

HEINL RADIO BUSINESS LETTER

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No. 1581

November 23, 1943.

LEON H. PASTES CONGRESS AT FLY DINNER - FLY AND V-P DUCK

Leon Henderson, former OPA Administrator, being no longer in the Government service and therefore in a position to say what he wanted to, stole the headlines of the testimonial dinner given to James L. Fly by the National Lawyers by taking a large bite out of Congressional investigating committees.

Mr. Fly evidently sensing just such a situation - and having prepared his speech longer in advance than he usually does - very adroitly sidestepped the political situation by discussing international communications.

Also Vice-President Wallace, whose presence was considered a trump card by Mr. Fly's friends, didn't break loose as had been expected but by-passed both Congress and radio by expressing apprehension at the consolidation of newspapers in cities throughout the Nation so that many cities had but one paper throwing power into the hands of a few.

Vice President Wallace said that "considering the extraordinary powers of the newspaper publishers, they have shown much interest in the public welfare and have not committed the abuses that might have occurred."

This left the telling of Congress where to get off - said to be the big idea of the dinner - to Leon Henderson, who bitterly attacked the gentlemen on the Hill. Mr. Henderson particularly singled out the Goodwin Watson-Dodd-Lovett case and the House Committee investigating the FCC, formerly headed by Representative Cox of Georgia, who Fly succeeded in unhorsing and of which Representative Lea of California is now Chairman.

Mr. Henderson said the use of appropriations to control Federal agencies "is being abused".

"The ballot box of next November", he said, "throws a long and menacing shadow."

After attacking Congress for its failure to measure up to an adequate tax program for the war, Henderson criticized groups representing special interests that do not coincide with the general welfare and charged that "Congressman Henry Steagall, of Alabama, Chairman of the House Banking and Currency Committee, gets subsidy protection for peanuts and other products of his constituents and then speaks of subsidies as the handmaiden of Satan and the instrumentality of regimentation."

Guests at the dinner included Senators Capper, Republican, of Kansas and Green, Republican, of Rhode Island; FCC Commissioners Clifford J. Durr, Paul J. Walker, Ray C. Wakefield and T. A. M. Craven; Brig. Gen. Frank E. Stoner of the War Communications Board, which Mr. Fly also heads, and Justices Justin Miller and Henry White Edgerton.

Robert Kenney, Attorney General of California and National President of the Lawyers' Guild, acted as toastmaster. Thomas I. Emerson, Deputy Administrator in charge of OPA enforcement, who is president of the local Guild chapter, presided.

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IMMEDIATE INTERNATIONAL COMMUNICATIONS MERGER URGED

"I cannot over-emphasize that our own house must be put in order before we go to the next peace conference. The very least we should do is to establish a single American international Carrier."

This was one of the conclusions reached by Chairman James L. Fly of the Federal Communications Commission on the matter of international communications, when he addressed the National Lawyers Guild dinner given in his honor.

Mr. Fly advocated a five-point program to insure a "worth-while world communications system":

1. Uniform rates for all messages throughout the world in all directions.
2. Lowest possible rates for such services.
3. Instantaneous radio communications between all important areas of the globe.
4. Establishment of a uniform and low press rate throughout the world to provide for the dissemination of information to all people.
5. Free ingress and egress of information and freedom of all peoples of the world to communicate with each other.

"Let us see what restrictions on the free flow of world communication the system of control has meant", Mr. Fly said. "For example, as early as 1931, RCAC negotiated a contract for a direct radio circuit between the United States and Australia. Despite the fact that the Australian Commonwealth was desirous of having the direct circuit established we were forestalled. This meant that any message from the United States to Australia had to be transmitted first to Montreal or Vancouver and thence to Australia. Similarly, any message which an Australian desired to send to the United States had to go first to Montreal or Vancouver to be retransmitted to the United States.

"After twelve years, a direct circuit was finally authorized between Australia and the United States but this was limited to the duration of the war and as a condition to the authorization it

was required that the same old rate of 58 cents a word be maintained for the direct route while a 30 cents-a-word rate is applied between Australia and Canada. The rate on direct radio circuits from Dakar in West Africa to Montreal is 30 cents, to New York 90 cents per word.

"Another example: Only this week we succeeded in establishing a radio communications circuit to British Guiana, in this hemisphere. Here again the existence of the circuit is limited to the duration of the war, the traffic to be handled is circumscribed and it is insisted that current high rates be continued.

