

HEINL RADIO BUSINESS LETTER

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No. 1585

NILES TRAMMELL TELLS FCC TO "LAY THAT PISTOL DOWN"

Niles Trammell, President of the National Broadcasting Company, just back from the war zone, proved to be the life of the party for two days at the Senate hearings on the Wheeler-White Radio Bill. Mr. Trammell's target was the Federal Communications Commission and, taking the language of a popular refrain, he urged that the Government "Lay that Pistol Down, Babe!" Saying that the Government derived such power by a gun aimed at the heart of the industry's democratic freedom, Mr. Trammell, attacking growing bureaucratic control, declared that broadcasting in the United States can become a monopoly of the Government without the Government having any investment in the industry or having any share of its management.

"The infiltration of Government control in broadcasting has been devious and gradual", the witness told the Senators. "Every pretext and excuse for extending these controls has been utilized."

He declared before the Committee that the nation cannot have a Government controlled radio and maintain either free speech or free press. "We have too many examples of what has happened in other lands", he testified. "I call your attention to the fact that in every land where democracy is dead, there is Government control of radio, the press and the church."

Mr. Trammell said he realized that because of war stress it may be difficult at this time to undertake a complete revision of the Communications Act. But, at least, a temporary legislative step should be taken now, such as a simple amendment to the Communications Act, halting further Government encroachment on the rights of the broadcaster and the listener, and perhaps leaving for further deliberation the comprehensive revision of the entire Act.

Endorsing the White-Wheeler Bill, the head of the NBC made the following recommendations for radio legislation:

1. Guarantee, by definite declaration, that radio broadcasting has full rights under the 1st Amendment to the Constitution.
2. Prohibit the licensing authority from exercising any business or program control of broadcast station operation.
3. Provide for long term or permanent licenses, subject only to revocation for specified causes.
4. Provide that the license for a broadcasting station may be revoked only by Government suit in the Federal Court where the station is located, with trial of the facts by jury;

4. (Cont'd) with the government authorized to prosecute such complaints only for specified causes such as those now provided in the Communications Act.
5. Eliminate any right of the Commission to administer the Anti-Trust laws and eliminate the "death penalty" for a violation of those laws, so that licensees will be subject to the same penalties as any one else for violation of the Anti-Trust Laws.
6. Separate the regulation of radio in the common carrier field from the regulation of broadcasting.
7. Provide that it be mandatory on the Government to issue experimental licenses and to encourage the development of new radio services.
8. Prohibit discrimination on the basis of occupation or business in the grant of licenses for broadcasting stations.
9. Adopt the recommendation of the Federal Communications Bar Association and the National Association of Broadcasters for revision of the procedural sections of the law.

Mr. Trammell denied the charges that Wall Street dominates the broadcasting industry. The NBC had said Chairman Fly "persists in dragging up this red herring whenever the Commission gets under fire." Also, he expressed indignation that the National Association of Broadcasters had been called a "stooge" for NBC.

"I regard that allegation as an insult to the entire broadcasting industry", he said. "We do not exercise control of the NAB and we will furnish figures of our financial contributions to it so that the Committee may see whether or not we wield undue influence."

He added that he was completely opposed to giving "death sentence" powers to "any Government bureau whose personnel is changing day by day, and where someone revokes a license because he doesn't like the color of a man's hair or his eyes or his tie."

"I believe the death sentence power now exercised by the FCC should be removed", he added.

He charged that Government control of radio is desired by "bureaucrats" filled with excessive zeal to apply new social concepts to American industry.

He said a recent Supreme Court decision has put the FCC in virtual control of radio programs. Present regulations, he warned, already have imposed a "strait-jacket on the creation to television networks by prohibiting ownership of more than three television stations by any one company."

The regulation, he said, would mean to the NBC the loss of three of its six stations "when we go over to sight and sound".

"The broadcast station or network which is not permitted to transform itself into a sight and sound service will go the way of the silent film, or the horse and buggy", he said.

"Those who have developed broadcasting, who have established transmitters, studios and services, should be given an opportunity to modernize their facilities to keep pace with scientific and technical progress.

"No limitation should be placed in law on the number of stations a company can own. That is a matter that will take care of itself. The Government should encourage, not limit, the opening of stations, for the creation and dissemination regionally of program services."

Senator Burton K. Wheeler of Montana, the Chairman, inquired if it would be well to fix a limit of six or seven in the law, but Mr. Trammell said that would not be fair to the Columbia Broadcasting System, which owns eight, nor would it be wise, with television still in its infancy, to fix any limit.

"The industry was built up without limitations. Why not let it go on that way?" he said.

