

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

~~NATIONAL BROADCASTING COMPANY~~
C. L. BROWN
30 ROCKEFELLER PLACE, NEW YORK, N. Y.

INDEX TO ISSUE OF FEBRUARY 8, 1944

Fly Angered By \$1,500,000 Cut Again Blasts FCC Probe.....	1
Another FM Membership Meeting In N.Y. April 14.....	2
New "Off Agin - On Agin" Radar Publicity Directive.....	3
FCC Head Denies FDR Playing Politics Gagging Officers.....	4
Paul Porter Mentioned For Democrats' Publicity Man.....	5
Gardner Cowles Re-Elected President Of Iowa Broadcasting Co.....	6
RMA Appoints A Publications Director.....	6
WGN Gets Ready For Television In A Big Way After War.....	7
Bonus To Increase Mica Production.....	7
Calls Halt On Radio Concern Using Name Of "Midwest".....	8
Radio Deadlier Competitor If Press Doesn't Acquire FM.....	9
BBC And OWI Join In Lincoln Broadcast.....	9
Trade Notes.....	10
Sales Topped As WOR Ends Year 23% Over Previous High.....	11
Blue Time 1943 Sales Up 57%.....	11

February 8, 1944.

FLY ANGERED BY \$1,500,000 CUT AGAIN BLASTS FCC PROBE

Bitter because the House cut the Federal Communications Commission's appropriation for the coming year by a million and a half dollars, Chairman James L. Fly of the FCC, went on the warpath last Saturday in a blistering letter to Chairman Lea (D), of the House Committee investigating the FCC. Not satisfied with the resignation of Representative Cox (D), of Georgia, as Chairman of the Committee, Mr. Fly has been after the scalp of Committee Counsel Eugene L. Garey and now charges that Garey has attempted to gag the Commission until after the FCC appropriation has been put through.

Chairman Lea replied that most certainly Mr. Fly and his associates should be allowed to testify. He said that the FCC Chairman had been given an opportunity to appear in connection with the appropriations but that it was his impression that Mr. Fly wanted to wait until later when he could tell his story at greater length. In the meantime Chairman Lea added that an investigation of the sale of WMCA in 1940 to Edward J. Noble and the charges made by Donald Flamm, former WMCA head, had been scheduled for today's (Tuesday) session.

Mr. Fly had previously stated that "this investigation" has been going on for almost a year, and the Commission has been given no opportunity to present any witnesses to refute the slanderous charges so freely circulated."

Mr. Fly told Congressman Lea that once the Commission is given a chance to "answer the many false and irresponsible charges... it is believed that there will be no difficulty in working out further cooperative procedures for interviews of Commission employees with appropriate safeguards."

Chairman Fly asserted that FCC Counsel Charles R. Denny in December requested a hearing of FCC's side of the story prior to Appropriations Committee hearings on next year's budget.

"It was pointed out that we would be much prejudiced in presenting our case to the Appropriations Committee if at that time, the grave charges still remained unanswered", Mr. Fly said.

Since then, Mr. Fly said, Mr. Garey completed his case on the two divisions which received appropriation slashes and "went into a number of entirely new and unrelated matters."

"As of today", he said, "we have still not been able to put a single word in the record to answer the baseless charges."

"The reduction in the appropriation proposed by the House", Mr. Fly said, "is pitched entirely upon the one-sided record before the Select Committee."

Mr. Fly stated that a suggestion had been made to resume the secret hearings which were terminated when Congressman Lea became Chairman of the Committee.

Citing "abuses inherent in these secret sessions", Mr. Fly said that the sessions "were used to circulate among the employees (of FCC) false and vicious rumors concerning their superiors."

Mr. Fly said that the FCC had turned over to the Committee 4,162 separate items of material "ranging from a single document to an entire file drawer."

"The majority of the items are an entire Commission file", Mr. Fly said. "In fact, upon one occasion a truck was backed up to the Commission's door and a whole load of irreplaceable records was carted away. At the present time your staff has so many of our files that our operations are considerably handicapped and decisions in pending cases are being delayed."

