

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

~~NATIONAL BROADCASTING COMPANY, INC.~~

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FRANK E. MILLER

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No. 1688

July 11, 1945

THOUGHT ELLIOTT CASE MAY CAUSE PROBE OF MOTHER'S RADIO FEES

With Mrs. Roosevelt's writings injected into the growing charges made against son Elliott, it was believed if the investigators are allowed a free hand the next thing on the agenda will be a Government inquiry into the amount of the former First Lady's radio earnings which up to now she has not divulged. About the only explanation that has been forthcoming on this is that the money has been given to charity. Since only 15 percent of an income is allowed for such purpose, it has been argued that much of Mrs. Roosevelt's remuneration from broadcasts is yet to be accounted for.

Mrs. Roosevelt's writings were brought into the case by the Washington Post last week charging that the magazine "Women's Day", published by the Atlantic and Pacific Tea Company, paid her \$25,000 for a series of articles a few months after the A. & P. and other chains raised a \$5,000,000 war chest to beat a chainstore tax law introduced by Representative Wright Patman (D), of Texas. George T. Bye, literary agent for Mrs. Roosevelt, denied this, stating the amount she received was only \$3,750 (at a rate of \$500 per article).

Another new angle to the case is the retirement of Secretary of the Treasury Morgenthau, who ordinarily would be the fountainhead of information about Elliott's income tax accounting. Already Senator Willis (R), of Indiana, has been hammering away at him for certain tax data about Elliott which the Senator claims has not been forthcoming. Secretary Morgenthau, one of President Roosevelt's closest friends, and Mrs. Morgenthau, Mrs. Roosevelt's most intimate friend, may thus be saved from considerable embarrassment by Mr. Morgenthau leaving the Cabinet just now. In some quarters this is believed to be one of the reasons Secretary Morgenthau is willing to get out at this time. His exit is thought to be a bad break for Mrs. Roosevelt, however, as it is said the Morgenthaus' leaving will cut off her closest ties with official Washington.

Shortly before Mr. Morgenthau's resignation, cartoonist Jim Berryman in the Washington Star showed him sitting in his office perplexed and perspiring with John Q. Public asking: "Looking for someone, Mr. Secretary?" and Secretary Morgenthau replying: "I thought I'd get up a list of people who were not asked to make a loan to Elliott Roosevelt."

Representative Rich (R), of Pennsylvania, suggested Elliott to succeed Mr. Morgenthau as Secretary of the Treasury, saying:

"He knows how to get the money and settle the debts."

The total of Elliott's loans are now reported to be \$820,000 with predictions that they may pass the million mark. This includes the \$200,000 John Hartford, A. & P. President, loan, the two Texas oil loans totaling \$500,000, the loan of David G. Baird, N. Y. insurance man for \$70,000, and the \$50,000 loan of Maxwell N. Bilofsky, President of the Industrial Electronics Corporation of Newark, which he claimed to have settled with Elliott for \$20,000.

That the disclosure of Elliott's radio deals caused the sudden halt of the House investigation of the Federal Communications Commission under Administration pressure was charged by W. P. Flythe, Sr., in the Washington Times Herald.

"Investigators for the Committee had been directed to probe the organization of Elliott's radio network in Texas and the proposed expansion to a transcontinental system", Mr. Flythe wrote.

"By that time Elliott was an officer in the Army and had relinquished his control over the radio network.

"Shortly thereafter, for 'security' reasons an executive order was issued forbidding officers of the Army, Navy and other Government agencies from testifying and the investigation began to bog down.

"The documentary evidence had been secured, however, and was ready for introduction when it was 'impounded'. It was at this point that Eugene L. Garey, New York attorney, who was special counsel for the investigating committee, resigned and with him practically all of the counsel and investigators. The special committee then under the chairmanship of Representative Cox (D), of Georgia, was 'discharged' and the activities turned over to a new committee under Representative Lea (D), of California. This committee changed the trend of the inquiry."

An examination of the court records at Wilmington revealed that the gross assets of the Transcontinental Broadcasting System, Inc., Elliott's unsuccessful network, which never started, were only \$165,000 on November 30, 1939, the time of incorporation. By December 16, 1940, when receivers were appointed and the chain thrown into chancery court, the assets had dwindled to \$94,444.

