

HEINL RADIO BUSINESS LETTER

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NATIONAL BROADCASTING COMPANY, INC.
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June 7, 1944

MARSHALL FIELD BUYS WSAI, CINCINNATI; CREATES CHAIN TALK

The surprise move of Marshall Field extending his sphere of action to Ohio by the purchase of Station WSAI from the Crosley Radio Corporation in Cincinnati, so closely following his buying Station WJJD in Chicago from Ralph Atlass, immediately started speculation of Mr. Field invading other anti-New Deal strongholds and possibly forming a radio chain in addition to other newspapers he might acquire.

The sale of either WLW or WSAI was necessitated by the order of the Federal Communications Commission, which prohibits the operation of two broadcasting stations serving the same general area under the same ownership. Among those reported angling for WSAI was the Cincinnati Enquirer, the only newspaper in that city not having a station.

It is anticipated that the WSAI studios will remain in Crosley Square until broadcasting equipment becomes available at which time the station will move into its own quarters thus separating WLW and WSAI physically as well as in the matter of ownership.

The price given in connection with the sale is said to be \$550,000. Mr. Field paid \$1,000,000 for WJJD, a 20,000 watt station in Chicago. WSAI, formerly owned by the U. S. Playing Card Company, operates on 1,360 kilocycles with 5,000 watts power and is affiliated with both NBC and the Blue networks.

It is assumed that WSAI under the direction of Marshall Field will enter vigorously into the Ohio campaign in favor of President Roosevelt just as he already is doing with his newspapers in New York and Chicago and as he is expected to do with WJJD as soon as he assumes possession. If this is true, he will have stiff Republican opposition in Cincinnati from WKRC, of the Times-Star, owned by the Taft family.

In addition to further emphasizing the trend of newspapers acquiring broadcasting stations, the purchase of WSAI by Marshall Field from the company headed by Powel Crosley, Jr., marked a notable exchange between two men both in their fifties and both born in the Middle West now very much in the public eye. Marshall Field III, born in 1893 in Chicago, grandson of the famous Chicago merchant, entered the newspaper field through his interest in PM, an evening paper in New York City. In 1941 he established the Chicago Sun in opposition to the Chicago Tribune.

Powel Crosley, born in Cincinnati in 1886, was a radio pioneer who had previously been in the advertising and automobile business. He started in the radio business and wound up as one of

the largest manufacturers of radio receiving sets in the country and the owner of WLW, one of the most powerful broadcasting stations in the world. Mr. Crosley is also president and owner of the famous Cincinnati baseball club.

It is a foregone conclusion because of its New Deal complexion that the Federal Communications Commission will approve the transfer of license of WSAI to Mr. Field and that there will be no difficulty in closing the deal insofar as the FCC is concerned.

Due to the necessity of settling certain details of the sale and filling out of forms, it may be 10 days or two weeks before the application for transfer reaches the Commission. Dempsey and Koplovitz are the radio attorneys for Mr. Crosley in Washington, and Horace L. Lohnes for Marshall Field. It was said that no change in the personnel of WSAI was anticipated as a result of the sale.

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RADIO TO HAVE ANOTHER FRIEND IN SENATE IF CAPEHART WINS

If Homer E. Capehart, radio pioneer who was nominated for Senator at the Indiana State Republican convention last week, is elected, the industry will have another good friend in the upper branch of Congress. Mr. Capehart was the president and organizer in 1925 of the Capehart Corporation in Fort Wayne, Indiana, manufacturers of a combination radio and phonograph set.

When Everett Sanders, former Indiana Congressman, Chairman of the Republican National Committee and now a prominent lawyer in Washington, was asked what he thought of the chances of Mr. Capehart's election, he said: "Excellent!" It is expected that Mr. Capehart's opponent for the senatorship will be the present Governor of Indiana, Henry F. Schricker, who has already announced his candidacy for the Senate.

Mr. Capehart attracted national attention some years ago when the Republicans were at their lowest ebb by huge "Cornfield Rally" and barbecue at his spacious country home at Washington, Indiana, where the natives like to have their little joke by calling it Washington, D. C. (Daviess County). Republicans came from all over the State and Mr. Capehart added cheer to the occasion by footing the bill for everything.

Then again - if this Hoosier writer's memory is correct - Mr. Capehart stage-managed the formal notification of Wendell Willkie at Elwood, which was another national event.

