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FRANK E. MULLEN

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No. 1590

January 4, 1944

REPORTED HARRY BUTCHER IS TO SUCCEED ELMER DAVIS

Along with a revival of the rumor that Elmer Davis is to resign as head of the Office of War Information there are reports that the cables have been kept hot in an effort to get Lieut. Commander Harry C. Butcher, Aide to General Eisenhower, and former Washington CBS Vice President, to succeed him. According to the best information available, Commander Butcher, being well satisfied where he is, has not been receptive to the proposal.

Rumors that Mr. Davis is to go have been numerous. In fact on at least one occasion he has himself threatened to resign. Elmer's path has not been one of roses and although his friends among the radio and press commentators seemed to be a legion in the beginning, they have been rapidly falling by the wayside. Criticism of Washington correspondents in Boston brought a storm of disapproval down upon him.

One of his most severe critics, friendly and wishing him well at the start, has been Frank Kent of the Baltimore Sun, who about every so often throws a harpoon into Mr. Davis. Elmer stirred up a new hornet's nest for himself last Friday night when, over the NBC Network, he attacked the so-called "Axis" newspapers - the Washington Times Herald, the New York Daily News, and the Chicago Tribune, saying:

"We can win in 1944, says General Eisenhower, provided all of us, civilians as well as the armed forces, do our full duty. Two newspapers, the New York Daily News and Washington Times Herald, call that an alibi in case our military plans go wrong. It is worth remembering that the Times-Herald was also one of the newspapers - the other was the Chicago Tribune - which three days before Pearl Harbor published to the world the plans by which our Army proposed to fight if there had to be a war. The enemy who was already nearing Pearl Harbor for that sneak attack must have been grateful for that information; as he will certainly be grateful for this endeavor by the Patterson-McCormick press to undermine confidence in our military leadership. Most of us, looking at General Eisenhower's record, will be likely to have more confidence in his plans."

The Times-Herald promptly retorted that they had been too "insignificant" to be successful in the job he holds and Frank Waldrop of the Times-Herald added that the OWI "has been the worst flop of many flops in the Roosevelt War Administration."

If Mr. Butcher were to go to the OWI, he would be the first radio man to head a major government war news bureau.

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Mr. Davis, formerly a CBS news commentator, before that was for many years on the New York Times. Byron Price, Director of Censorship has been strictly a newspaper man but has a very capable radio assistant, J. Harold Ryan, Vice President on leave from the Fort Industry stations in Ohio, Georgia and West Virginia, of which Lieut. Commander George B. Storer, also on leave, is president.

Mr. Davis has as his assistant, Edward Klauber, former Vice-President of CBS, and former night editor of the New York Times. Mr. Klauber succeeded Milton Eisenhower, brother of the General, at OWI.

Thus, if Mr. Butcher followed in the footsteps of Mr. Davis, there would still be two CBS men at the head of OWI. It is doubtful, however, if this would bring any complaints from the other networks as both Butcher and Klauber are known to be square shooters. Only recently Niles Trammell, President of NBC, back from Africa was reported singing the praises of Mr. Butcher and expressing appreciation for courtesies extended to him by the latter.

A thing which makes the report seem plausible that Harry Butcher has been suggested to succeed Mr. Davis, if indeed Davis is to get out at this particular time, is his close friendship with Stephen T. Early, presidential secretary, who handles press and radio matters at the White House and the man probably closest there to the President. It is reasoned that if Mr. Roosevelt were dissatisfied with the way things were going at OWI, the person he naturally would turn to would be Mr. Early and Steve, knowing the high qualifications of his friend Harry Butcher, would just as naturally think of him as qualified to do the job. It might be said in passing that Mr. Klauber would also be exceptionally well qualified to take the place of Mr. Davis but for the fact that Mr. Klauber suffered a severe illness a year or so ago necessitating his retiring from CBS and for that reason might not feel that he could take on additional responsibility.

