

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

INDEX TO ISSUE OF OCTOBER 31, 1945

Paley Back At CBS After Two Years' Military Service Abroad.....	1
PAC Blasts FCC's FM Policy As Monopoly Aid.....	2
New OPA Radio And Phonograph Reconversion Pricing Methods.....	3
Atom And Radar Expert To Head Standards Bureau - Live Wire.....	5
What Do You Know! Congressmen Praise Broadcast - GE-WOL.....	6
Darkness No Barrier To New TV Tube; Solves Many Problems.....	7
Don't Forget! National Radio Week Begins Next Sunday.....	8
Paul Porter Expresses Himself On Radar Patent Tangle.....	8
Sen. Capehart Has Close Shave In Auto Smash; Resting Easily.....	9
Radio Damages In Europe Cited.....	9
I.T. & T. Gets Army-Navy "E" For Ike's Roving Radio Station.....	10
Witnesses Must Prove They Actually Saw Traitor Broadcast.....	10
N.Y. Court Of Appeals Back Up ASCAP Hotel Ruling.....	11
WPB To Keep Radio Set And Tube Advisory Committees.....	11
The 83-Hour Listening Headache Before Jap Surrender.....	11
Author Farrell Pans "Communications Institute" And Radio.....	12
Scissors And Paste.....	14
Trade Notes.....	16

October 31, 1945

PALEY BACK AT CBS AFTER TWO YEARS' MILITARY SERVICE ABROAD

Col. William S. Paley, having done his bit overseas, is back again in the harness as President of the Columbia Broadcasting System and like the humblest GI is good and glad that he is home. There had been considerable speculation about Mr. Paley's return, one rumor being that he was out of Columbia altogether. The report most frequently heard was that he would resume the presidency but soon thereafter would be elevated to Chairman of the Board with Paul W. Kesten, Executive Vice-President, succeeding him as President and Frank Stanton, moved up to succeed Mr. Kesten.

On October 6, 1943, Mr. Paley asked for leave of absence to accept a special assignment from the Office of War Information that would attach him to the Psychological Warfare Branch of Allied Forces Headquarters in the Mediterranean. His first task, begun a few weeks later, was to supervise the Allies' radio broadcasting activities in North Africa and Italy.

Shortly after General Eisenhower was given supreme command of Allied Forces in Europe, Mr. Paley followed him to London to become Chief of Radio at Supreme Headquarters Allied Expeditionary Forces. All military broadcasting to enemy and enemy occupied territory, as well as control of radio units and public address systems in our own combat and consolidation zones were under his direction. The American Broadcasting Stations in Europe (ABSIE) were also made part of his responsibility.

Transferred from OWI to the Army in March, 1945, Mr. Paley was commissioned a Colonel and made Deputy Chief of all activities within the Psychological Warfare Division of SHAEF. He served in this capacity under General McClure in both liberated and occupied territories until his return to the United States.

In his first statement last Monday since resuming civilian status, Colonel Paley said that utilization of wartime technical advances in radio broadcasting calls for "careful planning, intensive research, the highest degree of creative effort and a good deal of all-'round ingenuity."

"We also face the world-wide problems of peace, which no one can say are less serious than the problems of the war", he continued. "Never was it more important to furnish a people with all the facts, ideas and opinions as they emerge; to furnish them in a responsible, courageous and fair manner.

"Now that the war is behind us, we in broadcasting face new problems. Technical advances made in our field, under the

pressure of war requirements, are providing us with wonderful new instruments with which to further serve the American people. There is no standing still in our world of radio.

"Our responsibility to provide the best service in the cultural and entertainment fields does not diminish but rather increases, since the vitality of American radio springs from no single type of broadcasting but from the many things it represents to so many people.

"I know you feel as I do - that American broadcasting has new and rich worlds to conquer, and that CBS, as always, will lead the way."

X X X X X X X X

PAC BLASTS FCC'S FM POLICY AS MONOPOLY AID

Granting of 64 conditional licenses for FM (frequency modulation) broadcasting by the Federal Communications Commission this week brought a sharp statement of criticism from C. B. Baldwin, Executive Vice-Chairman of the National Citizens Political Action Committee, in New York City.

In a wire to Paul Porter, Chairman of the FCC, Baldwin said that "the granting of 64 licenses without public hearings ignores the damcnec of many individuals and organizations for greater caution in licensing individuals and corporations to conduct business on public licenses."