X X X X X X X X

ANOTHER FM MEMBERSHIP MEETING IN N.Y. APRIL 14

Evidently determined to hit the iron while it is hot, the Frequency Modulation Broadcasters will hold another big FM meeting in New York Friday, April 14th. Already their new office in charge of newly appointed General Manager Myles Loucks (Phil's brother) has been opened in the Colorado Building at 14th and G Streets, in Washington, just two blocks north of the Press Club and the Willard Hotel.

The exact attendance at the recent New York meeting is now officially reported as 632, about 200 more than had been expected.

The FM broadcasters are considering the publication of a stenographic report taken during this roundtable, condensing it to make available in printed form the questions and answers covered. It is felt that this information would be of aid to any person or group investigating the possibility of FM station construction.

The preparation of a new promotional booklet, intended to acquaint consumers with the merits of FM, was reported well under way. Details will shortly be supplied to FMBI members on contents and costs.

The membership voted to raise the annual dues from a wartime \$50 to the original figure of \$300 for active and affiliate members. Associate members pay \$50.00.

X X X X X X X X

NEW "OFF AGIN - ON AGIN" RADAR PUBLICITY DIRECTIVE

Again the War Department has reversed itself with regard to publicity on radar. First it was so secretive that writers were not even allowed to mention the name. Later the sky was the limit with the War Department not only letting down the bars but themselves turning out reams of publicity. Industry advertisers and press agents quickly followed suit when again the lid was clamped down. Now comes word that the term "radar" itself may be used but any accompanying description is prohibited. Industry generally and manufacturers may now use the word "radar" in advertising and also publicity matter.

The Office of Censorship soon will issue special instructions regarding use of the word "radar" in the press and advertising matter, also on the radio. The Signal Corps also will directly advise all individual manufacturers of electronic equipment.

The Radio Manufacturers' Association also has made arrangements for displays, public and in factories, of radio and other communications apparatus, but displays of radar or any other apparatus in the "secret" category will not be permitted.

Modification of the radar ban was recently requested, to recruit additional labor, by the Chicago radio manufacturers' group. Also just a week before the new directive was issued, RMA formally requested the Office of War Information to modify the radar ban.

Arrangements for clearance of displays of non-secret electronic apparatus in factories, to promote worker morale, and also public displays, were made by an RMA group, comprising John S. Garceau of Fort Wayne, Indiana, Chairman of the RMA Advertising Committee; S. D. Mahan of Cincinnati, a Committee member and Bond Geddes, RMA Executive Vice President, at a recent conference with officials of OWI, Army, Navy and Office of Censorship.

Manufacturers may secure clearance of electronic advertising and publicity matter - except radar or other "secret" category apparatus - from their local national security and OWI representatives, through the Office of Censorship. Similar clearance on displays of non-secret apparatus also may be arranged through the contracting officer of the branch of the service concerned, and Signal Corps or Navy headquarters will determine any uncertain or questionable matters.

X X X X X X X X

"Sudden pulses of long-distance interference are worrying the FM people", writes O. H. Caldwell, Editor of Electronics Industries. "Without warning a 'burst' of distant signal comes through, takes control of the local channel, and interpolates an inexplicable stanza of voice or music into the local program. Thus a New Haven police crew received instructions to go to a non-existent number on a New Haven Street, and they discovered they had unwittingly picked up a Los Angeles police order by the 'burst' route."

X X X X X X X X

FCC HEAD DENIES FDR PLAYING POLITICS GAGGING OFFICERS

Within twenty-four hours after the stinging letter to Chairman Lea (D), of the House Committee investigating the Federal Communications Commission, previously referred to in this issue, Chairman Fly Sunday sent another communication to Mr. Lea written on asbestos. The second letter was prompted by a newspaper column written by David Lawrence.

"Not long ago this correspondent stated his belief that President Roosevelt was not allowing politics or personal prejudices to interfere with the exercises of his functions as Commander in Chief of the Army and Navy", Mr. Lawrence wrote.