Mr. Capehart, who was born at Algiers, Indiana, in 1897, after disposing of the Capehart Corporation to Farnsworth, became Vice-President of Rudolph Wurlitzer of Cincinnati. He is now President of the Packard Manufacturing Company, manufacturers of "juke box" remote controls but at present engaged in war work, and owner of the Capehart Engineering Company, both of Indianapolis.

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LICENSING COMMENTATORS SEEN AS STEP TOWARDS MUZZLING

The substitute for that portion of the Wheeler-White radio bill which would have banned commercially sponsored news broadcasts which Senator Johnson (D), of Colorado, introduced last Monday, promises to be as much of a target as the provision which Senator Wheeler so angrily scrapped.

Calling Senator Wheeler's curb too drastic, Senator Johnson believed that Senator Wheeler's aim of preventing what he called "smearing" of Congressmen and others could be accomplished by the Johnson amendment which provided that :

"1. Sponsored commentators had to get licenses from the Federal Communications Commission and be subject to a 'code of ethics' written into law.

"2. The Commission could revoke the licenses of those who break the code by 'departing from the path of decency and fair play in attacks upon those who do not have an equal opportunity to answer.'"

Claude A. Mahoney, Blue Network commentator, whose morning broadcasts are widely listened to by official Washington, was quick to call Senator Johnson's proposal the "first step towards the destruction of free speech".

"Remember the idea of Senator Wheeler to take commercially sponsored news programs off the air entirely?" Mr. Mahoney declared to his radio audience. "He gave that up as a bad job, just as I predicted he would have to do. But now Senator Johnson of Colorado has a plan. Under his plan every sponsored commentator would have to have a Federal license and be subject to a code of ethics. The FCC could revoke the license if the commentator deviated from what the Senator calls the path of decency and fair play in attacks on those who do not have an equal opportunity to answer. As I have said before, it always seems queer to me that anybody in Congress - with immunity - you can say anything you want to in Congress and not get sued - why anybody in Congress should complain about the folks outside who are subject to the laws of libel. I have this suggestion; instead of throttling all news commentators, why not get to work and tighten the laws that are on the books. Make them so tight that if I call anybody in this studio a heel, he could sue me and I would have to prove he is a heel, or get stuck for a stiff penalty for slander. Somehow or other, whenever the members of Congress begin to monkey with this thing, I think of the old story of the goose that laid the golden egg.

Chairman James L. Fly of the Federal Communications Commission, horned into the current discussion of news commentators in connection with an editorial in the Washington Post. He wrote to the Editor:

"Your editorial entitled "Radio News", in The Post for May 29, raises incidentally a very interesting point. As you suggest, more and more worthwhile noncommercial programs are being commercialized and driven 'into the arms of commercial sponsors'. Even 'town meetings', which have never been bought and sold since the days of the Pilgrim fathers, are now traded in at a rate reputed to total \$800,000 per year for one such program.

"The suggestion that the FCC antimonopoly regulations have anything to do with this is, however, wholly erroneous. The 'options' which our regulations limit apply only to commercial programs. Even before our regulations took effect, the networks had no power to require a local station to carry any non-commercial programs; and local stations could refuse to broadcast even the best of them. This situation our anti-monopoly regulations did not affect. What happened was that a war boom hit the broadcasting industry; many stations found their free time all sold out; and instead of exercising a reasonable self-restraint, they proceeded to cancel town meetings and symphonies in order to put on profitable commercial programs. Thus as the profits of the broadcasting industry have risen, their public service has declined - despite, not because of, the FCC anti-monopoly regulations."

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COWLES BROTHERS ADD WCOP, BOSTON, TO THEIR HOLDINGS

The Iowa Broadcasting Company - the Cowles brothers - are adding a fifth station to their rapidly growing network, WCOP Boston, purchased from the Arde Bulova interests for \$225,000. This marks a strengthening of their eastern invasion, WHOM, Jersey City, an entering wedge into New York City having been acquired several weeks ago for \$350,000. The other Cowles stations are in the Middle West - KRNT, Des Moines, Ia.; WMT Cedar Rapids, and Waterloo, and an affiliated station WNAX, Yankton, - Sioux City, S.D.

KSO, a second Cowles station in Des Moines, is being sold to Kingsley H. Murphy, newspaperman of Minneapolis, for \$275,000. This, of course, is to comply with the FCC ruling that there shall not be two stations in the same area under the same ownership.

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The Rand McNally Invasion Issue Global War Map is being distributed through WTOP, Washington, D. C., as a promotion tie-in with CBS network and local invasion news broadcasts. As a further public service, a pin-up schedule giving day, time and commentator for all regularly scheduled news programs on WTOP, is included with each map.