"Moreover, we are still unable to secure authorization for a direct press circuit between Australia and the United States. Take the case of American and Canadian reporters assigned with General MacArthur in Australia. The Canadian correspondent can cable long messages throughout Canada at British Empire press rates of less than two cents a word. An American correspondent must pay 12 to 14½ cents a word.

"To this day we have been unable to secure the establishment of direct communications between this country and Capetown, South Africa, and between this country and India. Messages to Capetown or India must first be funneled through London then later retransmitted halfway around the world to Capetown or to India. The importance of direct communication to these points especially during war time should readily be apparent. * * * *

"The continuing operation of our cables is essential for reasons of capacity and security. But cable operating costs are much higher than radio. If the rates are geared to the low cost radio the cables may go bankrupt. If rates are geared to cable costs the public loses. The need is to combine these two systems so that the public will enjoy the lowest feasible over-all rate.

"The whole history of cable operation has been one of high rates because of high costs. Consider for a moment the government's first cable message. In 1866, when Maximilian set himself up as Emperor of Mexico, President Johnson sent Phil Sheridan with 50,000 troops to the Texas border. It was important to let Europe know immediately that he meant business. He despatched a cable message at a fifty percent government discount, or a net cost of \$23,000. Rates in general had to move downward and as they did history has proved that traffic moved up. But still it is idle to talk about the free flow of information and intelligence at either \$23,000 per message, or at the current rate of 30 cents per word between this country and its neighbors to the South, which is largely geared to cable costs. * * * *

"To resolve the problems and achieve the practical ends we must make sure that the next peace conference concerns itself with the principle of cooperation among nations and the effectuation of democratic principles to guide the practical means of establishing and operating a world communications system.

"I cannot over-stress the importance of removing of Axis controls and influences over communications facilities outside of their own boundaries. The United States should have no less control than any other country over the cables connecting America and the mainland of Europe via the Azores. The South American facilities must be free to carry on communications with the world, and Axis controls and influences must be eliminated. It is essential that control over local properties should be restored to local governments and their own citizens; it hardly behooves the democracies to move in imperialistically where the local governments or interests can do an effective job. Our consistent aim must be the unfettered flow of communications. And we ourselves should own local foreign properties only where and to the extent necessary to accomplish this guiding purpose."

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WLB PETRILLO DECISION MAY "STALL ALONG" INTO NEW YEAR

The opinion was expressed as the War Labor Board hearings in the Petrillo case closed in New York on Monday that at the rate the Board is proceeding in the case - or "stalling along" as one observer put it - its recommendations may not be forthcoming until the New Year. In the meantime the situation so far as those who have not signed Mr. Petrillo's agreement terms will remain pretty much as is excepting, of course, that dickering will be continued by both sides.

If the controversy is not settled by February 1, when the contract between the musicians and the networks expire - and the networks being operated by the same companies as the record manufacturers - Mr. Petrillo may carry out the threat of a network strike. Since William S. Paley, President of the Columbia Broadcasting System, and David Sarnoff, head of the Radio Corporation of America, apparently didn't get anywhere with Petrillo, there are those who believe the labor leader might call a strike "before Christmas" as had been previously intimated.

At the closing session of the WLB Monday, Mr. Petrillo's "honesty of purpose" was challenged by both RCA and CBS. Ralph Colin, CBS attorney, charged that the musicians union sought the money "purely for political purposes" and not to aid unemployed members.

Robert P. Myers, counsel for RCA, declared that adoption of the principle of direct payments would make a Union's leaders "independent of the Government and their own members" and would lead to "union principalities financed by industry and responsible to no one but the inner councils of the union."

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DAIRYMEN CLAIM NBC STRONG--ARMED THEM WITH CIO PROGRAM

An investigation by Congress or the Federal Communications Commission, preferably the former, will be sought by the American Dairy Association for their allegedly being thrown off the air at Chicago last Sunday night to favor the CIO.

Owen M. Richards, Manager of the Association, said the farm program was suddenly cancelled to allow R. J. Thomas, President of the CIO United Automobile Workers, to deliver an address which was not "in keeping with the farmer's viewpoint".

A statement in New York from Frank Muller, Vice-President and General Manager, said that Mr. Thomas made a request Friday for fifteen minutes of broadcast time on Saturday or Sunday.