The wire described as "a grave threat to effective freedom of speech and press" the granting of licenses to companies owned by or affiliated with newspapers, asserting this provides a monopoly in many communities of the "media for disseminating public information and opinion."

The Baldwin wire followed by two weeks the issuance of a National Citizens PAC report on American broadcasting and a list of recommendations for Congressional and FCC action to "safeguard the people's right to the air."

X X X X X X X X

A reminder that people should keep an eye on their radio aerials was the death of Grover C. Hurley, 60 years old, in Columbus, Ind., last week. It was a freak accident in which Hurley was electrocuted as a radio aerial fell from a house on an electric line and the garbage truck he was driving.

X X X X X X X X

NEW OPA RADIO AND PHONOGRAPH RECONVERSION PRICING METHODS

Reconversion pricing methods for consumer type radios and phonographs were given in detail by the Office of Price Administration yesterday in a new regulation covering those items at all levels of sale.

The action, effective yesterday (October 30) covers all new model radios and supersedes existing regulations and prices affecting these models, OPA said.

As announced October 11th, consumer prices will be about what they were in March 1942. Two kinds of adjustment have been made, however, to iron out inequities that had crept into the retail price picture at that time, OPA said.

First, where retail prices in March 1942 included excise taxes newly imposed in October 1941 at the manufacturing level, and pyramided through to the consumer by means of percentage mark-ups at successive levels of distribution, OPA has reduced these retail prices to the point where they include only the original dollar amount of the manufacturer's October 1941 excise tax. This policy has been consistently followed, OPA explained, on all consumer items on which new wartime taxes were imposed in October 1941.

Second, in cases where retailers, by March 1942, had established individual ceilings higher than those in the manufacturer's October 1941 suggested list of retail prices, OPA has reduced these prices by the amount of the increase over list. Such price increases did not represent any actual increase in acquisition or distribution costs, OPA said, but served merely to increase margins abnormally.

Through customary retail practices of giving substantial discounts for cash payments, generous allowances for trade-ins, and mark-downs at periodic bargain sales, consumers normally paid considerably less in pre-war years than the retail prices listed in the manufacturers' catalogues, OPA pointed out. But during the early months of the war, when production was curtailed and consumer buying power already had begun to increase, retail selling prices of many consumer goods gradually rose to the higher levels represented by the manufacturers' lists, OPA said. Many of these increases took place before the price agency was authorized to impose controls.

List prices, not actual pre-war selling prices, are the basis of the retail ceilings that have prevailed during the war, OPA said. On the other hand, increases now being granted to manufacturers are based on their costs and sales prices in the months before materials scarcities and higher production costs had driven prices above normal peace time levels. Furthermore, the manufacturer increases granted do not compensate for all cost increases since the beginning of the war, OPA explained, but normally require a certain amount of cost absorption on the part of the manufacturer.

For these reasons, and because sellers can now look forward for many months to an increasing volume of goods and a steady demand for all items offered for sale, distributors and dealers should be able to absorb without substantial hardship the increases over 1941 prices that are granted to manufacturers, OPA said. In many cases, 100 per cent absorption will leave dealers with realized margins actually higher than those they enjoyed in 1941, the agency stated.

Manufacturer pricing methods as described in the new regulation follow:

On models the same as those produced from July to October 1941, the manufacturer computes his reconversion price on the basis of his established price to distributors or to dealers if he did not sell to distributors. Old price ranges and increases that may be added by manufacturers who sold through distributors are as follows:

Manufacturer's Established Price to Distributors	Allowed Increase on Sales to Distributors
\$11 or less	15 percent
between \$11 and \$30	12 percent or \$1.65, whichever is more
over \$30	10½ percent or \$3.60, whichever is more

If the manufacturer dealt only with dealers in the base period, he computes his new ceilings to dealers as follows:

Manufacturer's Established Price to Dealers	Allowed Increase on Sales to Dealers
\$13 and under	15 per cent
between \$13 and \$35.41	12 per cent
over \$35.40	10½ per cent

On new or changed models that are nevertheless comparable to any they produced from July to October 1941, manufacturers calculate their new prices as follows:

They first compute the new ceiling price of the comparable item, and find the percentage mark-up it yields over the current unit direct cost of producing the item. Next, they compute the current unit direct cost of producing the new or changed model, and apply to this cost the same percentage mark-up as that found for the comparable item.