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PETRILLO BAWLS OUT GREEN FOR BACKING WJJD AND KSTP

Causing what may be a split within the ranks of the American Federation of Labor, James C. Petrillo, President of the American Federation of Musicians, an A.F. of L. affiliate, blew up at the annual convention of the musicians in Chicago yesterday (Tuesday) with a terrific bawling out of William Green, President of the American Federation of Labor. Evidently the straw that broke the camel's back was Mr. Green backing up Ralph L. Atlass of WJJD, and Stanley Hubbard of KSTP, in refusing Mr. Petrillo's demand that Union members replace "the pancake turners" who change records on canned music programs. Mr. Green repudiated the WJJD and KSTP strikes as violations of labor's no-strike war pledge.

"We have a labor leader raising the flag and waving it in our faces and declaring that we will lose the war because of a strike against two little radio stations, but not doing anything about big strikes in war plants", Mr. Petrillo charged, referring to Green.

"I wouldn't be as spineless as he is", the Music Czar continued. "Did Bill Green repudiate any strike of machinists on the West Coast when they tied up munitions and supplies necessary for our soldiers?" Petrillo asked. "Did he repudiate any of the AFL strikes which are spreading throughout the country?"

Among other charges, Petrillo said that Green has done nothing to clean out "racketeers and crooks" from labor leadership.

Petrillo accused Green of failing to repudiate the spread of strikes in war industries, of lacking courage to step into jurisdictional rows and of being largely responsible for the War Labor Board, which was decidedly unpopular with the head man of the Musicians' Union.

"The charges of racketeers and crooks in labor ranks must be true because you don't hear anybody refute them", Petrillo told the 720 delegates. "Let's start right now and clean up the racketeering as it should be done. If you do away with the crooked employers, then they will not be able to deal with the crooked labor leaders.

"I demand, Mr. Green, that you use all the power and money of the American Federation of Labor to see that the employers are also convicted when they connive with the labor leaders of the AFL."

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Audience reactions to radio programs, ranging from dramas for adolescents to morale-building shows and commercials, are reported and analyzed by three members of CBS' Research Department in the recently published "Radio Research 1942-1943", which is edited by Paul F. Lazarsfeld, Director of the Office of Radio Research, Columbia University, and Frank N. Stanton, Vice President, Columbia Broadcasting System.

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FCC APPROVES NEW BROADCAST STATION LICENSE RENEWAL FORMS

The Federal Communications Commission, on May 30, 1944, approved a revised Form 303, application for renewal of license for standard broadcast stations and authorized two new forms, 303-A, Statement of Technical Information Concerning Standard Broadcast Stations Using Nondirectional Antennas, and 303-B, Statement of Technical Information Concerning Standard Broadcast Stations Using Directional Antennas.

The Commission has required very little engineering data with regard to any standard broadcast station since the change to the abbreviated renewal application Form 303 in February, 1942, and in view of the recently extended license period for standard broadcast stations to three years, it is essential that up-to-date engineering data be filed with the Commission. For this reason, licensees will be requested to submit to the Commission, by August 1, 1944, such current engineering information on Form 303-A or 303-B. It is expected that a supply of the newly approved forms 303-A and 303-B will be available in a short time and will be promptly mailed to each standard broadcast station.

One significant change in the forms covering the engineering data is that in addition to being executed by the applicant, the chief engineer or technical director of the station will be required to swear or affirm that he has read the same, knows the contents thereof, and that the matters and facts set forth in the form are true of his own knowledge. Past experience has indicated that many licensees filed their renewal applications with gross errors which are repeated time and time again, thus indicating that the data had been copied from a previous renewal application without reexamination by anyone having knowledge or information of the facts. It is hoped that with the revised forms, engineering information submitted will be current, accurate, and of real assistance to the Commission.

In addition to up-to-date engineering data, the revised application form and renewal of license seeks to elicit information as to the ownership, operation, interests therein, etc., of all licensees. Current information on program service is likewise sought and applicants will be required to attach to the original application only the program and operating logs or one exact copy thereof required to be kept under Section 3.404 of the rules for the seven consecutive days immediately preceding the date of execution of the application form. If the original log is submitted and so marked, it will be returned to the applicant.

The requirement in the revised form for submission of program and operating logs is in lieu of the provision in Form 303 prior to revision, which sought a breakdown of program content giving percentage of total monthly hours (commercial and sustaining) divided into types of programs such as entertainment, educational, religious, agricultural, fraternal, news, etc., and it is believed will result in eliciting more accurate information on the subject of

program service the station renders with less effort on the part of the applicant.

