

HEINL RADIO BUSINESS LETTER

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RADIO INDUSTRY FIRST TO OFFER U. S. ITS PATENTS

Setting a splendid wartime example to all of the other industries, the major companies of the radio and communications industries have agreed to give the Army Signal Corps free patent licenses on practically everything they have. This is a tremendous step forward which will not only save the Government an incalculable amount of litigation and money but will save time which at this critical stage of the war is more important than anything else.

This program, which please note was formulated by the radio industry itself, speeds up negotiations and acceptance of contracts with the Signal Corps, of which Maj. Gen. Dawson Olmstead is the Chief Signal Officer, by an estimated average of two weeks and in complicated cases the time may run into months.

The most authoritative appraisal of just how much speed and economy may result from the cooperation between the Signal Corps and the radio manufacturers may be found in an article in the August issue of the Signal Corps Information Letter which states:

"The patent situation affecting Signal Corps activities is very complicated. Between 20 and 30 thousand patents relating to communication are now outstanding. The greater proportion of these patents are held by a relatively small number of licensing companies, but it is nearly impossible to make any piece of Signal Corps equipment without employing inventions controlled by several different licensors."

The article goes on to say that two major results of the program undertaken by the Signal Corps and the radio manufacturers are evident:

"The first of these is a freer interchange of research and manufacturing information. The members of the industry unanimously undertook to disclose all technical information relating to any Signal Corps research or manufacture to any party designated by the Government. As a result of this undertaking, manufacturers and researchers are receiving their competitors into their laboratories and factories and are disclosing research techniques and results and manufacturing 'know-how' wherever such disclosures are necessary or desirable to speed the war effort.

"The second aspect of the program relates directly to patent licenses. Up to June 18, between 50 and 60 radio patent holders have offered licenses directly to the Government, and 21 executed license

agreements have been received. Under these licenses the Government may have equipment made by whomsoever is best fitted to make it without danger of patent suits against either the manufacturer or the Government.

"In the case of most of the patent owners, who are also manufacturers, the licenses to the Government are free; where the patents are held by individuals without manufacturing facilities or by organizations primarily devoted to research, who cannot otherwise realize upon their inventions, suitable royalty arrangements have been made. A few more licenses remain to be negotiated for the Government. Under the licenses already negotiated, the Government is free to use more patents than any one in the radio field has ever been able to do in the past.

"With the Government substantially completely licensed, the necessity for placing the responsibility for patent infringement upon the manufacturer is past. This relieves manufacturers of the necessity of making patent searches before undertaking a contract, or insuring themselves against liability for infringement.

"It is difficult to estimate the actual saving in money to the Signal Corps through this program. Much more important gains, however, are speeding up the initial stages of manufacturing necessary equipment, the greater cooperation between the manufacturers of related equipment, and the freedom from friction between manufacturers and the Government which would otherwise arise from the fear of future litigation.

"The program not only solves the difficulties actually experienced by the Signal Corps, but will prevent any future delay or blocking of production through so-called monopolies.

"It is an outstanding case where members of an industry get together to solve their own problems, within the law and without restraint of competition, to the benefit of both the industry and the Government."

While it is true in the main that all of the licenses granted to the Armed Forces by the radio manufacturers are free there are and will be a number of licenses calling for a royalty payment. Most of these are couched in such terms that they will in all probability result in royalty-free licenses, but some of the licenses contain no such provision and royalties will probably be paid on these for the entire duration of the war.