Thus if the current unit direct cost of producing a model on which a reconversion ceiling price already has been established is \$6, and the ceiling price is \$9, the mark-up on unit direct cost is 50 percent. If the current unit direct cost of producing a new or changed model is \$6.50, this figure is marked up by 50 percent resulting in a ceiling price for the new model of \$9.75.

In all cases except one, the manufacturer calculates retail ceiling prices, and tags each unit with this price. Manufacturers also compute wholesale prices and notify distributors of

their ceiling prices. The exception is the case of manufacturers who produce units under contract with the owner of a special brand name, who is another radio manufacturer, an automobile manufacturer, or a mail order establishment. Here the manufacturer calculates his new ceiling price to the brand owner, but the brand owner applies to OPA for resale ceiling prices. The brand owner must wait for specific approval, and then tag or list each unit with its new ceiling price, OPA said.

Manufacturers with established prices will compute their reconversion ceilings on comparable models on a form to be supplied by OPA, and may begin selling 15 days after mailing the form without waiting for specific approval, unless they are notified to the contrary, OPA said.

New manufacturers, and old manufacturers with models not comparable to any they produced in the Summer of 1941, will apply for price approval at the national office of OPA, where reconversion ceiling prices will be established in line with other reconversion prices already set, the agency said.

OPA may withdraw reconversion price increases from manufacturers who fail to maintain approximately their pre-war "product mix" - that is, the proportion of low and medium priced models to those in the higher price brackets, the agency said. Also, if any obviously out-of-line prices result from the application of today's pricing methods, OPA reserves the right to readjust them.

X X X X X X X X X

ATOM AND RADAR EXPERT TO HEAD STANDARDS BUREAU - LIVE WIRE

A man with practical experience, fresh from the industrial ranks, only 43 years old - Dr. Edward U. Condon, an authority on the atomic bomb and radar, was nominated Monday by President Truman to be Director of the National Bureau of Standards. He succeeds Dr. Lyman Briggs, 71 years old, who continued beyond retirement age on account of the war.

Shortly after Germany declared war on Poland in September, 1939, President Roosevelt formed a scientific committee to study the advisability of using atomic energy as a war weapon. Dr. Briggs was Chairman of the Committee and Dr. Condon served as a member. It was this Committee's recommendations that led to the development of the atomic bomb. Dr. Condon has also played an important part in the development of radar and rockets.

Dr. Condon has been serving as an Associate Director of the Westinghouse Research Laboratory.

The nominee, a native of Alamogordo, New Mexico, is a graduate of the University of California. He also holds a post-graduate degree from the University of Minnesota.

X X X X X X X X X

WHAT DO YOU KNOW! CONGRESSMEN PRAISE BROADCAST - GE-WOL

When it seemed that some of the other Congressmen had about run out of venomous epithets for radio commentators, there was a strange interlude on Capitol Hill during which General Electric's news broadcasts came in for praise.

Addressing the House, Representative Pehr G. Holmes (R), of Worcester, Mass., said:

"There have been recent references on the floor of the House to radio news commentators and in general the observations of Members of this body have been critical. Perhaps a word of commendation for a radio news program of very exceptional quality is in order. I refer to the General Electric's Voice of Washington news summary we hear every morning at 8 o'clock and at 11 o'clock each evening over WOL, (the Cowles station in Washington).

"Many of my colleagues have mentioned these particular newscasts to me and in every instance their straight news character has been noted and approved. There is no editorial comment and the presentation is neither colored by inflection nor used as a vehicle for the personal opinions of the broadcaster. In fact, the man giving the news on these General Electric programs is never mentioned by name.

"If we are critical of some of the things being said over the air when we tune in to hear the news, we should note this splendid public service being rendered by the General Electric Co. with its WOL news programs and let the sponsor and the radio station know of our appreciation. This is the route to go to get action for radio advertisers who want to hold their audiences. When they know we want and appreciate unbiased news they will soon demand it in news programs they sponsor and the result will be a general handling of news on the radio comparable to the high standards governing the news columns of our great newspapers."

"I concur most heartily in the remarks just made", Representative Frank Carlson (R), of Concordia, Kansas, added.

"As a regular listener of the Voice of Washington news program I am very much impressed with its high quality. I also believe the General Electric Co. uses excellent judgment in its advertising on the program. It is brief, interesting, and dignified and in keeping with the quality of the news program."