In view of the fact that under Section 1.361 of the Commission's Rules of Practice and Procedure, licensees are required to file an annual financial report, no additional financial data is required by the revised Form 303 unless changes in the financial status of the applicant have occurred since the filing of the applicant's last annual report, in which event such changes are required to be reported. The applicant must, however, represent that its financial condition, except for minor changes occurring in the normal course of business, is the same as of the date of execution of the renewal application as that shown in the most recent annual report, stating the date filed.

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WOULD PULL RUG FROM UNDER COMMENTATORS' LICENSING BILL

Here is the view taken by the Washington News (Scripps-Howard) of the legislation introduced by Senator Johnson (D), of Colorado, which would give the Federal Communications Commission the power to license sponsored radio news commentators:

"Said the headline: 'Bill provides for U.S. licensing of radio commentators.'

"Said the editor, when he read that: 'There, but for the grace of God, go I.' And so said the columnist, the magazine writer, the pamphleteer, and all others who under Article I of the Constitution of the United States like to express their opinions, in speech or type.

"Because speech and type and senatorial oratory aren't limited by broadcast bands, licensing of all opinion isn't involved in this - or is it, if such a trend really gets a start?

"When radio came in, it was obvious that some sort of police force should be set up or there would be bedlam on the air - the number of wave lengths being restricted. So there was born a regulatory system which is now what we have in FCC.

"Since all bureaus grow on what they feed on, and since human beings love power, there has evolved a control which goes way beyond the police power which the mechanics of radio originally called for. Gradually that power extended itself into the substance of what was being said, rather than the mere mechanics of transmission. And so it has come to pass that a Senator of the United States, Johnson (D., Colo.), would now put radio commentators under license and a 'code' written by Congress.

"Now license, simply defined, means that the power to license is the power to destroy. 'The Lord giveth and the Lord taketh away.' He who comments by license stands on a rug that can be pulled from under him by the whim of the licensor. The licensee can

not be a free agent. His expression is restricted by the fear of obliteration. That's all you can make of it. Extend it to all expression and you have wiped out democracy.

"Now there have been times when we, momentarily, listening to some radio commentators and reading some writers with whom we did not agree, would have liked to obey that impulse and pull the rug. But only momentarily, of the long-haul consequences.

"And we believe Sen. Johnson, who has exhibited many evidences of being a statesman, will, when he thinks this thing through, pull the rug from under his own bill.

"Voltaire said it : 'I wholly disapprove of what you say and will defend to the death your right to say it.'"

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RADIO AND RADIO PICTURES WIN NEW LAURELS IN INVASION

Radio has covered itself with glory in the Invasion program. Not only has it reached a new high level as a means of communication with the troops, but it also established a record in keeping the world informed as to what was going on.

In this country there was magnificent cooperation on the part of the National Broadcasting Company, Columbia Broadcasting System, Blue Network and the Mutual System.

The Office of War Information has released the following bulletin today:

"At H-Hour on D-Day, 3:34 A.M., June 6, the internal teletype system linking all radio and cable desks of the Overseas Branch, sent a flash to all desks reading: "First Allied landings in Western Europe have started."

"Immediately all of the pre-arranged plans were put into motion and the wheels began to turn.

"The flash was cabled to Chungking, Algiers and Naples at 3:42 A.M. and two minutes later the text of the first communique was sent to Bombay, Stockholm, Beirut, Istanbul, Moscow, Cairo, Chungking, Algiers and Naples.

"In the Radio Program Bureau, the first Flash was put on the air in French at 3:37 A.M. At 3:47 it was broadcast in Italian and at 3:48:30 direct contact was made with SHAEF in London.

"From London, OWI transmitters carried the brief announcement of the landings, then General Eisenhower's Order of the Day and messages for the leaders of the Governments-in-Exile. There was considerable interference with the London pick-up due to atmospheric conditions and at 4:22 A.M., New York was obliged to return to its regular program originating from our own studios.

"Throughout the day, OWI's regular schedule of broadcasts continued, with English every hour on the hour, German 15 minutes after the hour, French on the half-hour, and Italian at 45 minutes after the hour. These are the major languages. Broadcasts in the minor languages from New York started with one in Bulgarian at 6:00 A.M.

