

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET
NATIONAL BROADCASTING COMPANY, INC. WASHINGTON, D. C.

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No. 1479

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November 10, 1942

MANUFACTURERS MAY SUPPLY PARTS FOR HOME SETS

Radio manufacturers may supply replacement parts for home receiving sets under conditions set forth in Interpretation No. 1 of General Limitation Order L-183 issued last Saturday by the Director General for Operations.

L-183, which was effective October 3, prohibited the manufacture or assembly of electronic devices, involving the use of vacuum or gaseous tubes, except to meet deliveries on orders with preference ratings of A-3 or higher. While persons buying replacement parts for home sets do not need preference ratings, the order requires that distributors of such parts obtain them exclusively under Ford PD-IX, the usual distributor's application for preference ratings.

Manufacturing concerns which customarily serviced consumers by replacement of parts were uncertain as to whether or not the order applied to that type of trade.

Hereafter, it was explained by officials of the Radio and Radar Branch, parts provided that this distribution business is completely segregated from the business of production itself. This will require the keeping of separate records of each branch of the business.

When transfers of parts are made from the manufacturing to the distributing and servicing branch, the servicing branch will have to obtain a preference rating just as though it were a separate concern. However, the interpretation does not require that manufacturing and distributing branches be separate legal entities.

Clarification is obtained by redefining "manufacturer" in the original order. In the interpretation the term excludes one who "merely distributes or maintains and repairs electronic equipment." A single concern, it is additionally stated, may be engaged both in manufacture and in the supplying of maintenance parts. A "manufacturer does, however, include one who converts electronic equipment to change its purpose or mode of operation.

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McINTOSH PREDICTS CASUALTIES IN RECEIVING SETS

At a conference in Washington under the auspices of the Radio Manufacturers' Association and the Board of Economic Warfare, Frank H. McIntosh, Chief of the Civilian Radio Section of the War Production Board expressed apprehension over the job of keeping the country's upwards of 4,000,000 receiving sets in serviceable condition. Ray C. Ellis, WPB Deputy, Radio and Radar Branch, had stated that thus far production of equipment for broadcast stations had not interfered with the military radio program. Mr. McIntosh, however, told the conference that the problem of replacement tubes and parts is much more difficult.

"It is a problem which will become more critical", said Mr. McIntosh, formerly Chief Engineer of the Fort Industry stations. "We are going to supply the military, but civilian needs will be met so far as possible. We have made a consistent effort to maintain replacements, but I think there will be quite a casualty on civilian sets in the home, although it is hoped to keep at least one set operating in each family."

"Conservation measures by broadcasters and manufacturers in tube production, and also reduction of parts types", Mr. McIntosh stated, "will assist in maintaining replacement supplies in this country and also in the allied nations. WPB is securing data on present inventories of components, of which only a small percentage is usable for military purposes." Mr. McIntosh stated that it "may be possible, later on, to produce some additional sets, earmarked for export". Questionnaires soon will be sent to all set and parts manufacturers, for data on their inventories, he said.

Data on replacement requirements in allied countries was presented by W. C. Becker of the Department of Commerce, and he estimated that servicing needs for 4,300,000 sets in 1943 would require 3,225,000 replacement tubes. Estimating unit set replacements at 50¢ to 75¢ per set for parts, Mr. Becker stated that the foreign parts market would require \$2,250,000 of replacement parts. His estimates on transmitting replacements were \$600,000 to \$700,000 for tubes and \$1,200,000 for parts.

George R. Donnelly, Chief of the BEW Electrical Section, stated that the BEW was examining 1,000 radio licenses daily. He advised that licenses are being granted for radio parts and tubes (both receiving and transmitting) for repair and maintenance. In submitting licenses it is necessary to give an over-all picture of previous business done by the applicant in the country where the material is to be shipped and previous business done with the consignee. He also informed the meeting that licenses can be extended beyond the six-months' period. No Certificates of Necessity are required for getting licenses for radio material.

