

HEINL RADIO BUSINESS LETTER

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No. 1404



February 17, 1942

COURT DECIDES RADIO TRANSMISSION KNOWS NO STATE BOUNDARIES

Judge Emmerich Freed of the United States District Court for the Northern District of Ohio, Eastern Division, in the case of United States of America v. Betteridge and Wolf, in an opinion dated February 6, 1942, stated that operation of any radio transmitter within the United States or certain of its territories or possessions must be licensed by the Federal Communications Commission and conducted by a licensed operator. The opinion points out:

"It is needless to go into a lengthy dissertation on the inherent natural characteristics of radio transmission to arrive at the inescapable conclusion that all transmission of energy, communications or signals by radio, either use an interstate or foreign channel of transmission or so affect interstate or foreign channels as to require the regulation of their use by licensing or otherwise if the announced purpose of this section; that is, the retention of control in the United States of all channels of interstate and foreign radio communication, is to be carried out effectively. The daily use of the radio, even to a lay mind unacquainted with the science of radio transmission or its engineering intricacies, has clearly demonstrated this conclusion.

"A careful analysis of the prohibited operation of a radio transmitting apparatus without a license discloses that the section is so all-inclusive that it would require great imaginative faculty to find an instance where the operation of a transmitting apparatus would not be embraced within the provisions of the Act. In fact, I am bound to come to the conclusion that all the operations of a radio transmitting apparatus fall into one or the other or several subsections of the statute and that under the Act none can operate without a license." (Emphasis supplied.)

This case involves the prosecution of two individuals who had operated an unlicensed transmitter at Thistledown Race Track, near Cleveland, Ohio, in August, 1941, in connection with a scheme to best the bookies by signalling "tips" while the races were being run. The defendants contended that the five-meter ultra-high frequency transmitter which they were using was incapable of sending signals beyond the boundaries of Ohio. Monitoring officers of the Commission offered no proof of actual interstate interception of the signals or interference with interstate communications, but evidence was submitted to the court to establish that these radio signals were capable of receipt at great distances from the point of origin, depending upon atmospheric and other conditions. In considering that point, the court said:

"There is evidence to the effect that such transmissions could not be controlled by the sender except as to volume and would transmit energy, signals, and communications in radiated directions and that such transmissions would interfere with any other radio transmissions using the same frequency at the same time either from outside the State of Ohio, to points within the State of Ohio, or from inside the State of Ohio to points outside the state."

The court pointed out that the intent of the defendants to transmit only within the state was immaterial; that all that is necessary to commit the offenses described in Sections 301 and 318 of the Communications Act of 1934, as amended, is to operate a transmitter without proper licenses.

One defendant was sentenced to a term of imprisonment of six months and another to three months.

The Commission warns against violation of the Communications Act by the unauthorized operation of a radio transmitter, regardless of the limitations which may exist with regard to the range of ground wave transmission. This warning is directed particularly to potential operators of $2\frac{1}{2}$ and 5 meter ultrahigh frequency transmitters who have sometimes felt themselves to be beyond the jurisdiction of the Commission.

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U.S. MAY LEASE ALL SHORT-WAVE TIME

The Federal Government, acting through the Office of the Coordinator of Information, is preparing to lease all time on the Nation's 12 short-wave radio transmitters and provide many programs for foreign broadcasts, especially for enemy territory, according to the Washington Star.

Nelson P. Foynter, Associate Director of the Foreign Information Service in the O.C.I., is in New York making arrangements for the plan, it was understood. The plan, it was said, will include increasing the power of the stations from 550 kilowatts to approximately 2,500 kilowatts as well as erection of additional transmitters.

It was believed the mechanical operation of the transmitters would be kept under direction of the present licensees, but the Government will provide broadcasts for enemy territories, as well as to countries in the Western Hemisphere and other areas where it is desired to combat broadcasts by enemy countries.

The hours from 4 P.M. to midnight, it was said, would be allocated to the Office of the Coordinator of Inter-American Affairs for broadcasts in the Western Hemisphere, while the O.C.I. would direct broadcasts to all other parts of the world.

The Federal Communications Commission permits the international stations to have unlimited power, but has fixed a minimum of 50,000 watts. Some stations have less than the minimum. Under an order of the Commission, these were required to step up their power at least 50 kilowatts by last July 1, but owing to the shortage of critical materials needed in the manufacture of transmitting apparatus of such high power, the Commission postponed its minimum order indefinitely. However, it is expected that means will be found to provide the apparatus.