Mr. Trammell concluded that restrictions which would "goose-step" the broadcasting industry could not be imposed and at the same time preserve the American doctrine of free speech and press.

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WARNS REALLY PRESIDENT FIGHTING CONGRESS IN FCC CASE

It is not Dr. Watson and Mr. Dodd of the Federal Communications Commission, and Dr. Lovett of the Virgin Islands, who are fighting Congress but the Chief Executive acting in their names, Representative Ralph E. Church (R), of Illinois, maintained in urging Congress to retain special counsel to defend in the Courts its order that the three Federal employees charged with subversive views be stricken from the payroll.

"The amount of money involved in the three suits is of little or no consequence", Representative Church told the House. "The cost of the suits to the individuals will be greater than the amounts they could recover. Even assuming they are successful, the most they can secure from the court is a judgment which can be paid only by an appropriation by Congress for the purpose.

"While the suits are brought by three individuals, it is surely recognized that in reality it is the executive branch of the

Government which is here challenging a basic right and power of Congress.

"If not in name, certainly in fact, the Executive is seeking through these suits to limit the constitutional power of Congress by judicial decree. And, ironically, unless we take some special action, we will be represented in the court by the Attorney General or by the very branch of the Government which is challenging the power of Congress * * *

"It is my contention, Mr. Speaker, that in these particular cases, representing a constitutional contest between the Executive and the Congress, in which the individuals and the money involved are merely incidental, the Attorney General is not the proper person to represent the defense. I consider the circumstances in these suits to be such that the Congress should by resolution name the counsel who will prepare and argue the defense.

"In brief, the executive branch of the Government has deliberately planned these three suits in the Court of Claims in an effort to limit the power of Congress over the expenditure of public money. I repeat that in this challenge to Congress the Attorney General, who is the personal representative of the President, is not the proper person to prepare and argue the case in court. It behooves us to select a special counsel so that we may be certain that the rights and powers of Congress are properly advanced in the court.

"As I indicated at the outset, I am not concerned about the money involved in the suits. It is of no consequence. Nor am I concerned about the individuals. They were given a hearing by us, and the President could have appointed them subsequent to the enactment of the prohibition in question. But I am deeply concerned about the fundamental principle of constitutional government that is brought in issue."

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CONGRESS AIRS FULTON LEWIS, JR. ARMY SCANDAL CHARGES

It is doubtful if any commentator or newspaper correspondent ever broke into the Congressional Record at such length as did Fulton Lewis, Jr., Mutual-Don Lee broadcaster, as a result of the sensational charges he made revealing alleged deals between an Army officer, Col. Theo. Wyman, Jr., and Hans Wilhelm Rohl, who, although a German alien, handled vast secret war contracts on the Hawaiian Islands both before and after Pearl Harbor.

Fulton Lewis dug up the story in Los Angeles and his broadcasts created such a sensation that Senator Gerald P. Nye (R), of North Dakota, had four of them printed in the Congressional Record of December 7th. Set in agate type they covered almost five pages.

As a result of this publicity and the interest of so aggressive a Senator as Mr. Nye, it is believed this is the forerunner of another gigantic war scandal and if so full credit goes to Mr. Lewis. Secretary of War Stimson is bestirring himself in the matter. Furthermore the House Military Affairs Committee announced officially that it has assigned special investigators to go deeply and thoroughly into the case and have requested that the War Department furnish Colonel Wyman in person to the Committee for questioning and investigation.

The principal charges made by Mr. Lewis against Rohl were that he worked on secret installations at Pearl Harbor and that the day after the attack all Army contracts with everybody else in the Hawaiian Islands were cancelled and that Rohl "was given all Army construction work in the entire Pacific Ocean through the Hawaiian Constructors, which was Rohl's construction company, and the W. E. Callahan Co., also large operators in California headed by one Paul Grafe, in a joint enterprise; that the total of these contractors is unofficially estimated at considerably more than \$100,000,000; that when the Alcan Highway and the Canadian oil project were getting started in early 1942 Colonel Wyman was shifted from the Hawaiian Islands to Edmonton, Canada, where he was put in command of the Army engineers there and given authority over all the work of the Army on those projects, and that under Colonel Wyman's command in Canada two of the contracts that were let were as follows:

"One was for the construction of a spur road of about 140 miles connecting the Alcan Highway with a seaport town in Alaska, let to the Foley Construction Co., about \$10,000,000 - let to the Foley Construction Co. and Rohl's construction company as a joint venture of the two. The second was the contract for 500 miles of pipe line and the one that involved the construction of the \$259,000 office building at Edmonton, Canada, which reverts to the city of Edmonton about January 1."