Mr. McIntosh and Glen C. Henry of WPB explained Limitation Order No. 183 as it applies to export. During the discussion it developed that there are several classes of exporters, wherein

some have inventories and others do not. It will be necessary for the WPB to issue further information regarding L-183, in order to clarify how it applies to various classes of exporters. Generally covering exporters, it will be necessary for them to file a PD-IX form for two months' requirements, based either on their inventory or on past sales records.

The subject of Lend-Lease is being reviewed by Government agencies and the procedure of operation is being modified. It is recognized that sales for Lend-Lease are now considered as sales destined for export, and on such sales export expenses are permitted to be added. The Department of Commerce considers Lend-Lease sales as export, and records all such sales in export statistics.

Fifty radio export representatives and thirty Government officials attended the conference, the largest of its kind ever held by the RMA.

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ALLOW BROADCASTERS TO CUT AIR TIME FURTHER

Radio stations may operate as little as one-third of their authorized time, as required by current rules, the Federal Communications Commission announced Saturday.

This means that a station operating on an 18-hour schedule will only have to remain on the air for six hours in any one day in order to retain its license.

At the same time, the FCC, acting to conserve broadcast equipment, ordered radio stations to reduce their power by one decibel, an amount so small it said radio listeners wouldn't know the difference.

The effect of these rulings will be to permit stations to conserve equipment and meet manpower shortages by reducing their hours of broadcast if they desire, but it does not require them to change from their present operating program.

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Network time devoted to war effort programs, by the National Broadcasting Company, has increased over 300% since the beginning of the year, according to figures compiled by NBC. During September, NBC broadcast 77 hours, 20 minutes of programs and announcements designed to aid the war effort, either directly or indirectly.

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LOP OFF 500 RELEASES AND OTHER GOVERNMENT HANDOUTS

In a new regulation issued to all Federal departments and agencies, the Office of War Information yesterday (Monday) ordered further cuts in non-essential information activity of Government agencies for the duration of the war. News release distribution, pamphlets, speeches, and periodicals are affected by the action, which follows OWI Regulation Number Three making binding curtailments and eliminations in 523 Government publications.

The new regulation is based on recommendations of the recently created Inter-Agency Publications Committee composed of Government information men, and is effective at once. It directs agencies of the Government to discontinue various information practices to clear news and other channels for essential war information. It is believed that better information service will be provided to the press and the public under wartime conditions as a result of the regulation.

Major provisions of the regulation are:

It discontinues the practice of mailing press releases from Washington to newspapers throughout the country. Except for specialized releases which may go on request to a specialized segment of the press, news material will be issued to local papers through field offices rather than from Washington. Field offices of Federal departments and agencies are permitted to release only information adapted to regional or local interests. These two changes are designed to eliminate duplication of stories being issued both in Washington and in the field at the same time.

All those on mailing lists for free or partially free government periodicals, report series or publications still permitted to be issued and distributed at regular or irregular intervals, are to be queried inside the next thirty days on whether or not they wish to continue receiving such material and, if they do, to state their reasons for continued receipt during the war.

Full texts of speeches are not to be sent to the press unless made by heads of departments and independent agencies or by their chief subordinates on major policy issues; and then only to Washington correspondents and wire services. Any other speeches considered worth releasing by an agency's information officer are to be issued in summary form only.

Distribution to the press of full texts of statistical or technical reports, periodicals or publications is discontinued. Where the information in these publications merits it, the information officer of the issuing agency or department may prepare summaries for the use of the press. Copies of the full text of such documents will be available to the press on specific request.

Mailing of news material from Washington to weeklies by any Government department or agency is discontinued. Agencies may

include material in the regular services to weekly newspapers now maintained by the Office of War Information.

Libraries designated by law as depositories of official publications or bona fide libraries to whom the service has been available in the past, are to continue receiving printed and processed Government publications on request.