"In opposition to that point of view came a letter from the counsel for the House Committee Investigating the Federal Communications Commission (Eugene L. Garey) declaring that the evidence developed before that Committee does not support any such blanket approval of the President's."

Hitting back at this, Chairman Fly charged that Mr. Garey was running "a propaganda mill" and demanded copies of all such letters as the one to Mr. Lawrence that Garey had sent out.

"It has long been evident that your counsel has not been content to simply present a one-sided case and to do everything in his power to prevent the Commission from presenting the other side", Mr. Fly wrote to Representative Lea. "In his role as an officer of the Congress he has moved out affirmatively but always under cover to insure that the irresponsible charges which he has made and that the one-sided record which he has compiled would receive as wide circulation as possible."

Mr. Fly charged further:

"Counsel has not confined his propagandizing to the metropolitan papers and the famous columnists. Under cover, he has reached out into the precincts and circulated his smears to the small-town papers. His off-the-record correspondence with the press and its representatives is voluminous. Numerous 'dope' articles have been based on material slipped out the back door of the offices of the Committee's staff to special writers who had the right 'viewpoint'. Truth lost its essentiality - the job was the only essential."

Mr. Lawrence wrote that the rebuff to the joint Chiefs of Staff in not following their recommendation to turn intelligence work now being done by the FCC over to the Army and Navy apparently stirred up the interest of the House Committee, which endeavored to find out by testimony from both the FCC and the Army and Navy what was back of such a conspicuous refusal to follow the wishes of General Marshall, Admiral King, General Arnold and Admiral Leahy. But the President already had issued a "directive" that Government officials were not to testify on these matters before the House Investigating Committee.

"Apparently the House of Representatives was unwilling at this time to enter into a public controversy with the President's subordinates as to whether or not they were in contempt of the subpoena powers of a Committee of Congress. Instead, the House itself has just decided to withhold appropriations for the radio intelligence section of the Federal Communications Commission and thus force its transfer into the hands of the Army and Navy. The Senate undoubtedly will concur.

"The episode is not one that does credit to wartime administration, for the people surely ought to be told why their President on a military matter so steadfastly supports one of his civilian appointees as against the disinterested recommendations of the joint United States chiefs of staff.

"Not a single reason is available as to what lies back of his strange course. There are rumors, of course, which seem incredible, to the effect that the FCC monitor system turns over private messages to civilian governmental agencies, especially business messages, and that this snooping process is constantly being made available to the Department of Justice to bolster up its crusade against American businessmen on domestic matters.

"These messages, freely known as 'intercepts' in Government circles, are widely distributed within the Government bureaus, it is said, and, of course, are available to the White House and its staff of brain trusters. They could, to be sure, be used for political persecution if and when, for instance, indictments are sought on technicalities or trumped-up charges against American banks engaged in foreign trade.

"It is significant that the House of Representatives has voted to put an end to the snooping by a civilian agency and has in effect insisted that the Army and Navy, which is interested only in military and naval matters, and not in political or class wars, alone be given access to private messages between the United States and foreign countries."

X X X X X X X X

PAUL PORTER MENTIONED FOR DEMOCRATS' PUBLICITY MAN

Paul Porter, former CBS counsel, who has shot up like a rocket in New Deal positions, is now talked of as Director of Publicity of the Democratic National Committee, successor to the famous New Deal hatchet-man Charley Michelson. Mr. Porter, former U. S. Rent Stabilization Chief, is now Assistant to Economic Stabilizer Fred M. Vinson. Robert E. Hannegan, new Democratic Chairman, is reported to have offered Mr. Porter the position this week and the latter was said to have been ready to accept but the matter is now up to Judge Vinson, who has been leaning pretty heavily on Mr. Porter.

X X X X X X X X X X

2/8/44

GARDNER COWLES RE-ELECTED PRESIDENT OF IOWA BROADCASTING CO.

Gardner Cowles, Jr., President of the Des Moines Register and Tribune Company and of Look Magazine, has been re-elected President of the Iowa Broadcasting Company, comprising KSO and KRNT, Des Moines; and WMT, Cedar Rapids and Waterloo.