The broadcasts of Mr. Lewis revealed that the mysterious fire in his hotel in Los Angeles at the time of the sensational broadcasts was much more serious than press dispatches to the East seemed to indicate.

"At 8:30 this morning, the room in my suite at the hotel here - the room in which I ordinarily would be sleeping - suddenly became a blazing inferno", Mr. Lewis said describing the incident. "It was completely gutted by fire, and Mr. Fred Morrison, my assistant, who happened to be sleeping there in my place, escaped being burned to death by a matter of only a very few seconds. The bed in which he was sleeping was completely destroyed; when he woke up, it and the entire room were completely ablaze and his pajamas were completely burned off him.

"Investigation showed that there were no electric wires that could have produced a short circuit; it could not have been caused by a cigarette, because Mr. Morrison had been asleep for about 6 hours when the fire took place and even before he went to bed he did not smoke a cigarette. No one was in the room in the

meantime. If there had been a cigarette dropped by him before he went to sleep the fire would have developed unquestionably in a lot less than 6 hours. Furthermore, a hotel attendant who opened the door early in the morning to deliver a newspaper at about 6:30 said that at that time there was no trace of smoke at all.

"I will say this much: That if anyone ever came closer to death than Fred Morrison did yesterday morning, I don't know how it could have happened."

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OBJECTS TO SENDING U. S. RADIOS TO ENGLAND

The Washington, (D. C.) Star reprints the following editorial from the Ottawa (Kansas) Herald:

"Eight thousand American radio sets have arrived in England to help relieve a shortage. This news will bring loud acclaim in England, and be hailed as a big boost to British morale. It will be greeted by groans in the United States.

"Thousands of Americans who have been obliged to do without radio reception weeks at a time because they can't get tubes and other repairs, and thousands of others who have no radios at all, are likely to feel that sending 8,000 to England is overdoing lease-lend a bit. The British undoubtedly feel their loss of radio entertainment quite as much as Americans, but that doesn't serve to soothe the ruffled feelings of many Americans. Americans are willing to skimp on necessities, such as food, to supply our British allies, but they will wonder whether it is necessary to send radios overseas."

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SAYS BUTCHER IS NOT NAB PRESIDENTIAL CANDIDATE

The proposal to recruit Commander Harry C. Butcher, Naval Aide to Gen. Dwight Eisenhower and former CBS v.p. in charge of the network's Washington office, as a possible successor to Neville Miller to head the National Association of Broadcasters, according to Variety, brought forth a V-mail retort last week from Butcher that "as far as I'm concerned one war's enough."

"Thus Butcher automatically cancelled himself out of the picture as a possible candidate for the NAB job", the magazine continues. "A large segment within NAB's membership had sought to draft him on the basis that the broadcasters need a man with practical industry experience at the helm to prevent the Association from 'developing into nothing more than service club.'"

Butcher left the CBS post to accept a lieutenant-commandership in the Navy in June, 1942, and was advanced to full commander in May of this year.

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CHARLES B. BROWN NEW RCA VICTOR ADVERTISING DIRECTOR

Charles B. Brown has been appointed Advertising Director of the RCA Victor Division of the Radio Corporation of America.

Mr. Brown, who has relinquished his position as Director of Advertising, Promotion and Research of the National Broadcasting Company, will have responsibilities as co-ordinator of advertising for the various RCA Victor products and of the three advertising agencies which serve RCA Victor. These agencies are the J. Walter Thompson Company which handles RCA's "What's New?" radio program, as well as the advertising for Victor and Bluebird records, and for the International Division; Ruthrauff & Ryan, Inc., for radio, phonograph and television instruments; and Kenyon & Eckhardt, Inc. for RCA tubes, special radio apparatus and industrial electronic and radio apparatus.

Mr. Brown will direct those activities which serve all RCA Victor Divisions, such as production, art, general publicity, institutional advertising, and some phases of cooperative advertising. He brings to his new position a wide range of selling and advertising experience with such organizations as the Bordon Sales Company, the Chevrolet Motor Company, and the International Magazine Company.

Entering radio on a full time basis in 1938, Mr. Brown joined the National Broadcasting Company at that time as Sales Promotion Manager for KPO-KGO, San Francisco. In 1939 he moved to Hollywood to assume a similar post with NBC's Western Division. Advancement followed to the post of Sales Promotion Manager of NBC's owned and operated stations, and then later of the whole network. In 1942, Mr. Brown was appointed Director of Advertising, Promotion and Research of NBC.

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HOUSE COMMITTEE KILLS U.S. NEWSPAPER ADVERTISING

Proposals for subsidized war bond advertising, which apparently was about as big a pain in the neck for many broadcasters who finally might have been included, were killed by the House Ways and Means Committee by a squeeze vote of 11 to 10.