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SARCASTIC ON NEW DEAL ATTITUDE TOWARD PRESS

In a post mortem of the Republic landslide, David Lawrence wrote:

"There is no doubt that the New Dealers ignored the necessity of informing the public and advising it of the sacrifices needed to attain the wartime objectives. Thus, for instance, the press would have been willing and indeed has been anxious to cooperate in every way with the Government in helping to prepare the people for wartime restrictions. But the administration seemed to think it was more important to start a fight with the newspapers by making more than a thousand of the publishers of daily newspaper defendants in a lawsuit over ancient issues that could have waited to post-war days for settlement

"The Administration's policy toward the press just doesn't make sense. The President has taken occasion to antagonize the press, and after his recent inspection trip he did not fail to accuse writers and editors of telling lies to the public. This is hardly a means of winning the cooperation of the press, because people don't become enthusiastic cooperationists in America after being beaten over the head with a crow-bar.

"It is most unfortunate that in wartime the Administration should be believed by many publishers to be carrying on a feud because the Associated Press happened to deny admission to a newspaper politically allied with the Administration.

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MILITARY RADIO AND RADAR TIN EXEMPT

An official interpretation of the Tin Conservation Order, M-43-a, was issued by the Director General for Operations to make clear that radio and radar equipment, when it is for the account of the armed services, and where the use of tin is required by specifications, is exempt from the restrictive provisions of the order.

The phrase "Individual and organizational equipment" appearing in the definition of implements of war, as contained in paragraph (c) (2) (i) of Conservation Order M-43-a as amended June 5, 1942, is construed to include radio and radar equipment prescribed

for field or combat use by the Army or Navy of the United States, the Coast Guard, or the United States Maritime Commission. Consequently, when such radio and radar equipment (including parts, assemblies and materials to be physically incorporated therein) is being produced for purchase by or for the account of the Army or Navy of the United States, the United States Maritime Commission, or the Coast Guard, it is, by the terms of paragraph (c) (2) (1) of Conservation Order M-43-a as amended June 5, 1942, exempt from the restrictions on the use of tin contained in paragraphs (b) (1) and (b) (2) of said order, where the use of tin to the extent employed is required by the specifications (including performance specifications) of the Army or Navy or the United States, the United States Maritime Commission, or the Coast Guard applicable to the contract, sub-contract or purchase order.

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SATEVEPOST WAXES SARCASTIC ABOUT MR. PETRILLO

Captioned "Relax, Imperious Caesar!" the Saturday Evening Post of November 7 carries the following editorial:

"For a man who has suffered as he has, Mr. James Caesar Petrillo, President of the American Federation of Musicians, is very chipper. He has been severely criticized because of his order, issued last June, that members of his union may not 'play or contract for recordings, transcriptions or any other form of mechanical reproduction of music'. The Petrillo theory is that radio transcriptions and juke boxes in public places compete with the independent fiddler or saxophone player.

"People have been saying harsh things about Mr. Petrillo. The Department of Justice tried to obtain an injunction against his order to his musicians. Mr. Elmer Davis, head of the Office of War Information, appealed to him to withdraw it, because radio recordings were necessary to advance the war effort. Editors and cartoonists carry on a lively campaign against him. But Mr. Petrillo is unperturbed.

"And, after all, why should Mr. Petrillo's soul be disquieted within him? When, if ever, he goes to the Supreme Court, he will be armed with some potent decisions by that body indicating that labor unions are not answerable to the antitrust laws as ordinary people are. To start Mr. Petrillo off right, Judge John P. Barnes, of the Federal District Court in Chicago, refused to interfere with J. Caesar's activities in the record business because Mr. Petrillo was engaged in a labor dispute. Judge Barnes cited the decision in U. S. v. Hutcheson and other labor cases which came before the Supreme Court. In the Hutcheson case it was decided that the anti-trust laws could not be used to restrain two rival unions which tied up a business while disputing as to which of their members should be employed on a certain job. The effect of their action was undoubtedly to restrain commerce, but unions engaged in

a labor dispute have a special position. This position has not been too carefully defined by Congress, but Justice Frankfurter, in the Hutcheson opinion, explained that 'such legislation must not be read in a spirit of mutilating narrowness'. He explained that the court had often pointed out the importance of 'giving' hospitable scope' to congressional purpose even when meticulous words are lacking'.