X X X X X X X X

A cartoon in Parade, the Marshall Field magazine (Oct. 28) kids radio notwithstanding that Field is himself in the broadcasting business. It shows an m.c. in a broadcast holding up a card to a studio audience indicating "Laughter". Instead of laughing the members of the audience silently respond by themselves holding up placards labelled: "Ha Ha", "Ho Ho", "Tee Hee", etc.

X X X X X X X X

DARKNESS NO BARRIER TO NEW TV TUBE; SOLVES MANY PROBLEMS

A new television camera tube of revolutionary design and sensitivity emerged from wartime secrecy for exhibition by the Radio Corporation of America in a series of studio and remote pickups in which it not only transmitted scenes illuminated by candle and match light but performed the amazing feat of picking up scenes with infra-red rays in a blacked-out room.

The new tube, known as the RCA Image Orthicon, was demonstrated to newspaper and magazine writers in a studio of the National Broadcasting Company, Radio City, with the cooperation of NBC's engineering and production staff. Ben Grauer, NBC announcer, acted as program commentator. In the exhibition, members of the audience saw themselves televised under lighting conditions that convincingly proved the super sensitivity of the new electronic "eye" which solves many of the major difficulties of illumination in television programming and makes possible 'round-the-clock television coverage of news and special events.

RCA-NBC engineers capped the demonstration by blacking out the studio where the writers were assembled, and providing the unprecedented spectacle of picking up television scenes in apparent darkness. Unseen infra-red (black) lights were turned on, but it was so dark that a member of the audience could not see the person next to him. Then on the screens of television receivers in the studio appeared bright images of a dancer and other persons who were in the room. The Image Orthicon tube, it was explained, achieved the feat through its sensitivity to the infra-red rays.

RCA listed these advantages in the performance of the Image Orthicon:

1. Ability to extend the range of operations to practically all scenes of visual interest, particularly those under low-lighting conditions.
2. Improved sensitivity, permitting greater depth of field and inclusion of background that might otherwise be blurred.
3. Improved stability which protects images from interference due to exploding photo flash bulbs and other sudden bursts of brilliant light.
4. Smaller size of tube, facilitating use of telephone lens.
5. Type of design that lends itself to use in light-weight, portable television camera equipment.
6. Improved gain control system that provides unvarying transmission, despite wide fluctuations of light and shadow.

X X X X X X X X X

DON'T FORGET! NATIONAL RADIO WEEK BEGINS NEXT SUNDAY

Networks, trade associations, broadcasters, radio manufacturers, brokers, retailers, everybody having any connection with the industry are all set for a history-making Radio Week which starts the coming Sunday (November 4-11). It marks the 25th Anniversary of broadcasting and is expected to be an atomic radio celebration which may be heard around the world.

Each network is expected to originate as many as twenty programs dedicated especially to Radio Week. There will be much publicity nationally as well as locally, including a special section of Look Magazine, through the courtesy of the Cowles Brothers, broadcasters and publishers.

X X X X X X X X X X

PAUL PORTER EXPRESSES HIMSELF ON RADAR PATENT TANGLE

In a statement to the Senate Military-Commerce sub-committee considering bills for Federal aid to science, Paul Porter, Chairman of the Federal Communications Commission, declared:

"The patent situation in radar is said to be so complicated that no company on earth can safely proceed to manufacture with any confidence that it will be immune from suits of infringement."

He said the original work leading to radar was conducted under United States naval auspices, but the British "also entered into radar research and have wide patent claims".

"After the fundamental work had been done", he added, "private companies were called on both here and abroad and these companies made further contributions."

"It seems to me extremely important", he said, "that, as this case illustrates, the patentable results of Government research ... should not be left to existing patent legislation, which was designed to meet an entirely different type of research situation."

"Patent provisions should be carefully drawn to meet the particular objectives of Government-sponsored research, and especially to insure that delays in the introduction of new technical advances shall not result from multiplicity of patent claims where Government-financed research is involved."

Mr. Porter believes short radio waves developed from wartime radar research may bring revolutionary advances in peacetime communications. He said radio waves as short as one twenty-fifth of an inch - compared with 39 inches, the prewar minimum - made possible these "hitherto undreamed-of radio applications:

"Coast to coast radio relay networks which may either compete with or supersede in some cases our wire telegraph and telephone systems; high definition television in full color; radar; walkie-talkie radiotransceivers for public use - these are only a few of the many applications of radio to our daily lives which have resulted from wartime, Government-financed exploration of the higher regions of the spectrum . . ."