At the time of the incorporation Elliott was listed as president and a director. At liquidation he was shown only as a stockholder.

In the liquidation Elliott received a total of \$33,438 on his recorded investment of \$70,000. His attorney at that time, Milton Diamond, New York, listed him as owning 4,000 shares, which was 40 percent of the chain's outstanding stock. The \$33,438 represented 40 percent of \$83,579, the total dissolution allowed by the courts.

Other shareholders were H. A. Brennan, Pittsburgh, Pa., Treasurer of the company, who collected on 15 percent of the chain,

and Robert M. Thompson, Grafton, Pa., Secretary, who collected on 14 percent of the settlement.

John T. Adams, listed in the record as Chairman of the Board and who recently declared that the \$200,000 Hartford loan was never to his knowledge used in the Transcontinental, was denied a salary claim of \$6,528 by the court, the record shows.

In a dispatch from Texas, Guy Gentry, Chicago Tribune correspondent wrote:

"Elliott created quite a stir in Fort Worth when he first arrived here as the guest of the Southwestern Exposition and Fat Stock Show in March 1938, a week after his father had taken his first presidential oath. Standing 6 feet 2 inches and weighing more than 200 pounds, the high-heeled cowboy boots and 10-gallon hat Elliott donned then made even Texans turn and stare. He met Ruth Googins, Fort Worth society girl, on that visit and four months later married her.

"Elliott's entry into the radio business was on October 1, 1935, when A. P. Barrett, who had amassed a fortune in Texas utilities and in the operation of pioneer airplane passenger lines, gave him a job. Barrett owned five Texas radio stations and had five others affiliated in the Southwest Broadcasting Company. He made Elliott Vice-President in Charge of Sales.

"A few months later Elliott arranged for the sale of four of the five stations to Hearst Radio, Inc., getting a commission of \$30,000 from Barrett and a vice presidency at \$20,000 a year from Hearst.

"Elliott's first station of his own was KFJZ, a 250-watt station in Fort Worth, purchased September 7, 1937, in his wife's name for \$57,500.

"On August 11, 1938, a charter was issued to the Texas State Network with 1,000 shares of no par value and with \$50,000 cash paid in. Elliott, Buck and Harry Hutchinson, Manager of KFJZ, were incorporators, Buck and Hutchinson holding one share each.

"The network, its 23 stations then comprising the largest regional hook-up in the country, made its bow on September 25, 1938, with a program of national stars headed by Bob Hope.

"Elliott admitted later in testimony before the Federal Communications Commission that the network lost more than \$100,000 in the first three months of operation. Estimates here are that \$350,000 was poured into the network the next year.

"Elaborate offices were opened in Rockefeller Center in New York and in the Wrigley Building in Chicago. Elliott hired so many vice-presidents that one of the jokes at the Fort Worth Club at that time was that every stranger getting off a plane at Meacham Field was a new vice president.

"Present Texas network stockholders include Elliott, who owns 5 per cent; his former wife, now Mrs. Harry Eidson, Elliott's three children, and Roeser, Richardson, and a few minor stockholders.

"Elliott's interest is variously valued at between \$15,000 and \$25000."

In an article in the Washington News Digest, a monthly magazine which he edits, former Representative O'Connor (D), of New York, said Representative McFarlane (D), of Texas, had told the President that Elliott should have been indicted for \$40,000 which he collected in a Texas radio scandal" and that the President had replied, "There are certain people who just can't be indicted." Representative McFarlane denied he had any such conversation.

Representative Shafer (R), of Michigan, mentioned the name of Elliott Roosevelt last week in telling the House he was "suspicious" of international route certificates granted Trans-continental & Western Airlines, Inc.

Urging that all the facts be explored, Mr. Shafer said General Roosevelt "was consorting with TWA officials" while their application for a trans-Atlantic route was before the CAB.

A New York dispatch stated that the names of Elliott Roosevelt and his brother Franklin D. Jr., had been dropped from the New York Summer Social Register.

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BARRY NEW ABC WASHINGTON MAN; BERKELEY CONTINUES

Charles C. Barry has been named Washington representative of the American Broadcasting Company, in charge of activities of the company at the Capital, according to Robert E. Kintner, Vice-President.