There follows a list of all those whose licenses to the Government have thus far been received by the Signal Corps, including both free and paid licenses, with the date of their receipt. This list omits a number who have promised licenses but have not yet forwarded them, in most cases because their boards of directors have not yet had an opportunity to formally act on the matter:

American Telephone and Telegraph Co., 5-1-42; Charles Asbury, 7-7-42; Belmont Radio Corporation, 5-23-42; Bendix Radio, 7-30-42; Bliley Electric Company, 6-4-42; Breon Laboratories, 7-20-42; Daughetee Manufacturing Company, 7-28-42; Doolittle Radio Incorporated, 5-25-42; Eitel & McCullough Incorporated, 5-27-42; and

Farnsworth Television and Radio Corp., 8-3-42; Federal Telegraph Company, 6-14-42; Galvin Manufacturing Company, 6-6-42; General Electric Company, 5-13-42; General Motors Corporation, 6-26-42; General Radio Company, 6-23-42; The Hallicrafters Company, 5-21-42; Harvey-Wells Communication, Inc., 6-4-42; Hazeltine Service Corporation, 6-16-42; Heinz & Kaufman, Ltd., 7-26-42; Higgins Industry, 8-4-42; G. C. Hunt & Sons, 8-10-42; and

International Tel. & Radio Mfg. Corp., 6-14-42; International Tel. & Tel. Company, 6-25-42; International Standard Electric Corp., 6-14-42; Ken-Rad Tube & Lamp Corporation, 5-25-42; Link Radio Corporation, 5-18-42; John Meck Industries, 8-11-42, National Union Radio Corporation, 7-12-42; North American Philips Co., 7-24-42; Operadio Manufacturing Co., 5-22-42; and

Philco Corporation, 6-22-42; Philips Metalix Corporation, 7-27-42; Precise Development Company, 7-19-42; Radio Corporation of America, 8-11-42; Radio Engineering Laboratories, Inc., 6-3-42; Radio Receptor Company, Inc., 6-8-42; Radio Specialty Manufacturing Co., 7-27-42; Raytheon Production Corporation, 6-26-42; and

Melvin L. Smith Labs, 7-23-42; Standard Piezo Company, 7-22-42; Stewart-Warner Corporation, 5-28-42; Stromberg-Carlson Telephone Mfg. Co., 6-5-42; Union Piezo Corp., Division of Union Switch, 7-24-42; Wells-Gardner & Company, 6-8-42; Western Electric Company, 5-1-42; Westinghouse Electric & Mfg. Company, 6-13-42; Withers Gem & Mining Corporation, 8-12-42; Zenith Radio Corporation, 5-23-42; and Dr. F. A. Kolster, 8-13-42.

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COMPENSATION AND EMPLOYMENT IN BROADCASTING GAINS

Personnel increases and advances in average salaries in the radio broadcasting industry again were reflected in annual financial reports of stations and networks which are filed with the Federal Communications Commission. Using the week beginning October 12, 1941 as a base period, three national networks, five regional chains and 817 standard broadcast stations reported that 23,666 persons were employed on a full time basis having a weekly payroll of \$1,138,249. This showed a personnel increase of 2,020 people for the industry, and a growth of the weekly salary total by \$121,883 over a similar period in 1940.

Exclusive of executive personnel the average weekly wage at the national radio chains was \$57.41, representing a dip of fourteen

cents from the year before, while the \$48.39 average at regional networks represented a \$6.81 climb, and individual station increases of \$1.13 brought average pay envelopes to \$38.88. Staff musicians and artists employed full time are included in the totals but those persons hired by radio departments of advertising agencies or program sponsors are not. The eight broadcasting systems had 4,009 full time workers and the remaining employees were on the rolls of individual stations. FCC accountants after studying earlier reports stated that 1941 returns show the consistent growth of employment and average compensation within the broadcasting business.

The average weekly compensation for the 19,567 full-time employees of the 817 stations was \$45.15, an increase of \$1.64 over 1940. Of these full-time employees 2,426 were in the executive class with an average weekly pay of \$89.46, an increase of \$5.04 over 1940, while the remaining 17,141 below the grade of executive had an average weekly income of \$38.88, an increase of \$1.13 over 1940. For the major network executives the average was \$258.83 as compared with \$251.68 for 1940, while the major network employees below the grade of executive was \$57.41, a decrease of 14 cents from 1940. It is noted that the employees of the regional networks had a more encouraging experience with the executive class advancing from an average weekly pay of \$91.50 in 1940 to \$137.57 in 1941 while those below the grade of executive were having an increase in pay from \$41.58 in 1940 to \$48.39 in 1941. Reports from the licensees of 817 stations were included in the tabulations for 1941 compared with 765 stations for the year 1940. The 1941 tabulations for full-time employees of unlimited time stations reveal the following:

Class of Station	Type of Employee	Number of Stations	Total	Number of Employees		Compensation of Employees	
				Average Number per Station	Total	Average Compensat'n per Employee	
Clear							
Channel	Executives	59	284	5	\$39,897	\$140.48	
	Other than Executives		3,924	66	200,633	51.13	
	Total - Clear Channel	59	4,208	71	\$240,530	\$ 57.16	
Regional	Executives	251	965	4	101,070	\$104.75	
	Other than Executives		6,948	28	273,604	39.38	
	Total - Regional	251	7,913	32	374,674	\$ 47.35	
Local	Executives	401	865	2	52,568	\$ 60.77	
	Other than Executives		4,445	11	123,346	27.75	
	Total - Local	401	5,310	13	\$175,914	\$ 33.13	
All							
Classes	Total for Executive	711	2,114	3	\$193,535	\$ 91.55	
	Total for all other than Executives		15,317	22	597,583	39.01	
	Total - All Stations	711	17,431	25	\$791,118	\$ 45.39	

Stations in the more densely populated regions employ more people per station than stations of the same class located in less densely populated regions. This was also true in 1940. For example, there were 18 clear channel unlimited time stations in the northwestern region that employed 1438 people full time, or an average of approximately 80 people per station, while in the southeastern region there were 8 clear channel unlimited time stations that employed 466 people full time, or an average of approximately 58 people per station. It is also found that there were 133 unlimited time stations in the north eastern region that employed 4,691 people full time, or an average of approximately 35 people per station, while in the southeastern region there were 162 unlimited time stations that employed 2,682 people full time, or an average of approximately 17 people per station. If considered from the pay roll angle it develops that in the north-eastern region the average pay for all the full time employees of the 18 clear channel unlimited time stations was \$62.40, while in the southeastern region the average pay for all the full time employees of the 8 clear channel unlimited time stations was \$39.38. In the north-eastern region the average pay for all the full time employees of unlimited time stations was \$50.24, while in the southeastern region the average pay for all the full time employees of unlimited time stations was \$37.98.

The increase in employment, due in a certain degree to an increase in number of stations, was distributed with a fair degree of evenness throughout the several operating departments of stations at the rate of 7 to 13 percent of the 1940 figures except for the miscellaneous which showed a decrease of 8 percent. The increase in station employment for full time employees was:

	<u>Number of Employees</u>	<u>Percent of Increase</u>
Executive	229	10
Technical	243	7
Program	793	12
Commercial	174	9
General and administrative	350	13
Miscellaneous	(27)	(8)
Total increase	1,762	10

The total number of part time employees in the industry during the week beginning October 12, 1941, was 3,978 with a payroll for the week of \$122,775. The stations had 3,424 part time employees, both executive and other, with a payroll of \$84,767 for the week, and the networks had 554 part time executives and other employees with a payroll of \$38,008.

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Believe it or not, Brigadier General Code is the Deputy Signal Officer of the U. S. Army.

FAIR EMPLOYMENT PRACTICES COMMITTEE NOW UNDER MC NUTT

Drew Pearson in his column "Washington Merry Go-Round" had this to say of the transfer of the Fair Employment Practices Committee of which Mark Ethridge former President of the National Association of Broadcasters and David Sarnoff, President of the Radio Corporation of America are members:

"The President's conference with Paul McNutt, boss of the Man Power Commission, and Dr. Malcolm S. MacLean, president of Hampton Institute for Negroes, who is chairman of the Fair Employment Practices Committee, touched off some hot fireworks.

"The conference took place after F. D. R. had transferred the Fair Employment Committee from its semi-independent status under WPB to McNutt's Man Power Commission, following vigorous opposition to the committee in the South.

"Dr. MacLean opened the meeting by bluntly submitting his resignation, in protest against the transfer, and it required some persuasive talking by the President to change his mind.