X X X X X X X X X

SEN. CAPEHART HAS CLOSE SHAVE IN AUTO SMASH; RESTING EASILY

The office of Senator Homer E. Capehart (R), in Washington reported this (Wednesday) morning that Senator Capehart was as comfortable as could be expected after his narrow escape in an automobile accident in Indiana yesterday. It was said that the Senator's left foot was broken, that several stitches had to be taken in his tongue, which was badly lacerated, and that he was cut about the face. Press dispatches also reported chest injuries. Senator Capehart was taken to the Methodist Hospital in Indianapolis where it is expected he may have to remain for several weeks.

It was a head-on collision early Tuesday about 15 miles northeast of Indianapolis, when the automobile in which he was riding collided with a car driven by Ralph Erton, 23, stationed at the proving grounds at Lucerne, Ohio.

Erton and W. S. Merchant, of Fort Wayne, who was driving for Senator Capehart, also were injured seriously. Erton was taken to the Noblesville Hospital about four miles from the scene of the accident, where attaches said his condition was serious.

Senator Capehart and Mr. Merchant were enroute to Indianapolis from Fort Wayne, where the Senator spoke Monday night. Mr. Merchant told police that he could not avoid the crash because the automobile he drove was as close as possible to the guide posts on the road when the collision occurred.

X X X X X X X X X

RADIO DAMAGES IN EUROPE CITED

Radio facilities suffered great damage in Europe during the war, Justin Miller, new President of the National Association of Broadcasters, reported Tuesday in an address at the Washington, D.C. Advertising Club luncheon.

Judge Miller was one of a group of American radio executives who toured Europe under Army auspices for first hand observation of radio conditions in the war-torn countries.

X X X X X X X X X

I.T.& T. GETS ARMY-NAVY E FOR IKE'S ROVING RADIO STATION

Award of the Army-Navy E pennant was made Monday in Paris, France, to "Les Laboratoires, L.M.T.", affiliate of the International Telephone and Telegraph Corporation, for services rendered to the United States Army, Office of the Chief Signal Officer, in the European Theater of Operations during the war. The accomplishments of the Laboratories for which they were honored were made possible through secret preparations undertaken during the German occupation, according to officials of I. T.& T.

Officials of I.T.& T. said the Laboratories provided the United States Army with telegraphic communications between Paris and the Normandy base within two days after the liberation of the French capital.

The Paris Laboratories designed and assembled the huge 60-kilowatt mobile radio station "sigcircus", with which General Eisenhower's Supreme Headquarters was able to keep in constant touch with Washington. The great mobile station, consisting of seventeen large trailers, was completed in the record time of three months. The Laboratories also built 1-kilowatt stations used by the Army for telegraph and teletype operations, one of which was used during the Potsdam conference of the "Big Three" to establish communications between Potsdam, Paris and Washington.

From the time of the liberation of Paris until the collapse of Germany the Laboratories constantly assisted the Army in maintaining its communications system, I.T.& T. officials said.

X X X X X X X X

WITNESSES MUST PROVE THEY ACTUALLY SAW TRAITOR BROADCAST

Twelve witnesses are on their way to this country from Europe to testify against Ezra Pound, American poet, indicted in District Court for treason, it was learned at the Justice Department.

Pound is in Army custody in Italy. An expatriate for more than two decades, he is charged with broadcasting for Italy after that country had declared war on America.

The indictment was based on reports of Pound's broadcasts monitored here. James M. McInerney, Assistant to the Head of the Criminal Division of the Justice Department, who has been preparing the case, had emphasized to the Army the necessity of witness who had seen Pound before the microphone to obtain a conviction. The witnesses on their way here told Army interviewers they had seen Pound broadcasting on a total of six occasions.

X X X X X X X X

N.Y. COURT OF APPEALS BACK UP ASCAP HOTEL RULING

A decision that the American Society of Composers, Authors and Publishers (ASCAP) was not in violation of the Anti-monopoly Section of the Donnelly Act, upheld by the Appellate Division last January (1945), was unanimously affirmed by the Court of Appeals on Friday last.

Suit against ASCAP was brought by the Hotel Edison Corporation in 1942, and the Society's motion to dismiss the complaint was granted by State Supreme Court Justice Morris Eder in June, 1944.

John W. Davis appeared on behalf of the plaintiff before the Court of Appeals, while ASCAP was represented by Louis D. Frohlich, General Counsel.