Kenneth Berkeley, now Washington Manager for the American Broadcasting Company and head of radio station WMAL, an ABC affiliate, will continue in his present capacity.

Mr. Barry will represent the company with the various Government agencies. Mr. Berkeley will continue to supervise the American Broadcasting Company program operations emanating from WMAL, which is owned by the Washington Evening Star.

Mr. Barry is well known in radio circles, having been first associated with Station WMAL in Washington and then the Program Department of the National Broadcasting Company. When the Blue Network was separated from the National Broadcasting Company he became one of the principal program executives. He has been National Director of Program Operations of the American Broadcasting Company up to the time of his new appointment.

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INDUSTRY MEEKLY ACCEPTS ADVERSE FCC FM RULING - AS USUAL

The industry took the Federal Communication Commission's drastic ruling against it in the FM allocation as it usually takes adverse FCC decisions - "lying down". Notwithstanding the fact that the Commission's decision to place FM in the 88-106 megacycle band was made against the recommendation of the entire radio manufacturing industry; against a 24 to 1 vote by the Radio Technical Planning Board and against the overwhelming preponderance of technical testimony, including that of Major Edwin H. Armstrong, inventor of FM, and other experts, the result was accepted even more meekly than usual. With a single exception, not a manufacturer dared raise his voice in protest.

It is another illustration of the fear both the manufacturers and broadcasters have of the FCC. And even if they had the courage to speak up, they are so poorly organized they would be too weak to defend themselves. Although radio has the most powerful voice in the United States, it is so feeble in its own behalf that in all these years it hasn't ever named a single member to the Federal Communications Commission. The industry stands subserviently by and lets the politicians do the naming for them.

The charge was made that Major Armstrong, the last of the witnesses on the concluding day of the oral argument Saturday, June 23rd, was almost given the "bum's rush" in the way he was prodded and hurried in giving his testimony. It is known that he was considerably agitated by the procedure and left the witness stand with the feeling that he should have been granted more time and allowed to develop his testimony in his own way without being constantly reminded that the Commission was anxious to wind up the proceedings as quickly as possible. In the beginning there was a hint for the questioners to subside when Chairman Porter suggested that questions be reserved until Major Armstrong had completed his statement, adding: "I think we will save time if we conserve our questions." The matter of questioning and speeding up the witness came again later in the following exchanges:

The Chairman: I think we can finish this afternoon if we will stop interrupting Major Armstrong.

Commissioner Denny: I have not been interrupting him ever since you made that statement. I have since been sitting back here quietly, listening to all this.

The Chairman: The Major's statement is so tempting it is hard to resist.

Commissioner Jett : If we are going to run another hour, that is all right with me. However, if you are going to have an evening session, I think we ought to call a recess at this point.

The Chairman: Can you finish in another hour with a minimum of interference, Major?

Major Armstrong : Well, I really doubt it, Mr. Chairman. There are a lot of other things about this subject that have not yet been introduced.

The Chairman: You mean with your comments confined to this particular report, section 8 of the report?

Major Armstrong : I will be glad to go ahead and do the best I can. But if there are as many questions on some of the other subjects, I doubt if I will be able to do it in an hour.

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The Chairman: How much longer are you going to require on that? I am wondering whether we should continue.

Major Armstrong: Well, I think I can finish with the troposphere in a few minutes * * *.

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The Chairman: I do not want to shut you off, Major, and we will give you as much time as necessary but I want to state that we would like to finish today, if possible, in view of the fact we have gotten this far.

Major Armstrong : As I understand, the Commission wanted to have any errors pointed out in this record.

The Chairman: That is right.

Major Armstrong: I have had a fair number of them to point out and I have a few more, sir.

The Chairman: Proceed.

Commissioner Wakefield: How much longer are you contemplating it will take you, Major?

Major Armstrong : I imagine about 15 minutes if I do not stir up any other controversy.

At this point Major Armstrong made the sensational charge, which as yet has not been denied, that the FCC confidential report had conceded the error of the calculations of K. A. Norton, FCC advisor, but that the public report repudiated it - in other words that the report for public consumption had been falsified.