"Thomas did not ask for any specific period", the statement added. "Thomas had appeared before the Senate Interstate Commerce Committee last week and complained that labor wasn't being heard on the air even though his union has a regularly scheduled broadcast on the same network. He was granted permission for the special broadcast."

Mr. Mullen said the network chose to cancel the commercial broadcast rather than the Chicago Round Table program, a popular sustaining program. He denied that there had been any Government coercion to force the network to give Mr. Thomas the period used.

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SENATORS CONSIDER NEWS LABELLING

Subjects ranging all the way from the propriety of King Carol's broadcast which was to have been broadcast from Mexico tonight (Tuesday) but which was cancelled this (Tuesday) afternoon, to suggestions that news broadcasts be labelled so that listeners could know which was news and which was the opinion of commentators, were presented to the Senate Interstate Commerce Committee which it is expected will soon streamline the present 16-year old radio law.

The kick about King Carol came from Representative Celler, Democrat, of New York, who demanded a Congressional investigation, declaring he was "amazed that the Columbia Broadcasting System is willing to lend its facilities to this enemy alien who was denied admission to the United States."

CBS, however, met this situation by inviting Dr. Louis Bozin, a leader of the anti-Carol sentiment in the United States, to speak on the same program which, of course, is also cancelled. Carol was to have appeared on the "Report to a Nation" but with the rise of controversy over the proposed broadcast, the argument centering around the question of Carol's political views, CBS

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invoked its standing policy of not selling time for the presentation of controversial issues.

"Sufficient time for Carol and his opponent has therefore been 'recaptured' from 'Report to the Nation'", Columbia said in explaining the situation yesterday, "and they will be presented by CBS which gives time at its own expense for the discussion of important public issues, with equal or equivalent facilities for both sides."

When the question of differentiating between factual news and interpretation of news by commentators was brought up in the Senate Committee, Senator Wheeler (D), of Montana, Chairman, said he thought this was a good idea. Neville Miller, President of the National Association of Broadcasters, agreed that there should be a clearer division between news and opinion.

"Commentators hold their freedom of speech has been abridged by the Columbia Broadcasting System's ruling, limiting them to straight news reports", Mr. Miller told the Committee.

Senator Wheeler said that "no one wants to abridge their freedom of speech", expressed the opinion the CBS ruling while not the whole answer to the problem, still was a "step in the right direction".

He insisted that opinion should be "labeled" beyond all possibility of confusion with "fact", and that anyone "attacked" by a commentator, as well as advocates on both sides of controversial issues and candidates of opposing political parties, should have time and opportunity to be heard.

Senator Wheeler also favored "equal facilities for an accredited representative of the opposition to reply to any political or campaign speech by the President of the United States as well as other public officers."

The bill, as written, makes an exception of the President, but Senator Wheeler contended that "if the President makes use of a broadcast for this purpose he should pay for it and the opposition should be afforded the same facilities to reply."

"Otherwise a President could abuse the privilege", he added.

It was also urged that the Federal Communications Commission be prevented in the future from exercising censorship or control over radio programs or from ruling that newspapers be excluded from ownership of radio stations.

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FLY DINNER ATTACKED IN CONGRESS; CALLED COMMUNISTIC

The testimonial dinner given to James L. Fly by the National Lawyers Guild last Friday, caused an outburst from Representative Frank B. Keefe (R), of Wisconsin, who charged that "it was obvious that this feast of honor was being tendered the Chairman of the Federal Communications Commission for the contempt he has shown Congress, Congressional Committees and individual members." Furthermore, Representative Keefe characterized the National Lawyers Guild as being "one of the most outspoken and rankest of Communistic front organizations of this or any other day." More denunciations of the dinner are expected to be made on the Hill.

The attack of Representative Keefe was made on the floor of the House just a few hours before the guests assembled at the Mayflower:

"The announcement (of the dinner) describes Mr. Fly as having been 'an ardent champion of the greatest freedom of all groups to secure time on the air and of the widest possible extension of radio service to all listeners'," Representative Keefe declared. "The notice of this jamboree is signed 'District of Columbia Chapter, National Lawyers' Guild', and it recites that Mr. Fly 'has done an outstanding job of preserving the integrity of the administrative process' - and I emphasize the phrase 'administrative process' - 'by his courageous stand against the Dies and Kerr Committees and by his steadfast opposition to the Cox Committee; and he has been a tireless worker in attempting to gear the all-important communications industry to the war effort.'