X X X X X X X X X X X

WPB TO KEEP RADIO SET AND TUBE ADVISORY COMMITTEES

The policy of industry-government cooperation which proved so valuable during the war years will be continued when the Civilian Production Administration begins its operations on November 3, John D. Small, Administrator-Designate of Civilian Production Administration said last week in listing 176 key industry Advisory Committees including Radio and Radar, Radio Receiver Vacuum Tube and Telephone Operations, which will be consulted on reconversion problems.

Mr. Small stressed the value of consulting with industry groups on problems of reconversion. He said that Advisory Committees would be consulted before any action is taken which will materially affect production or distribution in their representative industries.

X X X X X X X X X

THE 83-HOUR LISTENING HEADACHE BEFORE JAP SURRENDER

For more than 83 hours as the world listened for news of the Japanese surrender, networks concentrated all their facilities on the job of relaying to listeners, with utmost speed and accuracy, each news development.

A report has been compiled of what happened in NBC news-rooms during the anxious week-end of August 10th, a publication called "V". It is, as well, a review of 1346 days of the Pacific War from Pearl Harbor to Peace - as eyewitnessed and broadcast by NBC war-reporters.

The publication of "V" completes an NBC trilogy ("H-Hour, 1944", published June 12, 1944, and "X" - the story of the liberation of Europe, published May 22, 1945) planned to record the climatic news events of the concluding phases of World War II.

X X X X X X X X X X

AUTHOR FARRELL PANS "COMMUNICATIONS INSTITUTE" AND RADIO

The endorsement of the \$5,000,000 postwar project at Western Reserve University in Cleveland to be called Communications Institute of Arts and Sciences, by Stanley K. Anderson, Radio Editor of the Cleveland Press, got quite a rise out of James T. Farrell, noted author. Mr. Anderson explained that the new Institute was now far beyond the blueprint stage and proposed to study the various ways of communicating knowledge and providing entertainment through the media of the most modern technological instrumentalities of communications.

Replying to the Cleveland editor in the Bulletin of the National Theatre Conference, Mr. Farrell writes:

"According to Mr. Anderson we are now on the eve of a Communications Revolution, which will be, as it were, the revolution which signalizes the final struggle of mankind. In the 20th Century, we have witnessed the most bewildering technical progress in methods of communications, and, as a result, new instrumentalities such as radio and motion pictures have become rooted in our day-to-day living.* * *

"These United States have been, and are minute-by-minute, hour-by-hour, day-by-day, being deluged in an ocean of banality, the like of which has never before been known to civilized man. The largest proportion of what is heard over the radio is unworthy of the time and attention of a serious human being. On all sides, people laugh at the practices of radio advertising, the use of jingling songs calculated to sell beverages, hand lotions and the like. At least, many of those who contribute towards this form of culture - advertising is a form of culture - are ashamed of what they do, and they even cynically laugh at their own productions. Radio advertising, further, has given birth to a new and truly depraved literary form - the soap opera. Day in and day out, these soap operas are presented over the radio.

"Along with the so-called commercials, here is part of what is being already communicated. If the same interests, if the same people who perpetrate this, are the influential ones in the formation of a \$5,000,000 institute to study communications, what, precisely - what revolution is going to be achieved? If television and a whole succession of inventions are developed to improve and perfect communications, even more than they already have been improved and perfected, how will this necessarily change the present situation?* * *

"If common information is not disseminated, somebody is responsible for it. All that is necessary for the dissemination of common information today is for those who do have necessary information and power to go to the microphone and tell us what they know. If the masses of people are incapable of receiving and evaluating common information, then one of two reasons must be attributed to this incapacity: (1) they are congenitally incapable of it, or (2) they have not been educated to receive it, and, if this is the case, our formal educational institutions or schools, and our informal media of education, such as newspapers, radio and motion pictures,

are responsible. If the second is the reason, as I hold, then, the responsibility lies squarely on those who control and own education and the various means of communication. * * *

"The role of advertising is direct in radio; indirect in motion pictures. In the instance of each, however, the dramatic productions involve every economic and spiritual interest in the United States. At the same time, both industries are run for profit. This last is an admitted fact. Whenever a lone writer should dare to criticize the productions of these industries, he is told that he is irresponsible and unrealistic. What this often means is that he does not approach life from the standpoint of markets, profits and so on. The iron realism of business enterprise here is a realism of dollars and cents which in turn prevents the realism of an all-sided approach to life.* * *