Few changes were made in the officers and directors at the recent annual IBC stockholders meeting. John Cowles was re-named Vice President. Other officers are: Craig Lawrence (manager of KSO and KRNT), Executive Vice President; William B. Quarton (Manager of WMT), Vice President; Vincent Starzinger, General Counsel, Secretary and Treasurer; Arthur T. Gormley, Assistant Secretary; and Karl Haase, Assistant Treasurer.

Directors elected are: Gardner Cowles, Jr., John Cowles, Craig Lawrence, Vincent Starzinger, W. W. Waymack, and Arthur T. Gormley.

Stockholders at the meeting discussed improvements in station programming; particularly how news broadcasts and other programs directly related to the war effort can be handled with greater service to the public.

X X X X X X X X X

RMA APPOINTS A PUBLICATIONS DIRECTOR

John W. Douthat, former newspaper man, has been appointed Director of Publications of the Radio Manufacturers' Association, by Bond Geddes, Executive Vice-President. His duties will include the various RMA membership, press, patent, short wave program and other bulletins of the Association and also industry promotion and press relations. He will perform secretarial duties and assist in RMA committee activities.

Mr. Douthat, who is 42 years old, has been with the Associated Press for eighteen years and for the last eight years in charge of the U. S. Supreme Court coverage, and joins the RMA staff with a wide background of experience.

Mr. Douthat is a graduate of Emory and Henry College of Virginia. Later he was an instructor at Florida Military Academy but has been in newspaper work continuously for the past twenty years.

X X X X X X X X X

WGN GETS READY FOR TELEVISION IN A BIG WAY AFTER WAR

Station WGN of Chicago, through W. E. MacFarlane, Vice-President of the station, has placed an order with General Electric at Schenectady for what promises to be one of the most powerful television stations in the world. The order calls for a transmitter of 40-kilowatts, which is said to be beyond anything yet attempted.

James D. McLean, Commercial Engineer of the General Electric Electronics Department, said:

"Television transmitter equipment order will be the first 40-KW to be built when our company is released from the production of war communications equipment in which it is now engaged." He added that as far as he knew, the "visual" or picture apparatus would be one of the highest-powered units in America, if not in the world."

The WGN radio plans include, he went on, a structure of seven or eight stories and "designed to take full advantage of the expended tremendous developments in many fields after the war", such as FM facsimile and standard broadcasting. The top floor of the proposed building will be given over entirely to television, with a 20-kilowatt voice transmitter to operate with the 40-kilowatt sight or "video" transmitter. Both movies and live shows are contemplated.

X X X X X X X X

BONUS TO INCREASE MICA PRODUCTION

In announcing that the Colonial Mica Corporation, which is carrying out the WPB mica program is to pay a bonus to stimulate mica production, a bulletin said:

"Prior to the Government program on domestic mica, there was no domestic mica being used for radio condensers or tubes. A very little domestic mica was being used for aircraft spark plugs and magneto insulations. The principal reason why domestic mica did not find employment for these uses, which comprise some 90 per cent of the total consumption, was economic. It was considerably cheaper to use mica mined and prepared in India and Brazil than to use domestic mica. For the uses enumerated above, mica must be full-trimmed so that it can be readily split to the thin films in which it is used. It costs more merely to do the trimming operation in this country, disregarding the cost of mining, than to buy imported mica. It must be borne in mind that the tariff affords a protection of only 25 per cent ad valorem, plus four cents per pound specific duty. WPB recognized this economic handicap that confronted domestic mica and both by recommending sufficiently high prices to domestic producers and by undertaking preparation and qualification in Government shops, overcame this handicap."

X X X X X X X X X X

CALLS HALT ON RADIO CONCERN USING NAME OF "MIDWEST"

Nathaniel Goldberg, trading as North Eastern Radio Company, 799 Broadway, and also as Midwest Radio Service Company, 80 East 11th Street, New York, N. Y., is charged in a complaint issued by the Federal Trade Commission with misrepresentation and unfair and deceptive acts and practices in commerce.