As was said, Mr. Butcher was reported not to have taken kindly to the suggestion that he return to the United States to head the OWI; in fact, was understood "to have kicked like a steer" against the proposal.

Nevertheless, this writer believes, if Mr. Davis is to resign, that the broadcasting industry would unquestionably welcome Butcher as his successor, and that he would soon prove just as popular with members of the press. Not long ago he was proposed for the \$35,000 presidency of the National Association of Broadcasters, but was said to have turned down the suggestion cold saying "One war at a time is enough."

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STATE DEPARTMENT'S COMMUNICATIONS EXPERT RESIGNS

Thomas Burke has resigned as Chief of the Division of International Communications of the State Department after five years' service. Mr. Burke will engage in private business. Among those reported to succeed him is Francis Colt de Wolf, as assistant in the Division.

Secretary Hull, in accepting Mr. Burke's resignation, said he did so with regret, but recognized the force of his reasons for leaving the Government service. He wished him happiness and success.

Mr. Burke, in cooperation with U. S. military authorities, went after clandestine radio stations which the Germans were operating in South America. This was difficult because the countries involved were not at war. Arrangements were made, however, whereby the enemy radio stations were hunted down. The hunting down was done by United States experts and by Latin-American technicians brought here for special training.

Mr. Burke, whose division in the State Department deals with aviation, shipping and telecommunications, also was responsible for the excellent radio telegraph service the United States now has with Australia and New Zealand. He set up direct operations between this country and Australasia, making it unnecessary for dispatches to be routed through London.

Mr. Burke served overseas as a Captain with the Rainbow Division in 1917-19. Thereafter he spent many years abroad as a representative of the Standard Oil Co. He joined the Bureau of Foreign and Domestic Commerce of the Department of Commerce in 1934, and four years later transferred to the State Department, becoming the first Chief of the Division of International Communications.

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HOYT INTRODUCES OWI SUCCESSOR; PRAISES PROGRAM COORDINATION

Palmer Hoyt, retiring Director of the Domestic Branch of the Office of War Information said he expects arrangements for adequate news, radio and picture coverage to be made for the projected European invasions.

Mr. Hoyt, who is returning to his post as publisher of the Portland Oregonian, made the statement to reporters in introducing his successor, George W. Healy, Jr., Managing Editor of the New Orleans Times-Picayune, and Vice President and Treasurer of the Times-Picayune Publishing Co.

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Mr. Healy said both he and Mr. Hoyt believed that the American people "have strong eyes and good ears and can take news straight without folding up."

In addressing the Sales Executive Group in New York, Mr. Hoyt praised the OWI Program Coordination Office by saying:

"A task with which the Domestic Branch of the OWI is endowed is to enlist and aid the support of civilians in the many drives and programs essential to a full prosecution of the war. In connection with this phase of our activities we are essentially a channeling agency. The Office of Program Coordination, which corresponds to the advertising department of a newspaper, clears for government policy and distributes through the War Advertising Council material for advertising which in this next year may total, including radio time, as much as 500 million dollars. Thus, the Office of War Information, in addition to its other duties, represents the largest advertising department in the world - an advertising department with the government as its client and the War Advertising Council as its advertising agency.

"This function of OWI is little understood, particularly by its critics. As a businessman and newspaper publisher, about to leave government for civil life, I wish to go on record, here and now, in saying that in my judgment the Domestic Branch of the Office of War Information is one of the most vitally necessary of the war-time agencies. All of you as businessmen and advertisers can imagine the chaos that would result if there wasn't a Domestic Office of War Information. In this event, all of our media of public communication - newspapers, radio, motion pictures, magazines - would be trying to help the war effort just as they are now. But if such a situation existed put yourself in the position of a newspaper or magazine publisher, head of a radio station, or a motion picture producer. You can easily see that you would be dealing direct with every one of the alphabetical government war agencies. They all have urgent messages. You would find it difficult to determine which should take precedence. As a matter of fact, to clear what obviously would be an impossible situation, the Office of Program Coordination was set up by the Office of War Information at the request of the War Advertising Council."