"One final word concerning Mr. Anderson's predictions. The gentlemen of radio, the gentlemen of motion pictures, the professors of projects concerning these industries, the advertising agencies, the writers of radio and motion pictures - these and many others associated with them have the floor. They have the power and the resources; they have the audiences; they have the technique; they have everything. One can say to them: 'Gentlemen, go ahead. You have your chance. Nothing stands in your way. Never in history has such mastery, such skill, such resources for culture and education been so concentrated. Never in the history of mankind have such opportunities been given to men as are now given to you. At the present moment, the cultural progress of humanity lies in the hands of your relatively small group of men and women.

"Again, ladies and gentlemen, you have your day. The voice of your critics is small, heard by only a few, drowned out. For every person whom your critics can reach, you can counter by reaching a thousand, ten thousand, even more. Are you going to change the cultural patterns, the life of mankind, for the better? Are you going to create an era of unprecedented material progress linked with popular liberal education? Are you going to replace the Industrial Revolution and the Social Revolution with the Communications Revolution? * * *

"The directors, the decision-makers, the owners of the major communications industries of America today, here and now, influence, educate, point the ideals of the younger generations, of most of the boys and the girls of America. There is an influence stronger than that of father and mother, teacher and priest and minister and rabbi. Theirs is the power to make, to remake, to forge and reforge the future consciousness of humanity.

"History has placed in the hands of these men the power to make and to remake the consciousness of mankind. Are these men, however, adequate to their tasks? What - yes, what - have they so far had in their heads that is worth putting into any other heads? What have they had in their hearts that is worth putting into other hearts? They can now answer these questions, not with words, promises and speeches, but with real performance."

X X X X X X X X X X X X

:::
::: SCISSORS AND PASTE :::
:::

Petrillo Techniques
("Washington Post")

Mr. James Caesar Petrillo's latest ultimatum is addressed to the broadcasting companies. He has informed them that if duplicate programs are carried simultaneously by both standard and FM stations, twice the number of musicians must be employed. This simple formula for providing more useless jobs for his union will doubtless bring down an avalanche of angry denunciation on the head of Mr. Petrillo, who has shown that he can "take it". But the head of the musicians' union is merely a convenient scapegoat. He differs in no essential respect from countless labor leaders who conceive it to be their duty to hold jobs and create jobs for their following. The restrictions imposed by unions in the form of "feather-bed" rules and the numerous devices employed to obstruct or limit the use of labor-saving machinery are of a piece with Mr. Petrillo's job-creating tactics.

In our opinion a vote of thanks is due Mr. Petrillo for the dramatic way in which he has brought to public attention the need for a new approach to the employment problems presented by technological changes that both create and destroy jobs. Labor leaders of his ilk can and do impede progress for a time by doggedly monopolizing the gains resulting from improved processes. Ultimately, to be sure, everyone suffers from such wastage of manpower, since it is only through efficient utilization of labor that we can ever hope to attain the high degree of national prosperity that is our aim. Nevertheless, these long-run objectives cannot be expected to guide the conduct of union leaders whose prestige depends upon what they accomplish here and now for their members. Under such conditions the problem presented by socially outrageous union demands cannot be solved by merely calling for "responsible" labor leadership. The leaders are already responsible according to their limited lights.

Public sentiment is gradually being aroused to resist policies and practices that unduly restrain production or seek to monopolize the benefits of progress. In an atmosphere of public enlightenment labor leaders will then have an opportunity to display those qualities of statesmanship that are now conspicuous by their absence. Under existing conditions the odds greatly favor the leader who, like Mr. Petrillo, is willing to exploit the public for the sake of securing passing gains for his union.

Important Money Mentioned in Connection with ABC Revamp
"Variety")

Ed Noble paid off \$1,000,000 last week to become sole owner of ABC (Blue) network, buying up the 12½" (\$500,000) which was owned by Chet LaRoche, ex-exec vice chairman and director, and 12½% of Time, Inc.

When LaRoche and Time interests came into the ABC picture, the web had an \$8,000,000 working fund operation. In addition to the \$1,000,000 LaRoche-Roy Larsen investment, Noble put up \$3,000,000 (thus giving the network a capital structure basis of \$4,000,000), with the remainder of the money borrowed from the bank. Following the recent inner-sanctum revamp, LaRoche, on behalf of himself and Time mag., offered to buy up Noble's investment and take over the web operation, but Noble declined.