In advertisements in trade journals and by means of advertising folders, pamphlets, circulars and other advertising material, the complaint charges, the respondent made many false statements and representations concerning the radios and radio parts which he sells and distributes. Among these representations, according to the complaint, are: "Our Company is the only Company employing Midwest Factory Trained Servicemen", "We are the only Company offering you complete Factory Service and Facilities at exceptionally Low Factory Prices", "We Use Laboratory Tested Parts - for our engineers have designed parts Custom Built for your Midwest Radio", and "Factory to You ... Up to a 50% Saving."

All these representations, the complaint charges, are false and misleading as the respondent does not maintain a laboratory where research or experiment is carried on; does not own or operate a radio factory or manufacture radios, but only assembles radios from parts manufactured by others and rebuilds radios with new and used parts manufactured by others. He is not a radio engineer; does not employ radio engineers; his prices are not "manufacturer's" or "factory prices" as represented, and to not effect savings to the public, and repaired radios sold by him will not give new radio performance.

The complaint further declares that the respondent formerly was an employee of the Midwest Radio Corporation, a large well-established radio manufacturer of Cincinnati, Ohio, which manufactures and sells radios under the trade name "Mid West." While in charge of its New York branch the respondent was furnished with a list of purchasers of radios from the Midwest Radio Corporation in the New York area. Through the use of the name Midwest Radio Service Company, and representations set out in the complaint, which were sent to owners of Mid West radios and customers of the corporation, the respondent led purchasers and prospective purchasers of his radios to believe he is connected with, or maintains a factory branch for, the Midwest Radio Corporation.

X X X X X X X X X X

Federal Judge John P. Barnes of Chicago District Court, has dismissed the \$1,000,000 suit brought against Walter Winchell, the Jergens Co., his radio sponsor, and the Blue Network, by George Washington Robnett, who alleged he had been libeled by the New York Mirror-KFS columnist in radio discussions of the book "Under Cover". Ruling that the complaint failed to substantiate the charge of libel, the court gave the plaintiff 30 days in which to file an action again.

X X X X X X X X

RADIO DEADLIER COMPETITOR IF PRESS DOESN'T ACQUIRE FM

If the press permits the opportunity to secure FM facilities "to go by default, as most newspapers did 20 years ago, radio may become a real and a deadly competitor of the press in many communities", the Editor and Publisher observes in commenting upon the purchase of WQXR by the New York Times, of which it says:

"The newspapers of New York City, individually and as a group, have been slow to take any part in the development of radio broadcasting. Two decades ago, when radio facilities in the metropolis could have been acquired at comparatively small expense, the opportunity was thoroughly neglected.

"That makes this week's announcement by the New York Times that it has bought Station WQXR and its affiliated FM station, WQXQ, highly significant. The purchase is, of course, subject to approval by the Federal Communications Commission, and the announcement, with details of the Times' plan of operation, indicates that such approval is likely to be forthcoming.

"The recent decision by the FCC, removing the former ban on newspapers as radio station license applicants, should open the way for the next obvious step by newspapers - the acquisition of FM facilities. That is important for metropolitan newspapers, and it is even more important for small city dailies."

X X X X X X X X

BBC AND OWI JOIN IN LINCOLN BROADCAST

The Overseas Branch of the U. S. Office of War Information and the British Broadcasting Corporation will jointly present a two-way shortwave broadcast from 10 to 10:30 A.M., EWT, Saturday, February 12, to commemorate the one hundred and thirty-fifth anniversary of the birth of Abraham Lincoln, sixteenth President of the United States.

During the portion of the program broadcast from the United States to the rest of the world, the voice of Vice President Henry A. Wallace will be heard as he delivers an address at Lincoln's Tomb in Springfield, Ill.

From London the Archbishop of Canterbury will pay tribute to Lincoln for the democratic principles for which he fought.

