

# HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.

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September 9, 1941

## NEW PRIORITY ORDER ON RADIO PARTS PROMISED

A new priority order giving all divisions of the communications industry a priority rating is scheduled to be issued by the OPM Priorities Division this week.

This order is expected to ease somewhat restrictions on the allocation of scarce materials to the radio manufacturing industry.

Meanwhile, OPM Priorities Director Donald M. Nelson, promised more prompt handling of all priority requests under the reorganized OPM set-up.

Thousands of pieces of mail and thousands of applications for preference ratings which had become "bottlenecked" during the last several weeks were cleaned up over the week-end, completely processed, and are now on their way back to industry.

New techniques were used to cut through normal procedure, and top members of the Priorities Division's staff worked until the early morning hours several nights to clean up the accumulated paper work.

As a result of this clean-up, Mr. Nelson said, the Division of Priorities is back on nearly normal schedule.

Hereafter it is expected that all ordinary applications or mail inquiries will be handled within forty-eight hours. This will make it possible for business men to get prompt answers to questions without coming to Washington.

"When a business man files an application or sends us an inquiry", said Mr. Nelson, "he deserves a prompt answer. Even if we cannot give him what he wants, he has a right to know where he stands without undue delay. We think we have broken the bottleneck and that from here on we can handle all routine expeditiously.

Steps taken during the last few days to solve the problem included:

(1) Thousands of pending applications for preference ratings were processed by means of a special stamp which turned each approved application into a legal preference rating. Instead of having the usual priority certificate made out, which takes considerable time, the application blanks themselves have been officially stamped with preference ratings on their face, carrying the signature of the Director of Priorities, and are being returned to the applicants, who can use them just as they would an ordinary certificate.



(2) A crew of experts at handling mail and paper work was borrowed from private industry for special duty. Working with top officials of the Priorities Division, these experts cleaned up thousands of pending letters. The emergency work was carried on in the Board Room of the Social Security Building and also in the Old Police Station at 462 Indiana Avenue, where some of the operating sections of the Priorities Division have recently been relocated.

(3) A new routing system has been set up so that applications coming into the Social Security Building can be sent without delay to the proper Commodity Section. Routing slips will be colored - a different color for each day - so that applications close to the forty-eight-hour deadline can be expedited.

During the past several weeks a number of factors combined to build up a large back log of applications for preference ratings which it was impossible to process promptly. Lack of space, lack of sufficient personnel and a marked rise in the number of applications received were all responsible.

In May preference rating applications were being received at the rate of 600 a week. Recently this rate has risen to between 4,000 and 5,000 a week. As a result, the number of applications "in process" has increased.

With insufficient personnel and lack of space hampering normal operations, the back log was growing more rapidly in size every day.

However, this special plan for granting preference ratings and the new handling system for mail will bring all operations up to date this week and operations hereafter, said Mr. Nelson, can be kept on schedule. Applications will be handled in the usual way in most cases, but the special stamp system can be used whenever there is danger of delay.

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#### MBS TO HAVE WHOLE SHOW FRIDAY

The Mutual Broadcasting System is the only radio representative to request time for the Friday hearing, FCC Chairman Fly stated Monday.

The hearing, before the full Commission, is on the petition filed by MBS requesting amendment of FCC regulations dealing with network option time and the term of affiliation contracts.

Chairman Fly said that the hearing will be in Room 6121 and apologized that there will be so little space for spectators.

Other networks have until Wednesday to file appearances and until Friday to file briefs in the controversy.

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## MELLETT WOULD NOT DISTURB RADIO

Lowell Mellett, Administrative Aide to President Roosevelt, believes the radio and the press are doing a splendid job for the United States and that they will be more effective if left alone by the Government.

Writing in the September issue of The Atlantic Monthly, Mr. Mellett, who is Chief of the Office of Government Reports, praises both the radio and the press.

In virtually every country, he said, the press associations and the American radio "have set a standard of truthful reporting that has caused their reports to be believed, particularly the nations of South and Central America.