One proposal already had been passed by the Senate. It calls for equitable distribution of between \$12,500,000 and \$15,000,000 in advertising among all newspapers in cities of 10,000 population or less, and among weeklies, semi-weeklies, and similar publications in larger cities. An amendment to include smaller radio stations was beaten.

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BROADCAST THE NEWS; DISREGARD BUSYBODIES, SAYS CENSOR

As if it were the answer to the prayer of the broadcasters and editors, Byron Price, Director of Censorship, and his right hand associate, J. Harold Ryan in charge of radio, told the radio and newspaper people to ignore self-appointed censors throughout the country, give the people the news and, if in doubt, get into touch with headquarters in Washington for official authorization.

At the same time, new editions of the present press and broadcasters codes of voluntary censorship were issued.

The following statement, in part, was issued today by the Office of Censorship:

"By amendment of a basic clause of the Codes, the Office of Censorship announces its intention to assume wider responsibility in clearing material of all classes for publication and broadcast, whether or not such material has been announced officially by other agencies of the Government."

Director of Censorship Byron Price said:

"These revisions are the result of discussions which have been in progress for several weeks * * * The revisions reflect the studied opinion of the Government that more information can now be published and broadcast without danger to national security. * * *"

The present edition is based, like all of its predecessors, on a single consideration, - the withholding of information having to do with national security. That one purpose alone is the basis of every remaining request. The Codes make no incursions into the fields of editorial opinion, criticism of the Government, or newspaper or broadcasting ethics.

The principal changes in the Codes, in order, are:

1. Heretofore the preamble has asked that certain information, listed in detail, be withheld unless made available officially "by appropriate authority". The revised clause has the effect of making the Office of Censorship itself an appropriate authority. It asks that the specified information be withheld unless it is made available by appropriate authority "or specifically cleared by the Office of Censorship". Thus the standing invitation to appeal doubtful cases to this Office is given added emphasis.

2. The suggestion that APO or FPO addresses be used for servicemen at sea or overseas is eliminated. The Army mail system is undergoing changes, so that APO and FPO addresses, without unit identifications, are no longer effective for the delivery of mail. The Codes continue to ask that unit identifications and ship names not be published for servicemen at sea or overseas.

3. The request to withhold unit identifications for servicemen on duty on anti-aircraft, coastal, or invasion defense within the United States is eliminated as no longer necessary.

4. The language making the Navy the only appropriate authority for information concerning the sinking or damaging from war causes of merchant vessels is eliminated. Both the Navy and the War Shipping Administration will be recognized hereafter by the Office of Censorship as appropriate authority for information concerning the movements, sinking or damaging of merchant vessels in any waters. This will allow the story of the vital and heroic part of the Merchant Marine in winning the war to be told more fully by the War Shipping Administration.

5. The restriction on information concerning civilian defense communication control centers is eliminated as no longer necessary.

6. The clause concerning military installations outside the United States is clarified.

7. Restrictions against Nation-wide summaries of war production, progress of production, plant details and capacity, and movements of Lend-Lease material are eliminated. An entirely new production clause restricts only secret weapons and detailed breakdowns for specific types, such as 155 m.m. guns, etc. The restricted list of critical materials is reduced by almost one-half, the following being eliminated: aluminum, artificial rubber, zinc, magnesium, silk, cork, copper, optical glass, and mercury. Restrictions are retained with respect to tin, natural rubber, uranium, chromium, tantalum, manganese, quinine, tungsten, platinum and high octane gasoline. War production in general has now reached so great a volume that there is no need to hide it under a bushel.

8. The sabotage clause is shortened.

9. Relaxations in the weather provisions of the Codes, announced some weeks ago, are incorporated in the revised editions. The Broadcasters Code revision contains a special note concerning handling of outdoors events under the new weather provisions.

10. The Notes on Rumors clause is eliminated as no longer necessary.

11. The Military Intelligence clause is shortened.

12. All requests concerning resettlement centers and location of war prisoner camps are eliminated. The FBI, as well as the War Department, is recognized as appropriate authority for information about escaped prisoners of war, in order to speed up the handling of these stories.

13. The clause dealing with war news coming into the United States is shortened. Broadcasters will find new language concerning handling of broadcasts from Canada that parallels the Press Code on this point.

14. The request against premature disclosure of diplomatic discussions is amended and narrowed to conform more closely to the administrative interpretation which has been applied heretofore in actual practice. This clause has been coupled with the request concerning war plans so that the new version reads: (No disclosure of) "Secret war plans, or diplomatic negotiations or conversations which concern military operations."