The original program will be shortwaved over ten stations out of New York to North Africa, Europe, the Near East and South Africa, with simultaneous relays through United Nations radio Algiers and the American Expeditionary stations in North Africa. It will be rebroadcast from New York at 11:30 A.M. via radio Leopoldville to South and Central Africa. Also will be rebroadcast to South America.

From London, the program will be broadcast over the BBC home service as well as to Europe, the Far East, New Zealand, India, Iran, Iraq, North Africa, South Africa and West Africa.

X X X X X X X X X

2/8/44

TRADE NOTES

Emerson Radio and Phonograph Corporation will sponsor "Green Valley, U.S.A." over approximately 66 stations of the Mutual network, beginning Sunday, February 20, and continuing every Sunday from 5 to 5:30 P.M., EWT. William H. Weintraub & Co., Inc., is the agency servicing the account. Program will originate from WOR.

The RMA Tube Division, under Chairman M. F. Balcom, of Emporium, Pa., held a meeting in Washington recently, for discussion of the military tube program and also present scheduled production of civilian replacement tubes. Also taken up was proposed modification of the JAN specifications for transmitting tubes.

Following the meeting the tube manufacturers were to hold a meeting this week of the WPB Tube Advisory Committee, on scheduling and other problems of the military program and also civilian replacement requirements.

Sponsors of the Radio Technical Planning Board have elected Mrs. Martha Kinzie Assistant Secretary of the Board. Mrs. Kinzie is secretary to Dr. W. R. G. Baker and resides at Bridgeport, Conn., where she works in the company's Electronics Department.

Mrs. Kinzie, with the cooperation of L. C. F. Horle, co-ordinator, and W. B. Cowilich, Secretary of the Board respectively, will be responsible for processing of the papers in connection with the work of the Board.

The intensive campaign to increase production of war material by 25 percent before the end of 1944 will be given impetus by a national Labor-Management Exposition to be held in the Department of Commerce Auditorium in Washington, D. C., February 28 to March 11.

The exhibitors will include: Emerson Radio & Phonograph Corporation, Stromberg-Carlson Telephone Mfg. Co., and Westinghouse Electric & Manufacturing Company.

The Co-operative Analysis of Broadcasting, Inc., radio research organization operated on a non-profit basis by the American Association of Advertising Agencies and the Association of National Advertisers, will expand its program measuring services on April 1 to measure program audiences of all cities in the country with more than 50,000 population. The coincidental method of investigating will be employed exclusively and the recall method eliminated. Another new service to be offered by the organization is research affecting persons who own radios but do not have telephones. All previous program measuring systems were conducted entirely by telephone.

X X X X X X X X X

2/8/43

SALES TOPPED AS WOR ENDS YEAR 23% OVER PREVIOUS HIGH

WOR has ended its fiscal year (February 1, 1943 to January 31, 1944) with an all-time high mark in total sales, according to Eugene S. Thomas, Sales Manager. The station registered a 23 per cent increase in dollar volume over the previous high year, 1941.

A further study of the 1943 dollar volume figures reveals the desire of sponsors to retain their time on the air. Of WOR's total sales, 80 percent were renewals.

A further check shows that eight of the past 12 months, April, June, July, August, September, October, November and January, were highest in total business in WOR's history.

A breakdown of the number of motion pictures advertised locally over WOR during 1943 reveals a 100 per cent increase over the 1942 figure.

X X X X X X X X

BLUE TIME 1943 SALES UP 57%

Gross client expenditures on the Blue Network in 1943, its second year as an independent organization, were \$24,869,948, representing an increase of 57.6 percent over billings in 1942, a final tabulation reveals. Gross time sales in 1942 were \$15,782,493.

A breakdown of gross expenditures by industrial classifications reveals the foods and food beverages industry as the leading advertiser on the Blue in 1943, with time purchases amounting to \$6,359,980. The second leading industry was drugs and toilet goods, with an expenditure of \$6,163,659.

Other industries spending more than one million dollars were confectionery and soft drinks, \$4,351,154; lubricants and petroleum products, \$2,395,942; automotive, \$2,362,331; and cigars and cigarettes, \$1,153,026.

X X X X X X X X X