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ONLY QUESTION NOW HOW SOON SET-MAKING CAN BE STOPPED

The end is definitely in sight with regard to the manufacturing of household radio receivers until after the war. Confirming the preliminary announcement made last week, the War Production Board is expected within the next few days to issue an order to suspend all civilian production on April 22nd. The industry through the Radio Manufacturers' Association has been told emphatically by Government officials that all usable facilities must be converted to war to purposes with all possible speed.

The principal problem is of closing out all civilian production as orderly as possible, Jesse L. Maury of the War Production Board stated, detailing the various factors involved. He said flatly there were no prospects whatever of any further allocations of aluminum, nickel and other vital metals, except only for radio replacement parts, and that there were enough radio sets now in public use "for complete advice of the civilian population".

Appeals from the April 22 suspension order will be considered, Mr. Maury stated, only on a basis of expediting and facilitating war production, with inventories only a secondary factor. Mr. Maury indicated that the larger companies with large military contracts and with facilities especially needed for war production probably would be closed down on April 22 so far as civilian production is concerned, but that temporary exemptions based entirely on their prospective war work would be given limited extensions on civilian production. The question of the amount and condition of inventory will be a secondary major in the decisions. Possible transfer by manufacturers of their inventories of materials, including fabricated parts, to another set manufacturer was suggested by Mr. Maury.

On behalf of the Radio Manufacturers' Association and the industry, Fred D. Williams, Chairman of the Association's Priorities Committee urged an extension of the April 22 limitation order for a further period of sixty days. This recommendation, supported by Vice Chairman S. T. Thompson of Chicago and several other manufacturers, was not granted.

Mr. Williams and others urged the sixty-day extension because delayed military contracts are not yet available to manufacturers; also the extension requested would permit manufacturers to use up their inventories without any additional supplies of critical metals. Mr. Williams also stated that the WPB plan for individual company exceptions from the April 22 suspension would result in many inequities and discriminations between different manufacturers.

The disposition of more than a score of appeals from the present limitation order was not announced by Mr. Maury and are still under consideration. He stated that after the April 22 general suspension order was formally issued, manufacturers could appeal and that decisions would be made in such individual company cases solely on a basis of whether their continued operations would facilitate the war program.

Albert J. Browning of the Army Procurement Division likewise emphasized that the war effort was paramount; that no aluminum, nickel, or copper would be available for further radio production, and that manufacturers must realize that immediate war conversion is a vital necessity.

That many radio assembly plants of limited facilities for war production presented a "disappointing picture" was stated by Henry Ahlberg, engineer of the WPB Production Division's conversion unit. He analyzed twenty-three companies appealing from the limitation order and suggested pooling by manufacturers in the same locality of war contracts and their use on other than radio products also.

Lieut. E. H. Conklin of the Navy Procurement Division said that apparently the radio industry had secured aluminum when it could not be secured for naval purposes.

Details of present military radio production were given by Ray Ellis of the WPB communications branch, stating that conversion was a question of the individual plant and the product. He stated that some radio products might be ordered through non-radio plants which might have necessary facilities.

Many of the smaller radio manufacturers are without necessary machine equipment, Mr. Ellis said, for the special type of military radio apparatus involved.

Nominations have been received by Mr. Maury for his appointment of a small technical committee of three production executives to work on the conversion problems and distribution of war contracts.

Press reports quoted Robert Shannon of the RCA Manufacturing Company at Camden as saying that his concern for "a long time" had anticipated the need for conversion of plant, equipment and manpower from a commercial to a war basis. Such a program, he declared, was begun the day war was declared in Europe, and he added that the

process of conversion was still going on now on a greatly accelerated basis. Employment since 1939 had risen from 15,000 men and women to a peak now of almost 22,000.

"Every effort is being made to minimize any hardship to our employees and to get production ready to take on an even larger amount of war orders", he said, adding that orders still were not enough to keep all plants busy, but that it was expected that all regular workers, and more, too, would be needed. It is understood that all plants are now more than 80 per cent on war production.

The Philco Radio and Television Corporation was reported as in "complete accord with the government's war needs" with an annual all-out war production peak near the \$160,000,000 mark and conversion well under way. Word from the Stromberg-Carlson Telephone Manufacturing Company, at Rochester, said that a main plant and three other auxiliary factories were going "largely on war work, now many times its output of radios for civil use".

Divisions of General Electric at Bridgeport, Conn., and Westinghouse at East Pittsburgh, are at full output on various government radio orders and are at more than the half-way mark on other items. E. F. McDonald, President of Zenith Radio in Chicago, said that his plant was about changed over now for war orders.