"MacLean declared that the Fair Employment Committee must be semi-independent to function efficiently in the delicate job of handling race and color discrimination in war plants. The transfer to the Man Power Commission, he charged, would interfere with the committee's freedom of action.

"MacLean also argued that the shift had endangered public confidence in the committee, since most people are of the impression that 'we have been throttled.' The President vigorously refuted this, pointing out that his only purpose in ordering the transfer had been to expedite the FEPC's functions.

"The committee belonged in McNutt's agency, the President said, because its work was logically a man-power function. Also, he contended, the FEPC could accomplish more if it has the weight of the Man Power Commission behind it and can call on the various agencies under McNutt, such as the Social Security Board and the United States Employment Service, for help from time to time.

"McNutt volubly seconded the President's arguments. However, it wasn't until the President exacted a promise from McNutt that he would not interfere in any way with FEPC policy-making, that Dr. MacLean finally agreed to withdraw his resignation."

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September 1st is the deadline for nominations for the 1942 awards in Journalism and Radio to be made by the Sigma Delta Chi professional journalistic committee. The award in the radio field is for the best piece of radio newswriting. Nominations should be addressed to the Professional Awards Committee Sigma Delta Chi, Suite 1178, 35 East Wacker Drive, Chicago.

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FIRST LICENSES FOR CIVILIAN DEFENSE RADIOS GRANTED

The first licenses to be granted by the Federal Communications Commission under newly-established regulations for civilian defense radio systems have been issued by the Commission to the City of Akron, Ohio, and the City of Lawrence, Massachusetts. Classified as War Emergency Radio Service these stations extend the organized civilian units functioning under the Office of Civilian Defense. In event of air raids or other enemy action which destroy other forms of communications, the emergency radio will be available to coordinate rescue and repair work.

Under the terms of the licenses granted Akron will have a two-way low-powered radio system of sixteen receiver-transmitters. Some of these will be in fixed locations, others will be mobile and a few will be of the type known as "walkie-talkies" because the operator may use it while moving about. Lawrence, Massachusetts, has been licensed for a system of eleven two-way radios.

Applications of many other cities are now pending at the FCC and requests from the different communities vary to fit local conditions. Fort Wayne, Ind., has plans for more than one hundred such sets while Dayton, Ohio, indicates that forty radios will serve its needs. Some applications are being returned to municipalities because the forms fail to indicate what arrangements exist for liaison with Defense Commanders for the purpose of receiving orders of radio silence when conditions dictate. Regulations of the FCC require that the licenses be issued to the municipal governments proper rather than any of the departments.

Formation of the War Emergency Radio Service was announced jointly by the FCC and the OCD last June 13 at which time it was explained that radio amateurs, repairmen and others having sufficient experience would be asked to volunteer and serve in the operation of the civil defense radio systems. The two-way radios operate on ultra short-waves with power sufficiently low to limit their range to approximately ten miles. Spare parts laying around radio repair shops are considered sufficient to construct these radios, engineers declare.

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OPA TO MEET WITH RADIO MANUFACTURERS IN CHICAGO

All manufacturers of radio and radar apparatus, including radio parts, both members of the Radio Manufacturers Association and non-members, are expected to have representatives attend a special radio industry conference, arranged by the Office of Price Administration, at 10 o'clock, next Friday, August 28, Chicago, for a detailed discussion of OPA Machinery Regulation No. 136, according to Bond Geddes, Executive Vice-President of the RMA.

CALLS OUR SHORT-WAVE PROPAGANDA SERVICE A FAILURE

On the eve of a reported revival of a plan to greatly enlarge and improve the U. S. international broadcasting system Blair Bolles of the Washington Star takes a gloomy view of our short-wave or psychological warfare efforts to date. Mr. Bolles writes:

"Because the use of the radio as an instrument of war is still a matter for experimentation in this country, the psychological warfare plan languishes in its filing case.