The hearing adjourned late Saturday afternoon and the conclusion was announced the following Wednesday, the speediest decision ever made on an important case in the history of the FCC, which led one witness to remark: "I think the cards were stacked against us before we ever went into those four days of final hearings."

An informal Engineering Hearing will be held tomorrow (Thursday, July 12), with respect to FM and Facsimile and Friday, July 13th, with respect to Television. The meetings will be held in Conference Room B in the Departmental Auditorium on Constitution Avenue between 13th and 14th Streets, N.W., in Washington, D.C., at 10:00 A.M.

The discussions will be limited largely to the technical rules and standards. G. P. Adair, Chief Engineer, states that while there may be some discussions of the technical phases of service areas, the policy questions in this connection, as well as other policy questions, will be deferred for further conference or hearing before the Commission. All engineers interested have been urged to attend.

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PHILIPS REPORTED BUYER OF CANADIAN ROGERS MAJESTIC

It is reliably reported that the Philips Radio Company of Eindhoven, Netherlands, has purchased Rogers Majestic, Limited, of Canada.

Philips is credited with controlling assets of more than \$52,000,000 through subsidiaries and affiliates in more than 50 nations.

An announcement was made last week that a new agreement had been made granting RCA the right to continue licensing other manufacturers under the U.S. patents of Philips.

Following the announcement of the new agreement, Senator Frank P. Briggs (D), of Missouri, Chairman of a Senate Interstate Commerce Committee subcommittee, postponed indefinitely hearings into the alleged patent controls by the Philips Company, which had been scheduled for July 10th, and instigated by Senators Capehard (R of Indiana, and Wheeler (D), of Montana.

Senator Briggs said the investigation was authorized following a study of an agreement between Philips, RCA and several other foreign manufacturers on cross-licensing of numerous radio patents which restricted American licensees from selling their products in many parts of the world.

"We shall receive a copy of the new agreement and study its terms", said Senator Briggs. "Thereafter, the Committee will make further plans. From the study thus far it is clear that the basic problem is one involving our patent laws, which presumably permit these types of cross-licensing agreements of patents which frequently result in cartel arrangements dividing up world sales territories and preventing free movements of commodities in the world market."

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MAGUIRE INDUSTRIES BUYS MEISSNER; MERGES THORDARSON

Purchase for cash of all stock of the Meissner Manufacturing Company of Mt. Carmel, Ill., by Maguire Industries, Inc., was made known by Russell Maguire, President of Maguire Industries, Inc.

This is the third acquisition in the radio field by Maguire Industries in the past four months, other acquisitions including Thordarson Electric Manufacturing Co., Ferrocart Corporation of America and the Micro Products Corporation.

The 50-year-old Thordarson company was acquired last March by Maguire Industries, but until now has been operated as a separate entity.

L. G. Winney, formerly First Vice-President and Treasurer of Thordarson, has been elected a Vice-President of Maguire Industries, and will be General Manager of what will be known as the Thordarson Electric Manufacturing Division of the company.

Meissner will also continue its operations as an independent division of Maguire Industries. Mr. Maguire said that James T. Watson and George V. Rockey, formerly principal stockholders, will continue to head the management of Meissner and all other key personnel will remain the same.

The Meissner Manufacturing Company was founded in 1922 by the late William O. Meissner, known for his inventions in the communications and electronics fields. Its products include coils and assemblies, radio receiver kits, frequency modulation converters, amateur equipment, public address tuners, and television receiving sets.

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FORMER U.S. PATENT COMMISSIONER COE SIGNS UP WITH RCA

Conway Peyton Coe, who for the past 12 years has served United States Commissioner of Patents, last week was elected Vice-President in Charge of the Patent Department of RCA Laboratories.

Mr. Coe served as Chairman of the American delegation to the International Conference for the Protection of Industrial Property held in London in 1934. He has been a member of the National Defense Research Committee and the National Inventors Council since the formation of these organizations, as well as Executive Secretary of the National Patent Planning Commission.

Mr. Coe was born at Dunkirk, Maryland, on October 21, 1897, and resigned as Commissioner of Patents June 15th.