"With those reasons for rejoicing and for praising Mr. Fly as Chairman of the Communications Commission and as Chairman of the Board of War Communications, a good time should be had by all. But there are still other hopes held out for a joyous occasion. 'A distinguished group of Government officials and members of the bar are joining in the tribute to Chairman Fly.' The Federal Government is to be represented on that festive occasion by none other than Vice-President Wallace, Leon Henderson, erstwhile but hapless head of the O.P.A., and Elmer Davis, Director of the Office of War Information, who 'have kindly consented to address the gathering.' All members of the bar and Mr. Fly's friends 'are cordially invited to attend this dinner' at a cost of only \$4.50 per plate.

"We readily recall another occasion when an assembled multitude was reminded that it had foregathered for a purpose other than to praise a noted character of history; but times, circumstances, organizations, and 'isms' have undergone many changes. It now seems to be the style to combine praise of the living with propaganda, for a continuance, even a redoubling, of their accomplishments along the lines advocated by the intelligentsia. The coming praise of Mr. Fly seems remote from a praise limited merely to past accomplishments - it portends other things that doubtless will be expected of him; and the testimonial dinner is probably meant as a spur to greater accomplishments along the lines of things sponsored and advocated by the Guild.

"It is unique in the history of America for a so-called organization of lawyers to thus honor one so contemptuous of the Nation's law-making body, but it is thoroughly in keeping with the communistic performances of the National Lawyers' Guild.

"Its tenets, objects, and aims have been and are such that Mr. Justice Robert H. Jackson, former Attorney General; Mr. A. A. Berle, Assistant Secretary of State; New York Supreme Court Justice Ferdinand Pecora; Judge Nathan Margold, of our District of Columbia Municipal Court, and formerly Solicitor for the Department of the Interior; New York City Comptroller, Joseph D. McGoldrick; and others resigned, with reasons therefor which may be stated, as they were by Mr. Merle, as follows:

"It is obvious that the present management of the Guild is not prepared to take any stand which conflicts with the Communist Party line. Under these circumstances, and in company with most progressive lawyers, I have no further interest in it."

"Come what may, Mr. Fly still thinks so well of the Guild that he is willing to break bread with its members and at a dinner given under its auspices, and that at a time when our people are tightening their belts, foregoing as the President has strongly intimated, adequate diets as a safeguard against greater shortages of good food, and to the end that we may do more than a man's part in feeding, financing, and policing the world as a part of the new world order which is just now taking shape and emerging from the dream state.* * *

"I cannot refrain from observing that it seems strange that the expensive dinner to honor Mr. Fly should be held in these days of strenuous rationing, and when many organizations and associations are, at the behest of the Government itself, canceling their meetings, conventions, and banquets in the interest of the war effort.

"Whatever the true object of the impending testimonial, and whatever the subjects that will be discussed, let us hope that Mr. Fly will enunciate a fixed and determined plan to safeguard the freedom of the radio; and that any and all other proposals will be left to the countries which have dictators and admit the fact. If Mr. Fly does this, however, he will have to forsake a principle which he has helped to establish, namely, that radio stations may properly be required to sign and file stipulations with the Commission indicative of program content, as conditions precedent to favorable action by the Commission on matters before it.

"A document accompanying the announcement of the Fly testimonial dinner bears the notation 'Standard Form No. 64, office memorandum, United States Government' and is signed Harry M. Plotkin. That paper indicates that officials and employees of the Federal Communications Commission are probably being solicited to purchase dinner tickets at \$4.50 a throw, since Mr. Plotkin happens to be a member of the Commission's legal staff.

"In these days of heavy demands upon Government employees for taxes, the purchase of War bonds, subscriptions to the Red Cross - so that persons of high estate may perform world travel - and subscriptions to the Community War Fund, which is an enlargement of the old Community Chest, and which spends its money, in part, through an ideological organization which busies itself with the rescue and bringing of alien refugees to this country, it seems our Government workers have enough legitimate uses for their surplus change, without being asked to buy dinner tickets at \$4.50 each for the purpose of honoring any Government official."

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STANDARDS BUREAU FREQUENCY BROADCASTS STREAMLINED

The broadcast service of the National Bureau of Standards new station WWV at Baltsville, Md., has been improved and extended so that it now includes: (1) standard radio frequencies, (2) standard time intervals accurately synchronized with basic time signals, (3) standard audio frequencies, (4) standard musical pitch, 440 cycles per second, corresponding to A above middle C.