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C O R R E C T I O N

In listing the call letters of WOR's FM station in our release of December 17th, they were given as "WMBA" instead of "WBAM" their correct designation.

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SENATORS NERVOUS OVER PRESS STATIONS; FEAR ELECTIONS

That there will be a complete revision of the old Radio Act was vigorously indicated in an interview with Senate Wallace White (R), of Maine, co-author of the Wheeler-White Bill. Also that the Senate Interstate Commerce Committee is whetting its axe for Chairman Fly of the Federal Communications Commission for taking in entirely too much territory. More than that, Senator White revealed that the Senators were somewhat jittery about the Commission's forthcoming decision on newspaper owned stations. Sensing this and realizing that newspaper ownership had become a hot potato, the FCC stalled on making a decision before the New Year and in the last minute the meeting at which it was expected they would take action was called off.

Apparently the majority members of the Commission were already to adopt a policy to give future newspaper station applicants the needle when they got wind of the senatorial concern over the matter. Evidently the Senators felt that it was too close to election to rock the boat by discriminating against newspaper owned stations. Also it is believed several of the Commissioners wavered in the face of the argument of Commissioner T. A. M. Craven who said that if newspapers are banned from station ownership, it also would mean that a precedent would be established which might prevent motion picture companies from entering television and possibly standard broadcast stations from going into other radio fields.

Chairman Fly is now believed to be between the devil and the deep blue sea on the question and was reported to be seeking an interview with President Roosevelt on the subject.

In discussing press ownership of broadcasting stations, Senator White made no bones over the fact that he himself thought discrimination against newspaper owners of stations was a lot of baloney. The Maine Senator said he didn't believe the Commission has any right to deny radio station licenses to newspapers just because they are newspapers, any more than it would have the right to deny a license to a mercantile establishment.

One of the big changes foreshadowed in the new radio law is that it will be so framed that the political opponents of President Roosevelt will receive equal time on the radio to answer any political statements he may broadcast.

"I want the law rewritten so that there won't be just the voice of the government heard over the radio", Senator White declared. Senator Wheeler (D), of Montana, backing him up on this went further and declared that the contemplated revision included President Roosevelt as he (Wheeler) believed it should.

Mr. White said that while it might be difficult to draw a line, he felt the general objective of getting both sides of controversial questions before the public could be attained.

Although final details had not been considered, Senator White, who is Acting Republican leader said he was confident the final draft of the bill would contain sections denying to the Federal Communications Commission the right of censorship over radio broadcasts, specifically stating that the FCC should not dictate the contents of programs and denying it control over the business interests of stations.

Until last week it had been the general belief in Congressional and broadcasting circles that the Commission would hand down a ruling adverse to newspaper ownership. This would be in accordance with the known views of President Roosevelt at whose suggestion, it is believed, the study of the question was undertaken by the FCC two years ago, and with opinions expressed by Chairman Fly recently in his testimony on the Wheeler-White Bill.

A report reflecting the view of the President and the FCC Chairman, which has been the view also of the majority of the seven-member Commission, that newspaper ownership tends to concentrate unduly, if not to monopolize operation and control of channels leading to the formulation of public opinion, is known to have been presented at a meeting yesterday afternoon.

Only one member, Commissioner T. A. M. Craven, has been a consistent opponent of the proposed denial of newspaper ownership, and from him a dissenting minority opinion was expected.

Such a dissenting minority report was in fact presented, with the result that action on the report was held up for reconsideration by several members of the Commission, who found their previous opinions considerably shaken by the arguments presented.

Another meeting, called for was not held, while members discussed the majority report and the dissenting opinion of Mr. Craven, in which exception was taken to the legality and advisability of the proposed action.

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FCC FOREIGN COMMUNICATIONS MERGER INQUIRY SOON

The Federal Communications Commission announced last week that it would begin the investigation of international communications at an early date. This is understood to be in anticipation of the Commission recommending the merging of these carriers.