15. The clause dealing with forest fires is eliminated as no longer necessary.

Except for slight differences in handling weather, news sections of the Press and Broadcasters Codes parallel each other in every respect.

The Program Section of the Broadcasters Code is unchanged, with all present provisions for handling of request, quiz, man-on-the street programs, forums, etc., continued. The Foreign Language Section has been clarified so as to emphasize the duties of station censors and monitors and to omit the request for English language translations.

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HERO RADIO OPERATOR WINS MERCHANT MARINE CADETSHIP

A radio operator whose valor helped save the entire crew of a torpedoed American tanker has won an appointment as Cadet-Midshipman in the U. S. Merchant Marine Cadet Corps, in addition to the award of the Merchant Marine Distinguished Service Medal by President Roosevelt, the War Shipping Administration announced yesterday (December 9). He is Kenneth W. Maynard, of Bellingham, Wash., who will report to the U. S. Merchant Marine Academy at King's Point, N. Y., this month.

Maynard was serving on the SS CHINA ARROW in the Atlantic when two torpedoes crashed into the ship's main tanks. The explosion blew large quantities of the oil cargo into the air. As the oil rained back on the ship it ignited and flames roared up through the hole blown in the after deck.

Orders to abandon ship were sounded when it was seen the submarine was preparing to shell the flaming vessel, but the master and Radioman Maynard remained aboard to set up a makeshift antenna and emergency short-wave transmitter to replace that wrecked by the explosion. Heedless of great personal danger from flame and shell-fire, the two men worked swiftly for 45 minutes. Finally, their ingenuity made it possible to send out continuous distress calls.

Since the radio receivers had been wrecked, the call had to go out "blind", but shore stations fixed the tanker's position, and the entire crew was rescued 56 hours after the attack.

Maynard, whose mother, Mrs. Irene Maynard, lives on Route 3, Bellingham, Wash., was born in Corvallis, Ore., 22 years ago. After graduation from the Mt. Baker Union High School, Deming, Wash., in 1938, he trained for the Merchant Marine at the U. S. Maritime Radio Service School on Gallups Island, Boston, Mass., and served on the Liberty Ship THOMAS BAILEY ALDRICH, as well as the CHINA ARROW. Recently, he has served at Gallups Island as a radio instructor.

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 : : : TRADE NOTES : : :
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The 1943-1944 RMA membership and trade directory with data on the personnel and products has just been issued showing the Association's membership now totaling 180 trading companies to be the largest RMA membership since the "depression" period. The new directory is being circulated widely in the radio and associated industries, and to government agencies and officials, including the Army and Navy, foreign purchasing commissions, commercial organizations, technical libraries, and the trade press.

The Radio Corporation of America will hold its annual Christmas party in the Rainbow Grill, 65th floor, RCA Building, on Friday, December 17th, four to seven o'clock.

George P. Ludlum has been appointed Deputy Chief in charge of the New York OWI Domestic Radio Division office. Mr. Ludlum will also continue as head of the Special Assignments Section. He succeeds Merritt W. Barnum who goes to the Ruthrauff & Ryan Advertising Agency in New York.

The Senate Finance Committee considering the House Bill approved an increase from 15 to 25 per cent on domestic telegraph, radio and cable service, retained present rate of 10 per cent on international service. Tax on leased wires raised from 15 to 25 per cent (the House had approved a 20 per cent rate). Wire and equipment service (burglar and fire alarms), 8 percent rate approved. (It now is 5 percent, and the House had voted 7 percent).

The Senate group also approved changes raising tax on local service from 10 percent to 15 percent, and on long-distance calls from 20 to 25 percent.

Identification of atoms in ultra-microscopic particles of matter no larger than 1/100,000 of an inch in diameter can be accomplished quickly and accurately for the first time by a revolutionary new tool of science - the electron micro-analyzer - developed experimentally by Dr. James Hillier of RCA Laboratories.

Mayor LaGuardia addressed the Radio Executives Club last week and told this story of the WNYC broadcasts made by the political leaders who had demanded the right to reply to LaGuardia's broadcast about the Aurelio election: When their broadcasts had been completed, Fiorello called Morros Novik, Director of the municipal station WNYC, and said, according to Leonard Lyons' New York column: "Morris, it was a great example of tolerance - these men, representing rival political parties, uniting in one program. That's tolerance, Morris." . . . "Maybe it was", Novik informed him, "but they made their broadcasts from different rooms."

Another dispatch from New York reports that "The Bulova radio stations may have a change of ownership soon. The chain consists of two stations in New York and one each in Boston, Hartford and New Haven."

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