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KESTEN, CBS, TELLS TRUMAN ABOUT NEW PROGRAM ANALYZER

Among those to be received by President Truman prior to the latter's departure for the Big Three conference in Berlin was Paul W. Kesten, Executive Vice-President of the Columbia Broadcasting System and its acting head during the tour of duty overseas of Col. William S. Paley, President of CBS, now serving as Radio Chief of the Psychological Warfare Branch, of SHAEF. Nothing official was given out regarding the meeting. It is known, however, that Mr. Kesten is an acquaintance of the President, having known him in the days of the Truman Investigating Committee.

It is understood Mr. Kesten took occasion to compliment President Truman on his success as a radio speaker, stating that a recent analysis made by CBS gave the President a high mark for his qualities of frankness and directness which Mr. Kesten said had won praise from the radio audience.

Subsequently CBS gave out details of the completion and successful operation of a new program analyzer, presumably the device used in the tests Mr. Kesten told President Truman about. It was stated that the program analyzer was able to record the likes and dislikes of as many as a hundred listeners at once.

The description went on: "Christened 'Big Annie' by its designers and operators, the new machine can register the opinions of ten times more people than any Program Analyzer that has yet been developed.

"Big Annie reports total reactions at second-by-second intervals during a broadcast, whereas earlier Analyzers recorded individual likes and dislikes, from which total or group reactions could later be computed.

"The new machine, from the standpoint of individuals taking part in a test, operates in the same way as all other Program Analyzers. Each person in a test group is given two electric push-buttons that are connected with wire to the machine. Pressure on one button is recorded as favorable reaction; pressure on the other, as unfavorable reaction. If respondents are indifferent to what they hear, they leave both buttons untouched.

"Big Annie records positive and negative opinion separately on two slowly revolving rolls of graph paper. So long as all buttons are untouched, vertically-fixed fountain pens trace straight lines down the left-hand margins of the moving rolls of paper. Pressure on one button will move the affected pen - 'Favorable' or 'Unfavorable' - almost imperceptibly to the right. If fifty people in a test group press the same button, the pen will move fifty times further to the right than it does under the impulse of a single reaction.

"At the conclusion of a test, the Analyzer's completed charts show exactly how the audience reacted at any given second during the tested program.

"The original Program Analyzer was developed by Frank Stanton, CBS Vice-President and General Manager, and Dr. Paul Lazarsfeld of Columbia University."

With Mr. Kesten's visit to Washington came a revival of the rumor that upon Colonel Paley's return from Europe, Mr. Paley would become Chairman of CBS and that Mr. Kesten would succeed him as President.

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WILLS FCC HEARING JULY 12; NO SERIOUS OPPOSITION SEEN

The stage is all set for a public hearing tomorrow (Thursday, July 12th) by the Senate Interstate Commerce Committee on the nomination of former Governor William H. Wills (R), to succeed FCC Commissioner Norman S. Case, also a Republican, and former Governor of Rhode Island.

The appointment is purely political as Governor Wills has had no experience in radio or communications. As yet no serious opposition to his appointment has manifested itself.

Governor Case, whose term expires August 1st, has been mentioned as a successor to Judge Thurman Arnold in the District Court of Appeals.

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SARNOFF ANNOUNCES RCA SCHOLARSHIP PLAN

A scholarship plan for the encouragement of promising young scientific students has been adopted by the Radio Corporation of America, Brigadier General David Sarnoff, President of the RCA, has announced.

The plan provides for as many as ten students to receive RCA scholarships during the academic year 1945-1946, thirty during 1946-1947, fifty during 1947-1948, and sixty each academic year thereafter. Each scholarship consists of a cash award of \$600. Those eligible will include all students enrolled at universities to be selected by the RCA Education Committee, of which Dr. James Rowland Angell, former President of Yale, is Chairman. Selection of students will be made upon recommendation of the Dean of the specified university and approval by the Committee.

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RADIO CASHES IN ON N. Y. NEWSPAPER DISTRIBUTORS' STRIKE

Broadcasting stations have had everything their own way for eleven days in New York City on account of the strike of the Newspapers and Mail Deliverers' Union affecting every paper in the city except Marshall Field's daily PM. City delivery as well as out-of-town service has been shot and Washington hasn't seen a New York paper in over a week.