The investigation, the Commission said, will cover rates, practices, classifications, regulations, facilities, traffic arrangements and services. Originally the Commission had ordered an investigation of rates of press wireless, but this was widened to include other companies.

The decision to begin the hearings at this time was made in response to a request by Press Wireless to broaden the proceedings instead of confining the inquiry to this company alone. The Press Wireless hearing set for January 17 has been cancelled and as yet no date has been decided upon for the general inquiry.

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CHARGE BLUE NET SALE FAVORS FDR, WILLKIE CAMPAIGNS

Claiming that the White House palace guard may have had a hand in it and that Wendell Willkie may have also been in the picture, the Washington Times-Herald today (Tuesday) suggested a Congressional inquiry into the purchase of the Blue Network by Edward J. Noble, former Under Secretary of Commerce in the Roosevelt Administration. Likewise the buying in later by Time Magazine, Willkie support. The Times-Herald article, written by Willard Edwards, follows in part:

"Glimpses of the White House palace guard in the background of recent developments involving the control of the Blue Network, one of the nation's major broadcasting chains, aroused the attention yesterday of Capitol Hill observers.

"Domination of a radio network by the Hopkins-Frankfurter-Niles group in propagandizing for a fourth term for President Roosevelt and also in helping to influence the choice of a Republican candidate was conceded to be a political asset of immense value.

"That this objective is in the process of being gained was asserted by Congressmen who have been watching the march of events since the sale of the Blue Network last October.

Purchaser of the network at that time was Edward J. Noble, New Yorker, who made a fortune out of Life Savers, a confection. As a former Undersecretary of Commerce to Harry Hopkins, Noble became intimately associated with David K. Niles, who was another assistant to Hopkins, and thus has close ties with two of the Palace Guard's leaders.

"Noble acquired the Blue Network for \$8,000,000 in cash from Radio Corporation of America with FCC approval. Last week, he announced the sale of $12\frac{1}{2}$ per cent of his stock to the publishers of Time, Life and Fortune, newspaper axis owned and controlled by the Luce interests.

"He sold another $12\frac{1}{2}$ per cent, at the same time, to Chester J. La Roche, Chairman of the OWI's war advertising council, an advertising executive who has been listed by Director Elmer Davis as one of the American lecturers selected to interpret the United States to the people of Great Britain.

"The interests in control of the network, therefore, now include the Wall Street bank syndicate; Noble, the friend of Hopkins and Niles; Time, Life and Fortune reportedly interested in the Republican candidacy of Wendell Willkie; La Roche, selected by the OWI as a propagandist in Great Britain; and Mark Woods and Edgar Kobak, network President and Vice President, respectively, who are said to have been permitted to buy 5 per cent of Noble's stock.

"Wall Street, the interest^{ed} Congressmen noted, put over Willkie as the Republican candidate in 1940. The lineup of the network's controlling interests would seem to support the theory of

these legislators that the Palace Guard's radio campaign will be in support of a Roosevelt versus Willkie contest with the voters deprived of a decision on foreign policy.

"La Roche, an outstanding figure in the advertising world, has sold his interests in Young and Rubicam, of which he has been Chairman of the Board, and will be Chairman of the Blue Network's Executive Committee. He is a long-time friend of Noble.

"Questions have been raised whether the Time-Life-Fortune identity with the Blue Network would be affected by the FCC's policy on newspaper ownership. The Commission, in its recently announced policy, said newspaper ownership of broadcasting stations was tolerated but not necessarily accepted as wholesome or desirable. The tentative decision did not affect some 280 existing newspaper-owned or affiliated stations but was considered as weighing against expansion of newspaper ownership in any phase of radio.

"Considered of significance in connection with the Blue Network's new ownership was the transfer of certain commentators. One of these, Lowell Thomas, who speaks under the sponsorship of the Sun Oil Company, controlled by Joe Pew, Eastern Republican leader, leaves the Blue Network January 24 for the National Broadcasting System."