"Some of the changes already made or planned during the day in the regular pattern of OWI programs includes: the 3:30 P.M. program (French), usually devoted to a special show called "Friendship Bridge", will be devoted to a resume of up to the date news on the progress of the Allied advance, half of it in Flemish for Belgian listeners. The 1:00 P.M. English show will be half Norwegian and the 3:00 P.M. English show will be half Danish.

"For the next few days the regular German troop shows will each contain two spots of two minutes each in Central European languages. These German language shows are at 1:15 A.M., 8:15 A.M., 12:15 P.M., and 6:15 P.M. Specific broadcasts to German troops in Western Europe will be discontinued from New York on the theory that the Germans will be too busy to listen to them. The time will be devoted to German language programs with specific items in Hungarian, Czech, Polish and Rumanian.

"The Special Events Division of the Radio Program Bureau has been arrangements with the major networks to record the first six hours of their programs after the 'landings' communique was released. Arrangements also have been made in New York to record several prominent Netherlands and Norwegian personalities for use in programs in these languages. From Canada, they hope to get a special recording from Prime Minister MacKenzie King, the Czech Attache at Ottawa and French Canadian officials in Quebec (for French language spots).

"Between 3:42 A.M. and noon, the Cable-Wireless Division of OWI's News and Features Bureau sent a score of outposts in all parts of the globe, a total of more than 45,000 words. This was in addition to a large number of background stories sent to all outposts in advance of D-Day. Special instructions were cabled to outposts on the use of the advance material.

"The News and Features Bureau's Picture Division started moving radiophotos of the landings as soon as they were available. A recent picture of General Pershing, with a facsimile of his message, was moved to Madrid, Algiers, Istanbul and Beirut, at 8:15 and the same subjects were transmitted to Bombay, Stockholm and other points between 8:30 and 9:30 A.M. The first pictures of the actual operation were received at 9:30 A.M. and were moved immediately to all points. At 11:00 A.M., a total of 16 subjects had been transmitted by radiophoto to OWI outposts."

A feature of the Invasion was also the U. S. Signal Corps radiotelephoto service and that of RCA. Photos came through from Rome and London simultaneously with the news dispatches.

R.C.A. Communications, Inc., reported a greatly increased volume of traffic through its broadcast relay circuit, a unit that picks up overseas broadcasts and relays them to local networks. The International Broadcast Service of RCA handled fifty overseas monitoring and pick-up broadcasts yesterday, or 100 percent more than were handled on September 3, 1939, the previous busiest day.

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COMDR. HARRY BUTCHER RIGHT THERE WITH THE KING - EH WHAT!

Standing alongside of the King of England when he chatted with the paratroopers before the take-off for the invasion was none other than Commander Harry C. Butcher, of Washington, former Vice-President of the Columbia Broadcasting System, and now Naval Aide to General Eisenhower. This was shown in a U. S. Signal Corps Radiotelephoto which appeared on the front page of the New York Times today (Wednesday, June 7th). Harry had evidently been detailed by General Eisenhower as an aide to the King and was standing behind His Majesty as natural and pleasantly unconcerned as if he were among his old friends at home.

Broadcasts of the invasion take-off mentioned the fact Commander Butcher was constantly at the side of General Eisenhower.

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FCC ACTION

The Federal Communications Commission en banc took the following action on June 6th:

KID, granted consent to voluntary transfer of control of KID Broadcasting Co., Idaho Falls, Idaho, from Jack W. Duckworth to Walter Bauchman, H. F. Laub and L. A. Herdti, by transfer of 250 shares, or 100% of authorized, issued and outstanding capital stock of the company for a total consideration of \$100,000; KLCN, Blytheville, Ark., granted consent to voluntary assignment of license of Station KLCN from Fred O. Grimwood to Harold L. Sudbury, for a total consideration of \$15,865.12; KFAB, KFAB Broadcasting Co., Lincoln, Neb., granted construction permit to change frequency from 780 to 1110 kilocycles, hours of operation from Simul. Day, S-N WBBM, to unlimited, and install directional antenna for night use with certain provisions; WJAG, The Norfolk Daily News, Norfolk, Neb., granted construction permit to change frequency from 1090 to 780 kilocycles; WBBM, Columbia Broadcasting System, Chicago, Ill., granted modification of license to change hours of operation from Simul. Day, S-N KFAB, to unlimited time on frequency 780 kc.; KFVD, Standard Broadcasting Co., Los Angeles, Cal., and KPAS, Pasadena, Calif., denied petition for postponement of effective date of multiple ownership rule 3.35, and designated for hearing renewal applications for Stations KFVD and KPAS.

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