"In the meantime, if Mr. Petrillo is even vaguely anxious lest the Supreme Court should find some way of getting around the Hutcheson case, other events must reassure him. At Toronto last month, the American Federation of Labor, in convention assembled, passed a resolution severely attacking Assistant Attorney General Thurman Arnold on account of the following paragraphs in his brief against Petrillo:

"In summary we submit that the phrase "terms or conditions of employment" assumes that there is a master who directs the work and a servant who obeys the directions. The function of the master is to determine what work he wants done, what machines he will use, what goods or services he will furnish, and the customers to whom he will sell these goods or services.

"In so far as the servant demands the power to determine any of these questions he is no longer a servant. He has become the master A union cannot, under the pretext of determining terms or conditions of employment, use organized coercion to destroy the right of the employer to conduct his business in any efficient way and to use his best judgment as to the goods he will sell, the customers to whom he will sell them and his relationships with other independent organizations'.

"To most people, that is merely saying that management's function is to think up ways to make work for people. Mr. Arnold merely outlined conditions necessary if industry is to be anything but anarchy. But to the AFL convention his simple statement was 'an indignity and insult heaped upon every man and woman in this country contributing their skill and energies in the war.'

"Mr. Petrillo, with at least three Supreme Court opinions and a minor Federal judge on his side, has nothing to complain of. He knows it is a fair bet, as the AFL resolution at Toronto pointed out, that 'the true spokesmen of the policies of our country would not have thought, much less printed, a concept so subversive to the institutions of democracy' as Mr. Arnold's statement that some men have to lay out work for others to do. The one danger to the Petrillo dynasty is that Congress might fill in the 'meticulous words' now lacking to make its meaning clear as to what laws apply to labor unions. But that is a prospect too remote to cause Mr. Petrillo to toss restlessly on his pillow."

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PRESIDENT RECORDED SPEECH TO FRENCH THREE WEEKS AGO

President Roosevelt said at his press conference today (Tuesday) that he had recorded the speech broadcast by short-wave to the French people at the time of the African invasion three weeks before the actual event. The President delivered it in French and the transcription was made in the Cabinet Room in the White House in the presence of Admiral Leahy, a military Captain McRae, and two specially chosen operators.

The records were then sent to the United States, British, and other short wave stations under a release date of which they were notified later just like a big news story to be released at a future time. At 9 o'clock Saturday night it was released here and abroad. Not only did the British Broadcasting Corporation broadcast the President's record but repeated it over and over again in German, Italian and every other European language on both medium and short wave lengths throughout the early morning.

General Eisenhower's short-wave message, also recorded in advance, calling on the French Navy, merchant marine and air and other forces to stay put and show their friendliness by displaying the Tricolor and Stars and Stripes by day and vertical searchlight beams at night was heard repetitively in French.

It was the first big workout for the Office of War Information and the Coordinator of Inter-American Affairs since they took over control of the country's short-wave stations. Closely following this OWI and the FCC announced that Station WRUL, of Boston, a "hold-out" against Government control, had been taken over by the War Communications Board "because of the need of having all short-wave facilities available to the Government before offensive action by American troops started in the European theatre".

"Fair compensation for use of these facilities will be determined in accordance with the statutory provisions which provide for Government use of such facilities", it was added.

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E. J. WALSH, FEDERAL TELEPHONE AND RADIO OFFICIAL, DIES

Edward James Walsh, 43 years old, an executive of Federal Telephone and Radio Corporation, of Newark, died suddenly last Thursday at his home, in New York City. Mr. Walsh, a native of Providence, R. I., was graduated from Brown University in 1920, and the Harvard Business School with a degree of Master of Business Administration, in 1922.

Mr. Walsh joined the International Telephone and Telegraph Corporation, in the office of the Comptroller, in 1927. Within two years he was made Comptroller of the Company's South American interests.

He returned to this country in 1934, and in 1937 he was sent to Antwerp, Belgium, to act as Comptroller of the International Telephone and Telegraph Corporation's manufacturing subsidiary there. The German army occupied Antwerp in 1940, but Mr. Walsh remained at his post there until recalled in January, 1941. Since that time, he has been in an executive capacity with the Federal Telephone and Radio Corporation in Newark.