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RMA CONFERS IN CHICAGO ON WAR AND POSTWAR PROBLEMS

An industry "Mid-Winter Conference" will be held by the Radio Manufacturers' Association in Chicago beginning next Tuesday (January 11-13) to consider many problems of the stepped-up 1944 radio war production program and also for future plans on industry postwar problems. Many industry executives and RMA Committees will participate in the conference. Ray C. Ellis, Director of the WPB Radio and Radar Division, will be among the officials in attendance. New RMA activities and services to the Association's member companies, to deal with the increased war radio program and also on future peacetime reconversion will be developed.

On the opening day of the conference, there will be a meeting of the Parts Division Executive Committee, under the chairmanship of Ray F. Sparrow, and a meeting of the new Advertising Committee, under the chairmanship of John S. Garceau.

Seven Committee meetings, including the new special committees on immediate and future war contract termination problems and also future industry reconversion plans are scheduled on the second day, January 12th.

On January 13 there will be a meeting of the RMA Board of Directors to act on expansion of the Association's work and membership services as recommended by the various committees. Among

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these are groups appointed to deal with immediate war production and also future problems relating to employment and personnel matters; future industry merchandising and sales financing problems; development of industry statistics and industry promotion and advertising, and also peacetime export development. The Industry Reconversion Committee under the chairmanship of A. S. Wells, of Chicago, former President of RMA, will draft a detailed program for future reconversion of the industry to civilian production, for its discussion with proper government agencies, and also consider problems of disposition of government plants and surplus war materials and postwar patent situation. Its work will be coordinated with that of the Radio Technical Planning Board.

There will be a meeting of the newly reorganized Illinois Radio and Appliance Dealers' Association Friday evening, January 14th, following the RMA conference.

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ZENITH SIX MONTHS' OPERATING PROFIT \$3,372,908

Zenith Radio Corporation reports an estimated consolidated operating profit for the first six months ended October 31, 1943, of its current fiscal year, amounting to \$3,372,908, after depreciation, Excise Taxes and reserves, including reserves for voluntary price reduction on war contracts and renegotiation but before provision for Federal Income and Excess Profits Taxes.

Federal Income and Excess Profits Taxes on this profit are estimated at \$2,072,787.

"The Company is continuing its high rate output of vital and highly secret war equipment", said Commander E. F. McDonald, Jr., President of the company. "Additional orders are being received for this equipment, a large part of which has been developed in whole or in part, in the Company's own laboratories. It is expected, if the war continues, that the present rate of production will continue throughout the year 1944.

"The enthusiastic public acceptance of the Company's recently introduced low-cost Radionic Hearing Aid has justified the Management's decision to place this important instrument on the market now instead of after the war as originally planned. The benefits accruing to the War Effort through the introduction now of this Hearing Aid are considered highly important. Many people are now being employed after being furnished with our Hearing Aid. Of the people who have purchased the Zenith low-cost Radionic Hearing Aid, over 78% have not heretofore been able to afford a hearing aid."

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The War Production Board December 31st issued General Preference Order M-369 continuing on allocation pure tungsten, molybdenum ingot, wire and sheets. These products are used largely in radio tubes and electric light bulbs. This action was taken because these items are critical, and it was felt by the WPB that they should be continued on allocation contrary to the general policy of removing controls from alloying metals.

Agreements with the American Network (FM) have been signed by Gardner Cowles, Jr., of Iowa Broadcasting Co.; John Cowles, President of Minneapolis Star Journal & Tribune Co., and R. L. Jones, Jr. Vice-President of the Tulsa Tribune Co., according to John Shepard, President of the network.

Commissioner Robert E. Freer, of Ohio, took office as Chairman of the Federal Trade Commission on January 1st, to serve during the calendar year 1944. He succeeds Commissioner Garland S. Ferguson, of North Carolina, who was Chairman in 1943. The chairmanship of the Commission rotates annually.