O. H. Caldwell, editor of Radio Retailing, cautioned that some of the country's radio makers would have to tackle jobs other than the building of receivers because "it is unlikely that the war needs for radios will ever be great enough to keep the industry fully employed". He added that the public would continue to need many new radios and that some of the plants now producing them should be allowed to continue until such time as these facilities were actually required for other purposes. Especially was this true, he said, in the case of the smaller plants, where complete ending of all production would be a hardship.

Mr. Caldwell also stressed the fact that many competent radio servicemen would be needed throughout the country to keep the existing sets in operation while the industry was busy at other tasks.

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SOME SEIZED ALIEN RADIOS WILL BE GIVEN BACK

Cameras, radios and other articles received from enemy aliens by local Police Departments will be turned over to United States marshals for inventory and safekeeping, Attorney General Biddle said last week. Steps will be taken to return to their owners articles such as radios incapable of receiving short-wave signals, firearms considered more as museum pieces than as weapons and other items not required under the recent regulations.

In some instances the alien enemies voluntarily surrendered antiquated muskets, ceremonial swords and even spears.

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ROCKEFELLER'S MILLION LATIN RADIOS AGAIN REPORTED

About every so often the story bobs up that things are all set for Nelson Rockefeller's dream to supply 1,000,000 short-wave radio sets to Latin-Americans at about \$15 apiece so that they can tune in on Mr. Rockefeller's good neighbor programs. Always the Rockefeller people have failed to confirm the report that the deal has been closed.

It is known, nevertheless, that numerous pow-wows have been held with radio manufacturers, John H. Payne, formerly of the Bureau of Foreign and Domestic Commerce, apparently representing Mr. Rockefeller in these conferences. Much mystery about the negotiations and considerable reticence in discussing them has seemed to prevail for the idea being, presumably, if we were going to do such a thing, we wouldn't want the Germans or the Japs to beat us to it.

However, the story of the possibility of manufacturing a million short-wave sets for Latin-American use again broke in the New York Times Tuesday, which said:

"The production of the sets, which are marked for Latin-American use, is another step in the government's campaign to put the South and Central American Republics in closer touch with the United States, it was explained.

"The Rockefeller Committee, the Board of Economic Warfare and the War Production Board are all reported backing the move on the ground that once the government has arranged short-wave broadcasts which hold Latin-American interest and completes plans for expanding the number of programs now directed to that audience, it must also make sure that an adequate audience hears the messages.

"The order, which government officials said would be prorated among all radio manufacturers, will be filled in the period between April 1, when production of radios for civilian use in this country is expected to cease, and August 1, when the industry is expected to be completely converted to wartime production.

"Because of its special status, the restrictions applying on civilian production will not apply to the Latin-American radios, which will have a position somewhere between a military purchase and an order as placed by a Federal Government bureau.

"All of the sets will be similar in construction, being built according to specifications drafted by Federal officials in consultation with representatives of the radio industry. They are expected to cost about \$10 to build and will be sold in Latin-America at prices ranging from \$15 to \$20. This level is far below those at which similar sets are available there now.

"Because money is plentiful in most of the Latin-American markets at present, it was said, there should be little difficulty in moving the sets through regular distributing channels there.

"There is some talk that the governments of the various countries will be asked to ration the sets made available to their nations and to establish strict supervision to insure that the sets go where they will be of the greatest service.

"WPB officials said that the production of the necessary sets for Latin America probably could be handled without interfering in the plan for converting the industry to full war production. By distributing the order among all producers, the volume handled by each will not be sufficiently large seriously to impede conversion plans in the plants."

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ARGUES THAT PAID WAR ADVERTISING IS NOT A SUBSIDY

Rejecting the idea that paid advertising by the Government is a subsidy to the press, and pointing out the difference between radio and newspaper advertising, the Editor & Publisher says:

"Some of our newspaper friends seem to fear that the argument for use of paid Government display space in publications has been prejudiced by the generous donations of time by the broadcasters for the promotion of the sale of Defense Stamps and Bonds. We do not agree with that pusillanimous attitude. The patriotism of the radio operators in offering their facilities gratis to the government is highly commendable, but, with that in mind, it is still possible to question their business judgment. Their production problem is not similar to that of the newspaper, for it does not involve the conversion of raw materials into useful form by the application of mechanical skills and complex tools.

"Publishers who look with suspicion on government advertising contend that the same results can be obtained by having the government's display appeals financed by private contributions. Without a doubt, that can be done. It has been done in many cities, in 1917-1918 and in the present era. Our complaint against that method is that it is not efficient. It is a hit-or-miss proposition, which cannot have the effect of a concerted, well-organized, and thoroughly planned advertising campaign. It depends far too heavily on the goodwill and available funds of an unknown number of individual patriots.