As To Petrillo Believes the Worst Is Yet To Come
(Jack Gould, Radio Editor, "Net York Times")

To the surprise of practically no one in radio, Jimmy Petrillo, head of the musicians union, came back into the news last week with his demand that a broadcaster hire twice as many musicians if a musical program carried on a standard station is also duplicated on a frequency modulation outlet.

With this move, which probably will precipitate as lively a controversy as radio has had in recent years, Mr. Petrillo has finally lifted the curtain on what is expected to develop into a broad campaign for substantially greater employment of musicians by both radio and the incipient television industry.

For though the layman may view Mr. Petrillo's many and diverse actions as separate and distinct matters, actually they are but a part of a larger picture which has prevailed ever since he succeeded Joseph N. Weber to the presidency of the American Federation of Musicians. That picture has involved making the purveyors of music in any mechanical form, be it radio, phonograph record or juke box, contribute far more than they already have to the financial welfare of the man who plays the fiddle or beats the drum.

It may be recalled that when Mr. Petrillo opened his fight against "canned music" in 1942 he originally directed his attention to the nation's radio stations. Due to legal complications, he was unable at that time to make much headway against them and re-directed his fire against the record and transcription manufacturers, finally winning out by the imposition of a tax on each disk sold. Now it is said to be radio's turn again, the advent of FM and television affording an opportunity to make demands which Mr. Petrillo believes should have been voiced years ago when standard radio was starting.

In the execution of this objective, Mr. Petrillo has managed to strengthen his position with each step taken. In the settlement of the record row he gained firm control over that field, an invaluable weapon should radio stations attempt to rely on recorded music in the event of a protracted controversy with the federation.

More recently Mr. Petrillo has sought jurisdiction over "platter turners" the operators of recording turntables, who now belong to the National Association of Broadcast Engineers and Technicians, an independent union. Thus far NABET has resisted these efforts, but Mr. Petrillo's group by no means has abandoned hope of eventual success."

X X X X X X X X

::: _____ :::
::: TRADE NOTES :::
::: _____ :::

Drew Pearson, whose new sponsor Lee Hats on ABC beginning next month reportedly will boost his honorarium to over a million dollars for five years, wrote of this experience of Mayor LaGuardia with the Surplus Property Board:

LaGuardia outlined cases where cities attempting to purchase badly needed automotive parts, radio parts for police use, etc. had been referred by Surplus Property agencies to private dealers.

The City of Birmingham, Ala., anxious to purchase radio equipment, was told that surplus radio equipment will be sold by the Belmont Radio Corp. of Chicago, LaGuardia complained.

"I don't think Mr. Symington likes the cities", he continued. "His whole attitude - he may be a sharp businessman in circumventing the law but I don't think he will do for this job."

John W. Humphrey has been elected Vice President in charge of manufacturing of the International Telephone and Telegraph Corporation. A native of Michigan, Mr. Humphrey was associated with The National Cash Register Company since 1940 in charge of manufacturing.

Before going with the National Cash Register Co., Mr. Humphrey served for twelve years with the General Motors Corporation. During this period, he was closely associated with tooling, processing and factory layout work.

Ten major household appliances, including radio sets, phonographs and radio phonographs have been exempted from inventory restrictions of the War Production Board, to enable producers, wholesalers and retailers better to distribute consumers' goods which are scarce because they were not manufactured during the war years.

Two of the foremost groups affiliated with the motion picture industry - the Research Council of the Academy of Motion Picture Arts and Sciences of Hollywood, Calif., and the Eastman Kodak Company of Rochester, N.Y., - indicated their interest in television by applying for membership in the Television Broadcasters' Association, Inc. Their applications were unanimously approved.

Henry G. Baker, has been appointed General Sales Manager of the Home Instrument Division of RCA Victor. Prior to his present assignment, Mr. Baker had been General Purchasing Director for RCA Victor.

The Grenby Manufacturing Company, Plainville, Conn., manufacturer of electronic equipment, has acquired control of the Allen D. Cardwell Manufacturing Corporation, Brooklyn, manufacturers of radio parts. Ralph H. Soby, Vice-President and Director of Grenby, has been named President of Cardwell. The company, Mr. Soby said, will retain its conservative position in the industry and its sales policy of distribution through normal radio jobber channels.

X X X X X X X X X X