Mayor Fiorello LaGuardia of New York spoke from New York on a joint Office of War Information-British Broadcasting Corporation short-wave program which was beamed to Italy over transmitters of The Voice of America and BBC on New Year's Day. This broadcast in Italian was simultaneously relayed over stations in Algiers, Tunis, Bari, Naples and Palermo.

Ivor Kenway will join the Blue Network Jan. 1 as a special assistant to Edgar Kobak, Executive Vice-President. Working with Mr. Kobak toward the expansion of the Blue, he will concentrate on special studies and assignments, particularly with respect to markets, merchandising of products of Blue Network advertisers and Blue sales. Mr. Kenway has served for many years as Advertising Manager of Devoe & Reynolds Co., New York, the country's oldest paint maker, and previously was the company's divisional Sales Manager, supervising the 13 Southern States, with offices at Atlanta.

Dr. James Rowland Angell, former President of Yale University and now educational consultant for the National Broadcasting Company, has been appointed Director of the Hall of Fame for Great Americans of New York University. Dr. Angell succeeds the late Professor William Lyon Phelps.

Starting the week of January 2nd, WRGB, General Electric's television station in Schenectady, will operate on a new telecasting schedule of four evenings each week instead of the present schedule of three evenings and two afternoons each week. The change was made as a result of an audience survey which indicated a preference for programs on Sunday evenings.

A number of changes in WPB Order U-4 December 29, which controls maintenance, repair and operating supplies for the telegraph industry included:

1. Ocean cable, grapnel rope and buoy rope are excluded from minimum working inventory restrictions and consumers must apply separately for each purchase of these materials.

2. The dollar value of MRO materials for use in a single installation is raised from \$500 to \$2,500. This change enables operators of owned or leased teletype machines to install standby machines on the premises of users without special permission in each instance from WPB.

Irene Kuhn, formerly NBC's Manager of Program Promotion, has been appointed Assistant Director of the Department of Information, Frank E. Mullen, Vice-President and General Manager, has announced. A widely-traveled newspaperwoman, Mrs. Kuhn joined NBC in December, 1940, as a special writer and assistant to the Vice-President in charge of Press. In the Summer of 1942, she was made Coordinator of Program Promotion, and later became Manager of Program Promotion.

Effective Jan. 3, Station WHDF, Calumet, Mich., became affiliated with the Blue Network as a member of the Michigan Network. The addition of WHDF increases the number of this Network to 11.

For the fourth consecutive year, and the seventh in the past eight, the WOR Mail Room reports that mail from listeners has passed the one million mark. Letters from listeners dropped under one million per year only in 1939 when the total was in excess of 953,000. This count includes only the mail which is handled by WOR and not letters which are sent to the sponsors direct.

Standard Brands, Inc., 595 Madison Ave., New York, engaged in the sale of Fleischmann's Compressed Yeast, is alleged in a complaint issued by the Federal Trade Commission to have disseminated false advertisements concerning the therapeutic properties of the product and its effectiveness in the treatment of vitamin deficiencies purported to exist among members of the purchasing public.

Advertisements disseminated by the respondent in newspapers, magazines, booklets and other media, and by means of radio broadcasts, the complaint alleges, falsely represent, among other things, that if one has colds which are severe or "hang on", he is deficient in vitamin A; if he is nervous, irritable and has poor digestion, a deficiency in vitamin B exists, etc.

Lunsford P. Yandell, Blue Net Vice-President, resigned his office on December 31 to take an important position in the field of international trade.

Station WGAU, 250 watts, Athens, Georgia, will begin operating as a CBS affiliate on or about February 15, 1944.

Miller McClintock, President of the Mutual network, has been appointed Co-Chairman of the National Radio Division of the 1944 "March of Dimes", it was announced by Basil O'Connor, President of the National Foundation for Infantile Paralysis.

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