"Nothing save a sudden switch to dishonesty on our part can take this advantage from us", he said.

"Some would have us out-Hitler Hitler or out-Gabble Goebbels. The American people have been exposed freely to practically every trick in the Berlin bag for several years, and the net result is nothing to make Berlin happy. The net result of it all is that America is lining up solidly and effectively against all that German propaganda represents. The softening-up process apparently has served only to make America hard."

Discussing possible propaganda media, Mr. Mellett said it was a curious fact that, "notwithstanding that it takes months to make a picture as against minutes to write an editorial", the motion picture industry has been first to sense the deep determination of the American people and to respond to it.

Second in response, he said, has been the radio, "an industry wise beyond its years in its understanding to popular feeling."

Third, but rapidly catching up with the other two, he said, is the press - "and we can leave it to the press itself to explain why it elected to be the laggard."

"What would or could the Government do better in the matter of pictures (or radio)", he continued, "if it were the kind of government that wanted to try it? And what would or could it do better than the press will be doing when it finally dawns on the publishers - as it has on very many of them - that if Hitler wins this war on democracy there will be no freedom of the press."

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## 17 COMPANIES NOW MAKE FM SETS

Manufacturers of FM receivers planning to put models on the market this Fall, other than those already producing them, are The Crosley Corporation, Fada Radio & Electric Co., Brunswick Radio & Television, and Howard Radio Company.

A total of 17 concerns are now making radio sets equipped for satisfactory FM reception. Among others are Stromberg-Carlson Telephone Mfg. Co.; General Electric Co.; Zenith Radio Corp.; Pilot Radio Corp.; Espey Mfg. Co.; Ansley Radio Corp.; The Magnavox Co.; Meissner Mfg. Co.; Stewart-Warner Corp.; Scott Radio Laboratories; Farnsworth Radio & Television Corp.; Freed Radio Corp.; and Halli-crafters, Inc.

In addition, a few other receivers are being offered to the public that do not incorporate the basic principles of noise-free FM reception established under the Armstrong frequency modulation patents.

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## LATINS WANT MORE U.S. NEWS, SAYS ROYAL

The Average Latin American wants news broadcasts of the objective kind prepared by The Associated Press and The United Press, but is getting instead a preponderance of Axis propaganda programs and bulletins issued by the British Broadcasting Corporation because not enough money is being spent for sponsoring rebroadcasts of American news, according to John F. Royal, Vice President of the National Broadcasting Company in charge of international relations.

Mr. Royal, who arrived in New York last week after a 20,000-mile trip to most of the South and Central American countries, was interviewed in the RCA Building. He declined to offer any opinion as to how money should be provided for sponsorship of rebroadcast programs of news.

"The Axis powers are spending money, and the United States must spend money to compete with them", Mr. Royal declared. "Germany and Britain are buying space in South American newspapers calling attention to short-wave programs. The United States is not."

The problem is not in getting news to South America, he explained, for his company devotes fifty-six hours a week to broadcasting to Latin America, but in getting it rebroadcast through sponsored programs.

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## RADIO "ESSENTIAL TO MORALE", SAYS OPA

Leon Henderson, Administrator of the Office of Price Administration, believes maintenance of the broadcasting system in the United States is important to national defense.

A recent OPA release on the allocation of scarce metals to manufacturers of replacement tubes and condensers, stated:

"Since the maintenance of existing communications is considered essential to morale, the replacement of burned-out radio tubes and defective condensers in radio sets is a matter of prime importance. Manufacturers of tubes and condensers have found it difficult to obtain metals in the face of increasing demands from the defense program and competing civilian industry."

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## RADIO SPOTS USED IN WASTEPAPER CAMPAIGN

Radio spot announcements in 33 of the Nation's largest cities will be used in the wastepaper salvage campaign opened this week under the auspices of the Office of Price Administration and the Office of Production Management.

The campaign is being financed by the Wastepaper Consuming Industries which have raised \$228,000 for a four-months' trial campaign. If successful, the drive will be extended for a year or more.