"The Big Berthas of the United States' short wave war are 12 transmitters owned by private broadcasting companies, each of which broadcasts its own conception of proper propaganda.

"Individually the various private companies have scored some notable direct hits, but each of them goes its own way. In time of war, this is much as though each pilot of a fighter plane attacked according to his own scheme.

"A year ago the United States Government entered the short wave propaganda fight through the establishment of the Foreign Information Service within the late Office of the Co-ordinator of Information, which was headed by Col. William J. Donovan. Its purpose was to guide the short wave war of the individual companies by co-ordinating all their broadcasts and by actually assuming control of the short wave companies' facilities.

"Instead of accomplishing its purpose, the Foreign Information Service touched off a little war that still rages. The private broadcasters, with the exception of one short-wave station--WLWO in Cincinnati--have steadfastly refused to accept even the guidance, much less the domination, of the Government's agency. Two reasons chiefly inspire their resistance.

"1. The Foreign Information Service asks the private broadcasters to short-wave its propaganda copy without attributing the propaganda to the American Government.

"2. The private broadcasters consider the official propaganda so amateurish that they are unwilling to make themselves responsible for it. The FIS has been cursed through its existence by a lack of intimate understanding of the psychology and lives of its various overseas listeners. In a record of Norwegian songs to be broadcast to cheer up the Norsemen, for instance, the FIS included a funeral dirge without knowing it was a funeral dirge.

"The private short-wavers, especially Columbia Broadcasting System, the National Broadcasting Co., General Electric and the World-wide Radio Foundation, spend in the neighborhood of about \$3,500,000 a year on their broadcasts overseas--an operation for which they received no return except professional satisfaction.

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"Except from the Czechoslovakians, who are pleased with two of our humorous commentators that broadcast to their country, the foreign diplomatic missions in the United States are actively dissatisfied with American official propaganda written for short-wave transmission. The Polish Embassy arranged with the General Electric Co. to beam a program to Poland over which the Foreign Information Service would have no control. The Greek government is reported to be making arrangements for its own broadcasts from the United States to Greece. The American Government has no broadcast to the Netherlands, to which Station WRUL in Boston beams a program.

"One of the factors in the Polish complaint was that the Foreign Information Service broadcasts have been making the Poles doubt the veracity of American broadcasts. A Polish underground newspaper recently received here commented that the American broadcasts consistently exaggerate the numbers of Poles executed by the German authorities of occupation. The Foreign Information Service has jeopardized in other instances the American reputation for reportorial reliability and good taste. When the Japanese took Singapore, our official broadcasts boasted that the invaders were two days behind their schedule when they captured the British citadel. And the official broadcasts insisted last winter on telling Far Eastern listeners that the American soldiers had fought so well that it was plain 1 American was the equal of 10 Japanese soldiers.

"The Government's short-wave program was eased quickly out of Col. Donovan's control. The colonel designated Robert Sherwood, the playwright who, although he lacked previous propaganda experience, was a favorite of the White House, to take immediate charge of the short-wave programs overseas. The colonel tried to make Mr. Sherwood's province the whole world by attempting to take the broadcasts to South America away from Nelson Rockefeller. Here he was rebuffed, and soon afterward he and Mr. Sherwood parted in a dispute over policy. Mr. Sherwood moved his headquarters to New York, where he could be out of reach of his nominal Washington boss.

"Now Mr. Sherwood has moved his own office back to Washington since the Foreign Information Service has been transferred from Col. Donovan to the Office of War Information. But his short-wave operations still are conducted for the most part in New York, where the offices take up 11 floors of the Cadillac Building. There is a Sherwood office also in San Francisco, headquarters for the beams to the Far East.

The Budget Bureau estimates that the official foreign propaganda service-- whose work never has been subjected to the scrutiny of a congressional appropriations committee--costs now \$15,000,000 a year, which is more than the Associated Press spent in 1941 for gathering the news of the world."

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WEAGANT, FORMER MARCONI CHIEF ENGINEER, DIES

Roy A. Weagant, 61 years old, Chief Engineer of the Marconi Wireless Telegraph Company in 1915, died Monday at Newport, Vt.

