He's gained weight."

Mrs. Mayer works in the Guest Relations Department of the National Broadcasting Company in Radio City, where, early in 1942, her husband gave up a position in the Press Division to accept his present post of Special Assistant to Leland Harrison, United States Minister to Switzerland.

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## HEARINGS ON WHITE-WHEELER BILL STILL SET FOR NOV. 3

Although as yet the names of no witnesses have been announced, it was said that it was still the intention of beginning hearings on the White-Wheeler Bill in the Senate next Wednesday, November 3rd. The Bill provides for a reorganization of the Federal Communications Commission and would restrict its regulatory functions.

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## ARMY ADOPTS NEW MIDGET MICROPHONE

A midget microphone, worn on the upper lip, which eliminates outside noises and leaves the hands free, has been adopted for use by the Army Ground Forces and is now in production under the supervision of the Signal Corps, Army Service Forces.

Sustained in position by bands around the ears, the "lip mike" fits easily under gas masks and dust respirators and gives clear and intelligible reproduction with little distortion.

The microphone operates on a new noise-canceling principle and intensive tests under the supervision of the Armored Command have demonstrated that the instrument is capable of superior performance in high noise levels.

Designed particularly for use in tanks and under conditions where free use of the hands is advantageous, the "lip mike" is more rugged than similar apparatus commonly found in broadcasting stations or in commercial telephones. It can withstand total immersion for about ten minutes without injury to its mechanism.

To increase clearness in reproduction the microphone is provided with breath shields in front and back, acting as buffers against puffs of air from the mouth which would otherwise cause confused or unintelligible sounds. Outside noises enter at both sides of the microphone's diaphragm in equal volume, and thus cancel themselves, while speech enters the opening nearest the mouth with much greater intensity than on the opposite sides. The frequency response is from 200 to 4000 cycles at normal altitude.

The microphone is supported by metal mounting brackets with two upstanding metal arms attached to loops of cord which fit over the user's ears. Both loops and bracket may be adjusted to bring the instrument directly opposite the lips of the wearer.

A midget combination - the lip microphone and the earphone headset recently adopted by the Signal Corps - now assures American soldiers of maximum protection and dependable performance.

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: : : TRADE NOTES : : :  
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Having proposed to the Maritime Commission that ten Liberty Ships be named after radio and press correspondents who have been killed in the war, and having had the suggestion accepted, the Overseas Press Club of New York will go a step further and send a resolution to Congress and the War Department urging that war correspondents be granted service medals the same as soldiers.

A Hollywood court order ruled that Film Star Robert Cummings must show cause why he should not be barred from appearing on a radio program Monday night. Universal Pictures claims Cummings cannot appear on the program because he is under exclusive contract to the studio. Cummings has filed suit to break his contract.

A sports exhibition will highlight the program when WOR's experimental television series goes on the air from the Dumont station W2XWV tonight (October 26) from 8:30 to 9:30 P.M. The program, one of a series designed to acquaint WOR's staff with the new medium will present a three-round bout between Carmine Fatta and Freddy Addeo

Mrs. Virginia Kent Catherwood, a daughter of A. Atwater Kent, former radio manufacturer, reported the loss of a diamond ring valued at \$31,500 from her apartment in the Hotel Plaza in New York City.

A second star for continued achievement in completing war-time production schedules has been added to the Army-Navy "E" flag previously presented to the Radio Corporation of America's plant at Harrison, N. J. In conferring the award, Robert P. Patterson, Under Secretary of War complimented the RCA for "maintaining the fine record which first brought you distinction".

Broadcast Music, Inc. - Year to July 31: Net profit, \$41,443, contrasted with net loss of \$22,522 year before.

The total number of radio licenses in effect in Sweden at the end of June 1943, was 1,670,188, a foreign trade journal states. This number is equivalent to 259 licenses for each 1,000 inhabitants.

Luigi Antoini, the ILGWU official, is filing a petition for a hearing before the Federal Communications Commission, because so many radio stations are eliminating their all-Italian programs," writes Leonard Lyons, the columnist. "Antonini insists that this practice turns the local Italian listeners to the European shortwave - whose Italian programs are Nazi propaganda."

Edward Weintal, former Chief of the Polish Press Bureau, has resigned his job as Chief of Liaison with foreign correspondents with OWI. Reasons for the resignation were that he could not get along with the present set-up, Mr. Weintal said.

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## G. E. SURVEYS STOCKHOLDERS ON POST-WAR RADIOS

As part of General Electric's post-war planning, an illustrated questionnaire asking the Company's 227,000 stockholders what type of a radio receiver they would like to buy after the war has been mailed with the Company's third quarter dividend check. Thus survey asks what kind of a radio is now owned, if and when they plan to buy a new receiver, the style and type preferred, and whether or not they know about or are interested in FM, frequency modulation.

To make it easy and convenient for stockholders to reply, a postage prepaid postcard accompanies the folder on which the answers may be indicated. Returns will be referred to the Electronics Department's commercial research receiver division for consideration determining the trend of tomorrow's radio in post-war planning.

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## HIGHEST DOMINICAN REPUBLIC CIVILIAN HONOR FOR PALEY

The Order of Cristobal Colon, highest civilian decoration of the Dominican Republic, and one of the oldest and most important of Latin American orders, was conferred October 24th by presidential decree of Generalissimo Rafael L. Trujillo, upon William S. Paley, President of the Columbia Broadcasting System, and Edmund A. Chester, CBS Director of Latin American Relations.

Mr. Paley received the cross of the order with the rank of Commander, and Mr. Chester the rank of Officer.

The awards were made in recognition of their contributions to continental understanding and friendship through the creation of the Network of the Americas. This CBS chain of 97 stations, linking all of the 20 Latin American republics, was formally dedicated on May 19, 1942. Since that time, daily transmissions in Spanish and Portuguese have brought to the vast audiences of Latin America a constant succession of news, music and other entertainment features.

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Gilbert Seldes, Director of Television Programs of the Columbia Broadcasting System, is scheduled to give two talks in Ohio within the next month - in Cleveland, October 28, and Dayton, November 30. The Cleveland address is before the Radio Council of Greater Cleveland on "How to Listen to Radio". He appears before the Kiwanis Club in Dayton, talking on "What the Future Holds for Radio", which will include something about television. Mr. Seldes will answer criticism leveled at radio daytime serials.

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