Defense agencies are backing the campaign because paper board boxes are needed to pack and transport defense food, clothing, and materials.

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## ENGLES RESIGNS AS NBC VICE PRESIDENT

George Engles, Vice President of the National Broadcasting Company, announced last week his resignation of that post, and also of the Managing Directorship of the NBC Concert Service and presidency of the Civic Concert Service, NBC affiliates. He had been associated with the broadcasting company since 1928.

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## BOMB DROPS IN "INDUSTRIAL PARADISE"

Under the heading "Trouble in Paradise", Time Magazine carried the following on September 1st:

"Radio manufacturing has recently looked like the first U.S. consumer industry to take the guns-v.-butter dilemma in its stride. Although it faced a 75% cut in its normal business and already felt the metals shortage, Bond P. Geddes, Executive Vice President of the Radio Manufacturers' Association, last fortnight said the industry had 'no squawks'. But last week he was squawking as hard as the rest.

"As long ago as last April, OPM had told radio manufacturers, with no trimmings, to count on little or no magnesium, aluminum, other scarce materials. Their own leaders said the same, warned them to 'get out and dig' for defense business to survive. The radiomakers paid good heed. Already they are about 25% engaged in defense work (ammunition and machine-gun parts, wartime radio devices, including the 'walky-talky', a two-way battery set for field use).

"By mid-1942 Mr. Geddes expects his industry to be 75% occupied with defense. In the meantime, its good-soldierliness had caused OPM and OPACS to give it enough materials to keep going while the change-over takes place. The manufacturers were reconciled to making only 2,500,000 sets for the civilian market next year (v. 11,600,000 in 1940). They began 'upgrading' sets in quality and price, to cut down demand, increase longevity (and unit profits).

"Last week a bomb dropped on this comparative industrial paradise. OPM still remained, precariously, in the 'no squawks' category, but OPACS was now, according to one radio bigwig, 'a bunch of goddam, nit-witted, half-baked college graduates.' Reason, a new civilian allocation order for plastics raw materials (induced by an OPM priorities order on formaldehyde, other chemicals, and their synthetic resins). The order eliminated their use for radio cabinets, 40% of which are now made of plastics.

"If the order sticks, radio manufacturers face a painful, costly switch to wood cabinets to house even 2,500,000 sets. It would also mean a 20% jump in radio prices, additional layoffs and losses, and a possibly ruinous scramble for lumber. It would mean still more trouble for radio dealers, already understocked, and for the small manufacturers (30-40% of the industry) who cannot switch over to defense business so readily.

"This week radiomakers were still swearing gently, still pinning their hopes on a change of OPACS' heart."

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## ROLE OF RADIO IN INTER-AMERICAN RELATIONS CITED

An extensive program of local long-wave news broadcasts in Latin America, based on the news reports of the United Press and the Associated Press has been inaugurated, under the auspices of Nelson A. Rockefeller, Coordinator of Inter-American Affairs, a report just issued states.

"United States industrial concerns are sponsoring these programs locally", the report explains. "In addition, arrangements have been made for recording in this country of special programs using talent from the other Republics. The recordings are then distributed to local stations in Central and South America. Arrangements have also been completed for a substantial increase in long-wave re-broadcasts in the United States of programs originating in the other American Republics.

"In the field of short-wave broadcasts, arrangements have been made for better editing of news broadcasts by all short-wave stations in the United States, and one of the country's most powerful short-wave stations has agreed to broadcast 700 hours a year of special short-wave news, entertainment, and educational programs to the other American Republics."

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## RADIO MANUFACTURER EXPLAINS PRIORITY PLIGHT

As an example of the plight of small business men in the Defense program, the following letter was published in the September 5th issue of the Congressional Record upon request of Senator O'Mahoney (D.), of Wyoming:

Gray Radio Co.,  
West Palm Beach, Fla., August 23, 1941.

Senator O'Mahoney,  
Washington, D. C.

Dear Sir:

We have tried everywhere we can think of to get consideration for defense work as a small manufacturer.