Mr. Weagant was born in Morrisburg, Ont. After his graduation from McGill University in 1905, he took a special course in physics under Sir Ernest Brotherford. Later he was successively with the Westinghouse Electric and Manufacturing Company in Pittsburgh, and the De Laval Steam Turbine Company in Trenton, N. J.

From 1908 to 1913 Mr. Weagant was with the National Electric Signaling Company. He was consulting engineer for the Radio Corporation of America, 1920-24. In 1924 he was vice president and chief engineer of the De Forest Radio Company. In recent years he had been a consultant and patent expert for the Radio Corporation of America. He was the inventor of many devices among them one for eliminating static and was credited with doing away with the huge towers formerly used by radio stations.

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RADIO PLANTS GET ARMY-NAVY PENNANTS

Among the additional radio plants to receive the joint Army-Navy Production Awards in recognition of outstanding performance announced Monday by Robert P. Patterson, Under Secretary of War, and James V. Forrestal, Under Secretary of the Navy were:

Belmont Radio Corporation, Chicago; Galvin Manufacturing Company, Chicago; RCA Manufacturing Company, Radiotron Division, Harrison, N. J., and Stewart Warner Corporation (South Plant) Chicago.

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WAR PROBLEMS BEFORE RMA EXECUTIVE COMMITTEE SEPT. 1

Military radio production problems, including standardization of military components and immediate WPB and OPA matters, will be considered by the Executive Committee of the Radio Manufacturers Association at a meeting in Washington, Tuesday, September 1. Operations of the Association for its new fiscal year which began August 1 will be outlined by the Executive Committee. It also will act on another group of new membership applications.

Organization of the new RMA Transmitter Division was completed, at a meeting of the Division's Executive Committee in New York. The committee selected Walter A. Evans of the Westinghouse Electric & Manufacturing Company to represent the Division on the Board of Directors, together with W. P. Hilliard of Bendix Radio, who had been previously selected.

Ten groups of parts manufacturers have been organized by Chairman Ray F. Sparrow of the Association's Parts Division for work during the ensuing year. The RMA group activities will be correlated with the WPB Radio Section industry advisory committees' activities.

The radio trade has filed protests with the RMA against advertising and publicity which stress that receivers now in the hands of distributors and dealers will be obsolete after the war. Such advertising and publicity seriously interfere with current radio sales to the public, according to the radio trade, and is unfair to the distributors and dealers now endeavoring to move their inventories. The trade urged that manufacturers refrain from advertising and publicity statements which interfere with the current sale of radios in the hands of distributors and dealers.

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ARMY NEED FOR RADIO MEN IS ACUTE

Uncle Sam's Army is having a tough time getting enough radio men,.Tom Kennedy writes in the New York Times and goes on to say:

"It is estimated that the Signal Corps -- nerve center of the Army -- within the next few months will need several hundred commissioned officers, several thousand non-coms and many thousand enlisted men skilled in radio operation and maintenance. Looking a little further into the future it might be said that the need practically is unlimited. Opportunities, likewise, are unlimited. Certainly, from among the men who receive their radio training now will spring the leaders of tomorrow.

"Twenty colleges in this area are either going full tilt in the production of the needed radio men or have classes in the making. That the need for radio men is great, and growing, may be gathered from the fact that the Army requires about thirty-one operators for every 2,000 enlistments. Currently, it is getting only one. The need for radio technicians is seven in every 2,000 enlistments. It is getting only three. Every effort is being made to increase the proportion. For instance, Rutgers has set up a State-wide network of thirty training centers in as many cities for men between the ages of 18 and 45 years."

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At a meeting of the French Cabinet at Vichy last week Justice Minister Joseph Bathelemy obtained approval for a law providing the death penalty for persons using radio sending apparatus for means contrary to national interests and life imprisonment at hard labor for persons possessing such apparatus illicitly. A time limit will be set to allow persons to declare or turn in radio sending apparatus before the penalty becomes effective.