A settlement of the strike is expected hourly but in the meantime, radio stations doubled and tripled their news coverage. Stations couldn't begin to handle all the request for spot time.

Radio was also reported performing the same service at Fort Wayne, Indiana, because of a strike which caused the two dailies of the city - the Journal Gazette and the News-Sentinel to cease publication.

One estimate was that the New York broadcasting stations may have profited to the extent of upwards of \$750,000 in extra business as a result of the strike there. WQXR, owned by the New York Times, broadcast emergency 15 minute periods of news. The Times sold 73,500 copies over the counter at its business office in a single day.

According to Editor & Publisher, New York's daily newspaper buyers number 5,000,000 and the strike affected 17 newspapers and deprived an estimated 13,000,000 persons - about one-tenth of the population of the United States - of normal access to newspapers of their own choice.

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COLUMBIA RECORD CUTTERS STRIKE; BAN RECORDS OVER CBS

Cutting of all recordings at the Columbia Recording Corp. offices in New York, Chicago and Hollywood, was halted for the third day (Tuesday) by a wage dispute, the firm disclosed Tuesday.

Kenneth Raine, company counsel, said 19 engineers and cutters in the three cities failed to report for work early Sunday morning, after AFL Radio Broadcast Engineers' Union 1212, International Brotherhood of Electrical Workers, had refused to accept a 10 to 20 percent wage increase.

Charles A. Calame, union business agent, said 21 employees left their jobs after contract negotiations, begun in February, broke down. He said the union wanted one job classification and a progressive wage increase scale. There are now three classifications, he said.

Mr. Calame said IBEW engineers in a sympathy gesture had refused to play Columbia recordings over Columbia Broadcasting Co. radio stations.

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INVESTIGATION OF PRESS WIRELESS RATES ORDERED BY FCC

An immediate investigation into the rates and charges of Press Wireless, Inc. was ordered by the Federal Communications Commission.

The company last year made a profit of 76.4 percent before taxes reductions, and the trend of earning this year appears to be going upward, the Commission said.

International telegraph rates for messages, except press, sent from the United States were substantially reduced on May 1st when a 20-cent-a-word rate for ordinary plain language message was established by the various U. S. telegraph carriers other than Press Wireless.

Press Wireless had given no indication of any intention to reduce its rate for Press service, the FCC said. It called upon the company to show cause before August 1 why its existing rates should not be found "unjust and unreasonable" and why an interim reduction should not be made while the investigation is concluded.

A public hearing has been scheduled for August 22nd.

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NEW NBC NAVY HOUR GETS OFF TO FINE START

Secretary of the Navy James Forrestal, Lieut. Robert Taylor USNR, Lieut. (j.g.) Gene Kelley, both of the movies and the Navy's 80 piece symphony orchestra, headlined the debut of the NBC weekly "Navy Hour" from Washington last night (Tuesday).

Secretary Forrestal stated that the Navy now controls the sea right up to Japan and in winning that control has sunk more than 250 major enemy warships and hundreds of merchant vessels and destroyed thousands of planes.

The first program was dedicated to the men in the submarine service and Mr. Forrestal revealed that submarines alone had sent to the bottom of the Pacific 4,500,000 tons of Jap shipping - the equivalent of 1,150 enemy vessels.

Directing the broadcast was Clarence A. Menser, NBC Vice-President in Charge of Program. Also officiating for NBC were Frank M. Russell, Washington Vice-President, and Carleton Smith, General Manager of WRC.

Next Tuesday night's NBC Navy Hour will be dedicated to the U.S. Marine Corps.

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 ::: SCISSORS AND PASTE :::
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Claims He Was Elliott Roosevelt's Radio Loan "Finder"
 (Westbrook Pegler in "Washington Times-Herald")

I have had two visits lately with John Kantor, a portly man of perhaps 60, of sad eye and solemn manner, who spent twenty months in a New York prison as a swindler and is now on parole and working, apparently successfully, as a legitimate salesman. As he talked and as I questioned him, I became convinced that, in general, he was telling the truth.