Unless we get a Government order, we are going to be out of business, and soon.

Our specialty is the manufacture of light two-way radio equipment for use in aircraft and small boats. We have been doing all right up until a few months ago. Now we can't get materials, even though we could sell enough equipment commercially to stay in business. Without priority certificates the big parts manufacturers simply ignore our orders.



We are really small, about 10 employees, but we have built hundreds of radio units and we could build thousands, for we have the nucleus of trained men and the "know how". But all the orders are going to the big radio concerns.

We have written O.P.M., the Army, Navy, Defense Contract Service, etc., all without getting even a chance to bid on contracts.

Unless the small manufacturer gets some consideration - and we represent at least 40 percent of this country's production capacity - the conclusion will be: "National emergency, hell! just a grab bag for the big outfits." And what effect will that have on national morale?

What do you suggest?

Yours sincerely,

(Signed) Gray Radio Co.  
F. E. Gray, President

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PRESIDENT PRAISES ETHRIDGE REPORT

The report of the Committee on Fair Employment Practices was praised last week by President Roosevelt.

The report cited racial discriminations in Federal employment. Mark Ethridge, prominent in broadcasting, is Chairman of the Committee. David Sarnoff, President of the Radio Corporation of America, is a member.

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RADIO'S ROLE IN WAR HELD UNDETERMINED

"War on the Short Wave", by Harold N. Graves, Jr. (Foreign Policy Association, 25 cents) has been published recently.

Radio, as a weapon of war, is still in the experimental stage and it may be many years before any definite conclusions can be reached concerning its value and importance in the dissemination of propaganda and in the influencing of civilian and national morale, the author asserts. This pamphlet, written by a former director of the Princeton Listening Center, an organization established in 1939 to study international broadcasting in wartime, may serve as a prospectus of some of the more academic works which are certain to follow upon the close of war. It does not pretend to be an analysis of the problem of radio in relation to war, but merely a summary of the part it has played in the present conflict. But it permits the reader to reach some understanding of the problem, and gives him some idea of the potential value of this new weapon. As the United States is at present the world target of short wave propaganda, this volume carries a message to all who listen to foreign stations.

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 ::: TRADE NOTES :::  
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The National Broadcasting Company has signed a contract with Dan Topping, President of the Brooklyn Dodgers Football Team to televise all the Dodgers home games over NBC's television station WNBT.

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 Alexander Woollcott will go to London soon to make exclusive broadcasts for the Columbia network. Woollcott is to report conditions in England in a series of programs - short-waved directly to this country - which are expected to start early in October.

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 Tom Hargis, member of the NBC Central Division production staff, Chicago, has resigned to join the Russel M. Seeds Advertising Agency as producer-director of the Brown and Williamson Tobacco Corporation's "Renfro Valley Enterprises" program.

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 Five new stations become available to NBC Blue Network advertisers within the next sixty days, William S. Hedges, Vice President in charge of Station Relations, has announced.

KCMO, Kansas City, Mo., is immediately available to advertisers purchasing time on the Basic Blue; effective October 1, WAYS, Charlotte, N.C. will become available to Blue Southeastern Group advertisers; WJHL, Johnson City, Tenn. will become available to Blue Southeastern advertisers on October 15 as a "package" outlet; On October 1 WMRC, Greenville, S.C., joins the Blue Southeastern Group; WCHV, Charlottesville, Va. has become a supplementary outlet for the Basic Blue Network; WSYR, Syracuse, N.Y. has notified NBC that it now expects to start operation with 5000 watts day and night the latter part of September; WMUR, Manchester, N.H., will join the Blue Network as a basic supplementary outlet on the opening of business September 14.

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 The U.S. Government assumed operation of the nineteen story St. Louis Mart Building, home of KMOX - CBS fifty-thousand watt key station in the Mississippi Valley, August 31 at midnight. Plans call for the Army to move in more than eight hundred civilian employees to take over the entire building with the exception of KMOX studios which occupy approximately 40,000 sq. ft. of space on the second and third floors.