"The government can get its money's worth many times over by using advertising as it should be used for the many war purposes that the experiences of Great Britain and Canada have demonstrated. We'll take with an even temper Secretary Morgenthau's ironic remarks that only Editor & Publisher and the Chicago Tribune have objected to the Treasury's so-called advertising program. There is such a thing as being lonely - and being right."

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HAMS URGED TO SELL SETS TO UNITED NATIONS

Radio hams are being asked to sell their transmitters and receivers for use by the armed forces of the United Nations, according to an announcement by the American Radio Relay League, which is centralizing information on available apparatus on behalf of the government agencies concerned.

Only commercially-manufactured communications-type receivers and transmitters for which standard instruction manuals are available are required at present. Such equipment is more readily used and understood by military operators than homemade units, even though the latter may be of comparable quality, it was explained.

Urgent shortages of communications equipment required for defense needs led to the call, manufacturers finding themselves unable to make deliveries sufficient to fill the intensified demand as the theatre of war expands in widening circles.

Amateurs willing to turn over their apparatus to their country are requested to advise the ARRL at West Hartford, Conn., giving model number, condition, and the price for which it can be delivered crated to a local transportation agency. Only standard manufactured equipment should be offered, it was reiterated, homemade or "composite" equipment not being required at present.

The biggest need is in transmitters, it was stated. According to League statistics, approximately two-thirds of the receivers found in amateur stations are factory-made but only 5% of amateur transmitters were purchased from manufacturers.

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RAISE IN PAY FOR RADIO OPERATORS

Wage increases averaging \$26 a month have been obtained by 166 radio operators employed by fifteen steamship companies following protracted negotiations and the intervention of the United States Conciliation Service. Harry Morgan, Vice President of the American Communications Association said that Maxwell Copelof, arbitrator appointed by the Conciliation Service, had notified the union of the reward. Mr. Copelof was assigned in January after the negotiations had reached a deadlock following four months of discussion with representatives of the lines.

The wage increases are to be retroactive to Nov. 1, 1941. Radio operators on freighters will receive \$172.50 a month; those on Class B passenger ships will receive from \$168 to \$204, and those on Class C passenger vessels from \$165 to \$198. The overtime rate of pay will be \$1.15 per hour.

Mr. Morgan said the new rates gave East Coast operators parity with those on the West Coast lines and that they would stabilize "the relationship between the union and the steamship companies."

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NELSON CALLED ONLY "PRETTY GOOD"

There is no enthusiasm for the work up to now for Donald Nelson in the latter's recently created job of Chief of the War Production Board on the part of Frank Kent of the Baltimore Sun, whose column is widely syndicated. Through James S. Knowlson, former President of the Radio Manufacturers' Association, Mr. Nelson's assistant, the future of the radio industry is in Mr. Nelson's hands.

Mr. Kent writes:

"The best judgment about Mr. Nelson is that he is 'pretty good'. He isn't another Baruch. And he isn't a human dynamo except in the press releases and his publicity-department written speeches. 'Pretty good' just about describes him. Nevertheless, 'pretty good' is above average here for key men and it isn't the fact that Mr. Nelson is no superman on which worry is based."

"Things are not going well in Washington and there is no use pretending they are.

"Complacency about the operations of the war organization is sheer stupidity. No informed man is complacent; every posted person is deeply concerned.

"That is an opinion widely held not only outside the administration but inside, where, however, it has to be voiced privately. When after 22 months Mr. Roosevelt finally yielded to pressure and delegated authority to Mr. Nelson, established the single-headed War Production Board which should have been named in the first place, there was a wave of optimism in the country. A feeling arose that at last confusion was to be ended and competency installed. That feeling has been only slightly justified.

"Industry, so far as it is not restricted by shortages of raw materials and labor troubles, is concededly doing a good job. In the matter of supplying, through priorities and development, the raw materials, which is Mr. Nelson's real job, he has performed no miracles - and will perform none."

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LEE DE FOREST'S TELEVISION BOOK MAKES ITS BOW

DeForest's new book "Television Today and Tomorrow" is now available, an offering of the Dial Press, of New York, and the price is \$3.75. Just what the present state of television is, its scientific basis and its probable future development is fully covered. A number of its chapters are frankly technical but, writes the author, "in this forty-first year of the twentieth century, thanks largely to the interest in things scientific which radio has awakened in the American mind, the average intelligent citizen is able to understand, and should have an interest in understanding, such matters of science and technology as television is made of."