This service makes widely available the national standard of frequency, which is of value in scientific and other measurements. Any desired frequency may be measured in terms of any one of the standard frequencies, either audio or radio. This may be done by the aid of harmonics and beats, with one or more auxiliary oscillators.

The service is continuous at all times day and night. The standard radio frequencies are 5 megacycles per second, broadcast continuously; 10 megacycles per second, broadcast continuously; and 15 megacycles per second, broadcast continuously in the daytime only, (i.e. day at Washington, D. C.).

All the radio frequencies carry two audio frequencies at the same time, 440 cycles per second and 4,000 cycles per second; the former is the standard musical pitch and the latter is a useful standard audio frequency. In addition, there is a pulse every second, heard as a faint tick each second when listening to the broadcast.

The audio frequencies are interrupted precisely on the hour and each 5 minutes thereafter; after an interval of precisely 1 minute they are resumed. This 1-minute interval is provided in order to give the station announcement and to afford an interval for the checking of radio-frequency measurements free from the presence of the audio frequencies. The announcement is the station call letters (WWV) in telegraphic code (dots and dashes) except at the hour and half hour when the announcement is given by voice.

"The accuracy of all the frequencies, radio and audio, as transmitted, is better than 1 part in 10,000,000. The time interval

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marked by the pulse every second is accurate to 0.000,01 second. The 1-minute, 4-minute, and 5-minute intervals, synchronized with the seconds, pulses and marked by the beginning and ending of the periods when the audio frequencies are off, are accurate to 1 part in 10,000,000.

Of the radio frequencies on the air at a given time, the lowest provides service to short distances, and the highest to great distances. For example, during a Winter day, good service is given on 5 megacycles at distances from 0 to 1,000 miles, 10 megacycles from about 600 to 3,000 miles, and 15 megacycles from about 1,000 to 6,000 miles. Except for a certain period at night, within a few hundred miles of the station, reliable reception is in general possible at all times throughout the United States and the North Atlantic Ocean, and fair reception over most of the world.

Information on how to receive and utilize the service is given in the Bureau's Letter Circular LC-645, Methods of Using Standard Frequencies Broadcast By Radio, obtainable on request. The Standards Bureau welcomes reports of difficulties, methods of use, or special applications of the service.

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RADIO PROGRAM NEWSPAPER ADS UP 442,597 LINES

While radio news space in the country's newspapers is being steadily curtailed, according to a survey of Media Record figures of 12 cities for the first six months of this year made by the Billboard, radio program ads increased 442,597 lines over the same period last year.

The trend, the article points out, is a repetition of what happened in both the railroad and the movie industries as they grew, and can possibly be accounted for in this case by the facts that more commercial programs are on the air today and competition between them is greater, resulting in heavy space buying. Also, Billboard suggests, films are making more use of radio and in many cases getting free time and talent in return for buying display ad space on radio pages, which also increases competition.

The article concludes with the prophecy of an even larger increase by ~~1944~~ 1944.

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Because of the increase in programs requiring a studio audience, and the resulting need for additional studio space, the Blue Network has leased for one year the Ritz Theatre at 219 W. 48th Street, New York. The Ritz has a seating capacity of 900.

First program to originate from the Ritz, now being re-decorated, will be the Philco Corporation's "Radio Hall of Fame", which goes on the air December 5th.

The British Broadcasting Corporation is reported to be trying to arrange a New Year's broadcast participated in by Churchill, Stalin, Chiang Kai Shek and Roosevelt.

Richard C. Fernald has joined CBS Press Information, replacing Carleton Pearl, who left to enter the Army.

Most recently Mr. Fernald has been a member of the Public Relations staff of Bell Aircraft Corporation. Previously, for four years, he had been associated with the Republican Publishing Company, of Springfield, Mass., and worked as a reporter for two of its papers - the Springfield Republican, and the Springfield Sunday Union and Republican.

Winterine Manufacturing Co., 105 Wazee Market, Denver, Colo., has been ordered by the Federal Trade Commission to cease and desist from misrepresentation in connection with the sale of "Antarctic", a so-called antifreeze solution advertised for use in the cooling systems of automobiles and other combustion type engines.

In advertisements in newspapers and by radio continuities and other media the respondent had made false and misleading claims.

The speech of James L. Fly, Chairman of the Federal Communications Commission at the National Lawyers' Guild last Friday, was reprinted in the Congressional Record of November 22nd, at the request of Senator Theodore F. Green, of Rhode Island.

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