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 At least 25 radio stations throughout the Midwest are expected to rebroadcast the programs which WLW will air from the gigantic U.S. Army Maneuvers in Louisiana starting tentatively on September 15. The programs will be heard nightly at 6 P.M., EST. Six members of the WLW staff will make their headquarters at Winfield, La., and will make mobile unit expeditions to points throughout the war game territory. All programs will be by transcription.

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## KOSTKA QUILTS AS NBC PRESS CHIEF

William Kostka, Publicity Director of the National Broadcasting Company, has resigned, effective September 26, to accept a position with the Institute of Public Relations. Mr. Kostka joined the staff of the Press Department in September 1938. In May, 1939, he became Manager of the Magazine Section and, in August, 1939, he was appointed NBC Press Manager.

A native of Chicago, Mr. Kostka, after being graduated from Knox College at Galesburg, Ill. in 1927, became telegraph editor of the Chicago Daily Drovers Journal. Later he joined International News Service in New York, and returned to Chicago as Central Division Manager.

Mr. Kostka also was active for several years in the magazine field, serving as Managing Editor of Fawcett Publications, magazine editor for the Frank A. Munsey Company, and publisher of Everyday Photography Magazine. He is a member of Phi Beta Kappa and of Sigma Delta Chi, the professional journalistic fraternity.

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## RCA TRAINS EMPLOYEES FOR DEFENSE

The RCA Manufacturing Company has more than 300 employees enrolled in special instruction courses designed for production in defense equipment. Additional courses for employees, who will study defense problems along electrical and radio engineering lines, will be instituted in September, in collaboration with the Federal Office of Education and the Engineering Training for Defense Program. These classes will be held at the RCA Plant in Camden and at the University of Pennsylvania.

More than 300 RCA employees were graduated from a similar 20-weeks course during the past season, and when the instruction is resumed it is expected that from 600 to 700 new employee-students will be enrolled. There is also a course in job-training known as the "OPM Training for Defense", from which 120 RCA employees recently were graduated. Sixty now are enrolled in a new class with expansion in membership expected.

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Station WCRS, Greenwood, S. C., has become a bonus outlet of the NBC-Red Network Southeastern Group, as of September 1st.

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## DEFENSE THEME OF EDUCATIONAL PROGRAMS

Emphasis on National Defense in broadcasting was reflected in action taken last Friday by the CBS Adult Education Board in approving the experiment represented by the program "Report to the Nation."

Convening at Columbia's New York City headquarters, under the chairmanship of Lyman Bryson, of Teachers College, Columbia University, the Board voted to place the "Report" in one of the important evening periods originally withheld from network sales for the development of adult education programs.

After careful review of two other programs, "People's Platform" and "Invitation to Learning", the Board decided that both should be continued. Those series were put on the air - the "Platform" on July 20, 1938, and "Invitation to Learning" on May 26, 1940 - on the Board's recommendation.

"Report to the Nation", which continues in its Tuesday at 9:30 P.M. spot as the result of the Board's action, was first heard last November 30. The program was developed as an experiment in civics education by radio, along lines suggested at an earlier Education Board meeting.

Although the series was originally designed to present all aspects of non-political activity of the "biggest business on earth" -- the United States Government -- in recent months it has been devoted principally to depicting various aspects of preparations for National Defense.

Sterling Fisher, CBS Director of Talks and Education, reported on three other new programs in the interest of National Defense. He told how "Proudly We Hail" each week signalizes the achievements of the humbler production line defense workers in American industry; how "Spirit of '41" is designed to bring listeners dramatic, first-hand information about the United States fighting forces, and how "You Decide" was aimed to impress children of high school age.

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## R.C.A. COMMUNICATIONS RETURN HIGHER

R.C.A. Communications, Inc., reports net income of \$917,241 for the seven months of 1941 through July. The corresponding return in 1940 was \$893,521.

The July gross was \$806,788 against \$657,116 last year. The seven months gross was \$5,584,045 as against \$4,457,010.

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