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Radio was included in the coordination of the facilities of the entire advertising industry to help win the war in the completion of the organization of the Advertising Council in New York this week. Representing radio in the Council, sanctioned by the National Association of Broadcasters, are Paul Kesten, of N.Y., Vice-President of CBS and John Elmore of WCMB, Baltimore. The Council had already formed a radio committee working with W. B. Lewis, former Vice-President of CBS, now with the Office of Facts and Figures.

 A fifty-foot display that tells the story of radio's role and the activities of the National Broadcasting Company in the various fields of education, will be exhibited jointly by NBC and the RCA Manufacturing Company during the 72nd annual convention of the American Association of School Administrators which opens at San Francisco on February 21st.

 Columbia Broadcasting System, Inc., estimated consolidated net earnings for the fiscal year ended January 3 were \$4,800,000, equal to \$2.80 a share, as compared with \$5,006,600, or \$2.91 a share for the fiscal year ended December 28, 1940. The earnings were estimated for the combined class "A" and class "B" stock.

 Among those present at the White House when the Veteran Wireless Operators' Association presented a medal to President Roosevelt last Thursday afternoon, but whose names did not appear in the listing at that time, were Gen. Dawson Olmstead, Chief Signal Officer of the Army, F. P. Guthrie, District Manager of R. C. A. Communications, Inc., and E. H. Rietzki, President of the Capital Radio Institute.

 Paul Muni is heard as narrator on the second broadcast of "This Is War!" at 7 P.M., E.W.T., Saturday, February 21. Entitled "The White House and the War", the second chapter of the giant four-network series on behalf of the government is again broadcast over more than 600 U.S. stations and short-waved throughout the rest of the world in many languages.

 Programs of FM stations are now being heard over a number of collegiate "wired radio" stations. Since last year Station CURC, the Columbia University outlet of the Intercollegiate Broadcasting System, has rebroadcast programs of W2XMN and W71NY in New York.

Last week W65H, the FM outlet of WDRC in Hartford, announced that its program schedule had been made available to the radio systems of Yale, Wesleyan and Connecticut Universities.

 Howard Chinn, of the CBS General Engineering Department, talks before the Ohio State Broadcast Engineering Conference February 26 on "Recording and Reproducing Standards". Radio engineers from all over the country are to attend the conference in Columbus February 23-27.

The owner, manager, and seven employees of a small trading company in El Callao, Venezuela, have shown their faith in the United States and hemisphere solidarity by sending \$10 to Professor Vicente Tovar of WGEO, General Electric international broadcast station in Schenectady, and asking of him "the service of investing these dollars in 'Bonds of the Victory'".

 "Burasi New York, Birlesik Amerika Devletrinde... Beynel-
 milel WCBX istasyondur."

It's the microphone signature of Raif Erisken, Turkish announcer, who is the latest addition to Columbia Broadcasting System's international division, and means: "This is New York, United States of America... International Station WCBX". Turkish is the eleventh language on the roster of the CBS foreign transmission service.

 With war upon us, the portable radio set should come into its own, O. H. Caldwell writes. "Business men need the little personal '3- to 4-pounders' to keep in hourly touch with the news - at their offices, in trains, at lunch, and in hotels.

"And the larger portables have their many uses - for families during blackouts and for travellers. With its alternate power supply from either electricity outlet or battery, the portable is the ideal set. During blackouts or air-raids, when electricity supply is cut off, the battery radio is essential."

 A new symphony orchestra, led by Rosario Bourdon, a twenty-five piece string ensemble, conducted by Norman Cloutier, the Goldman Band with Dr. Edwin Franko Goldman, conducting, together with exclusive contracts with leaders in both swing and sweet music, will now become available for NBC Thesaurus subscribers.

With the agreement reached with ASCAP and certain music publishers, the works of such composers as George Gershwin, Victor Herbert, Jerome Kern, Sigmund Romberg and Rudolf Friml are again available to the NBC Record Recording Division. Certain ASCAP tunes are already being serviced to NBC Thesaurus subscribers, and more will be recorded at once.

 Chronic sufferers from sinus disease who do not have pus in their nasal discharges can be benefited by treatment with short radio waves, according to a report in the current Journal of the American Medical Association.

The report was made by Dr. George R. Brighton, Dr. William Benham Snow and Dr. Herbert S. Friedman of Presbyterian Hospital, New York. They do not recommend the treatment for acute sinus disease or chronic sinusitis with pus discharge. The effects of the short-wave treatment are believed due to the heat produced in the tissues.

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