Mr. Kantor said that he had been involved with Elliott Roosevelt and Elliott's uncle, Hall Roosevelt, the brother of Mrs. Eleanor Roosevelt, and with the late New York New Deal Congressman, William Sirovich, in the flotation of the \$200,000 loan to Elliott by John Hartford, President of the Atlantic and Pacific grocery chain, and in efforts to arrange other loans to Elliott. He described his role in these dealings as that of a "finder". In the financial underworld, this means one who hunts around to discover individuals who are willing to lend money on securities which are "unbankable".

He told of calls on several New York men, including a wealthy radio manufacturer and a manufacturer of watches, also interested in radio; of lunches at the Harvard Club with Hall Roosevelt, of being hired by Elliott Roosevelt as salesman for one of Elliott's radio companies and finally of being fired from his job.

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Kantor says he also entered negotiations with a former New York judge retired to private practice, whereby a client of the former judge was to lend \$100,000, but that Elliott interfered with the deal and that he, Kantor, was declared out.

Kantor, nevertheless, wanted a commission for promoting this money, and consulted a lawyer of his own, with intent to bring suit against Elliott.

Soon after this, Kantor says, Sirovich and a N.Y. clothing manufacturer summoned him to the Roosevelt Hotel and persuaded him to sign the releases to Elliott, Hall and Congressman Sirovich, which were typed by a public stenographer and notary. * * * * *

Sirovich died the next morning.

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Would Pass OWI Along To State Department
 (Jerry Klutz in "Washington Post")

Edward Klauber, Assistant Director of the Office of War Information, and former CBS Vice-President, has this to say about OWI's future: "This (meaning OWI) is something that should be and can be done by the State Department and should be properly done by them after we have finished the job. OWI built it up and the State Department should carry it on."

Early Bird (Arthur Godfrey) Catches \$100,000 Worm
("Variety")

Arthur Godfrey is grossing \$100,000 a year now out of early a.m. shows on two local stations, and has a neat price tag of \$312,000 a year for his half-hour network show on CBS.

Godfrey is now on the air, live and transcribed, every morning for a total of three hours and 15 minutes, from 6:30 A.M. to 9:45. Only a radio traffic engineer, with the aid of a slide-stick and mirrors, would try to make sense of his hectic schedule. The fact is that some of that time he is heard only on WABC, N.Y.; other moments are reserved only for WTOP, Washington; and part of the sked, from 9:15 to 9:45 A.M., Godfrey is heard sustaining on the entire CBS web.

In New York and Washington, he has 80 different sponsors during his six-day, cross-the-board week. Sponsors pay \$80 apiece for the N.Y. commercials, \$30 each for the plugs in Washington.

The Higher They Are the Harder They Fall
("Drew Pearson")

Much to the annoyance of the efficient Michael McDermott, in charge of State Department press relations at San Francisco Peace Conference, Judge Roy Hofheinz, owner of Station KTHT in Houston, Texas, brought a small wire recorder to press conferences and made a record of everything diplomats had to say. Because of off-the-record statements made by U. S. diplomats, McDermott was afraid Judge Hofheinz might broadcast some of his recordings, thus revealing secrets to the public.

So every time McDermott spotted Hofheinz at a press conference, he made a beeline for the ex-judge of Houston. Finally, it was agreed that Hofheinz could record any press conference if the individual being interviewed agreed. McDermott did not expect any such permission to be given.

So in the middle of one momentous press conference staged by Soviet Foreign Commissar Molotov, McDermott suddenly saw Judge Hofheinz operating his recorder. Every word the Soviet Commisar said was being taken down on wire for the people of Houston to hear. Alarmed, McDermott ordered the Texan to leave the room. Hofheinz, however, meekly conducted McDermott to one of Molotov's aides, who verified the fact that the Soviet Commissar had given his permission for the press conference to be recorded.

Furthermore, Molotov was so intrigued with the recorder that he ordered one for himself.

Before Judge Hofheinz departed from San Francisco, several hundred of the machines had been ordered by foreign governments.

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Direct radiotelegraph service between the United States and Czechoslovakia has been reopened by the Mackay Radio and Telegraph Company, operating subsidiary of the American Cable & Radio Corporation.

The General Electric Company demonstrated its 16 by 22 inch screen postwar television receiver at the Waldorf Astoria in New York recently. The receiver uses a five-inch cathode ray tube, a parabolic mirror and a correcting lens to project the picture to a flat mirror, thence to a 16 by 22 inch retractible screen.

Emerson Radio and Phonograph Corporation - Twenty-six weeks to May 5: Net income, \$514,575 or \$1.29 a share, compared with \$454,292 or \$1.14 a share for 26 weeks to April 30, 1944.

War orders for radio and electronic equipment for the third quarter, beginning July 1st, are expected to run only about \$12,000,000 a month under early 1945 requirements for a two-front war, according to information given the Radio Manufacturers' Association.

The anticipated monthly average of requirements for military and rated civilian radio and electronic end equipment during the third quarter is \$195,000,000, as against a monthly delivery rate for the first five months of 1945 of about \$207,500,000. The monthly average of war orders for the fourth quarter is expected to be about \$180,000,000. By the first quarter of 1946, military and rated civilian requirements will drop only to an estimated \$145,000,000 a month.

In a canvass of the Washington, D.C. Trade Board, 19% of those contacted or 56,000 expressed the desire to buy new radio sets when peace was declared.

Some few offices in many agencies on the new 44-hour week will remain open Saturday afternoons. The Government employees who will work Saturday afternoon will be given four hours off during the week. For example, the Foreign Broadcast Intelligence Service and radio intelligence operations of Federal Communications Commission will stay open all day Saturday.

"Opportunities in Radio - A Guide for Members of the Armed Services Interested in Radio and Electronics" is the title of the leading article in the Army and Navy Journal this week (July 7) written by Brig. Gen. David Sarnoff, President of RCA.

The London Mail reported from the British occupation zone in Germany that the Columbia Broadcasting System reportedly offered 4 million dollars a year for the right to exploit Luxembourg radio"

Because the production of diamond dies, used principally in the drawing of fine wire needed for radio and radar equipment, is now in excess of the current requirements, the WPR Order M-181, controlling their allocation has been revoked.

Industrial type transformers, reactors and chokes, except for orders for this equipment placed with the General Electric Co., at Fort Wayne, Ind., have had their scheduling controls relaxed. Such transformers may now be purchased from manufacturers without first filing for approval and a fixed shipping schedule on Form WPB-1682. Delivery, however, will henceforth be governed by the usual priority regulations. This action is not retroactive and does not affect purchase authorizations and scheduling already made, which will remain frozen.

Removal of restrictions on special sales of a large number of items, including electronic equipment, was provided in an amendment to Priorities Regulation No. 13 announced by the WPB today.

Electronic equipment (complete sets) and the following components were deleted: oil impregnated power factor type and molded bakelite capacitors, wire woven resistors (other than precision and molded two watt), coaxial cable, hermetically sealed and other transformers and reactors. Restrictions on selling the following were changed from AA-5 to AA-3, oil impregnated capacitors, relays, shock mounts and electrical indicator combat type instruments. Restriction on joint Army-Navy. JAN inspected radio and radar tubes continue AA-1 as formerly, and on all other tubes (except restricted tubes) from AA-5 to AA-3.

The number of restricted radio and radar tubes was changed on both List A and List B (Restriction of special sales for export). Four tubes were removed from the list and seven added, making a total of 23 restricted tubes.

Station KBST, Big Spring, Texas, seeks a construction permit to increase power from 100 to 250 watts and make changes in transmitting equipment.

The University of Houston at Houston, Texas, has applied for a construction permit for a new non-commercial educational broadcast station to be operated on frequency not specified, with power of 1 kilowatt, and special emission.

In his annual report to shareholders of the Zenith Radio Corporation, E. F. McDonald says with regard to FM:

"In view of the recent ruling by the Federal Communications Commission, moving FM to the higher frequency band, it will be some time before present FM stations will be able to broadcast on the new frequency assignment. Zenith postwar receivers will be built to operate both on the present frequency band and the new frequency band, thus enabling purchasers of the new Zenith receivers to receive FM programs at all times. No satisfactory method has, however, been devised to enable present owners of any frequency modulation receiving sets to receive programs when FM broadcasting on the new assignment becomes effective and the present FM band is discontinued."

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