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 ::: TRADE NOTES :::
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An opportunity was given today (Tuesday Nov. 10) at five o'clock to say good-bye to Jess Willard, Manager of Station WJSV and to meet his successor, Carl Burkland, at a cocktail party at the Carleton Hotel in Washington

 While the Associated Press is the oldest and largest press association, the Editor & Publisher, commenting upon the Government suit points to the fact that it has plenty of competition and refers to the radio news field:

"Service to radio stations is rendered by all three major news services, and also by Transradio, and the competitive quality of the United Press service is indicated by the fact that its radio clientele exceeds the combined totals of its three rivals. Both U.P. and INS reports are available to any publisher or radio station owner who can demonstrate financial reliability and stability of operation - basic requirements in any business transaction."

 Alfred J. McCosker, Chairman of the Mutual Broadcasting System, was among the honorary pallbearers at the funeral of George M. Cohan.

 Sylvania has put a new dress to its radio service kit. It is a gray tweed-mixture aeroplane cloth - washable and smooth-finished. It features the same construction, removable tool tray, metal lock and fittings, leather corners and handle, and room for tubes, parts and small tools. Inside dimensions are 17 x 10 x 7 in. They are available at \$3.00 each from Sylvania jobbers.

 Test blackouts in New York have caused no radical change in listening habits, according to a WOR study. Results show that the number of sets turned on increased slightly during the lights-out period, then fell sharply during the 15 minutes following the blackouts.

As in England, people are finding that the outside show is more important and serious than the inside show. But when the novelty of trial blackouts wears off, radio in New York may benefit during blackout periods from more normal uninterrupted listening.

The National Chemical Exposition and Industrial Chemical Conference, November 24-29 at Chicago, will feature the first symposium on the electron microscope, which sees deeply into the sub-microscopic world. Dr. V. K. Zworykin, Associate Director of RCA Laboratories, will discuss "The Electron Microscope in Relation to Chemical Research". For the first time, the RCA Electron Microscope will be displayed at the Conference

William S. Paley, President of Columbia Broadcasting System told his reactions to wartime England in a broadcast from London over the Columbia Broadcasting System and this has now been reprinted in the form of a booklet. The broadcast took place last September.

"David Sarnoff, head of the Radio Corporation of America, was asked by a dignitary: "How is it that in England there are such cordial relations between British industrialists and the British government - while here in America the Government is continually at loggerheads with our industrial leaders?" Leonard Lyons writes in his syndicated column. "That's because in England, they knight industrialists", replied Sarnoff. "And over here they indict them."

In a letter to the Editor of the New York Times, F. W. McKenna writes:

"In your recent issue covering the broadcast in Italian by the Mayor, you gave, I believe, the full extent of his shots at Rome. I was shocked when I read that he referred to Hitler as a pig, although the Lord knows worse than that would be too good for him; but you further said that he called Mussolini and Ciano bastards.

"Is this the kind of thing that should be addressed to anybody from this country? Even if this is the European style, and I don't know if it is, does that mean we have to wallow in the same kind of language in order to propagandize the Italian people?"

The War Production Board has established an Office of Production Research and Development, headed by Dr. Harvey N. Davis, President of the Stevens Institute of Technology. The office is to insure rapid appraisal and the quickest and most effective utilization of processes, materials, mechanisms and inventions in the production of war goods. It will parallel in the production field the work already being done in regard to instruments of war by the Office of Scientific Research and Development.

The contents of the October issue of Radio Age published by the Department of Information of the Radio Corporation of America, include the following articles: Dedication of New RCA Laboratories; 60,000 at RCAM Rally; NBC Reporters Cover the War; Sound Speeds the War Effort; New Ideas Come Out of the Blue; Toscanini Returns to NBC; Army-Navy "E" is Won by RCAM Plant; 6 RCAM Employees Win High National WPB Awards; WEA in 20th Anniversary; "Red Network" Out as NBC Designation; Fishbein Heads Group to Analyze Programs; 25,000 Service Men Take Free NBC Tours; RCA Training Navy, Marine Corps Men; RCA Laboratories Develop Electronic Clock; Latin Americans Get RCAM News Programs

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ALIEN PATENTS TO BE MADE AVAILABLE

Drawings and specifications of foreign-owned patent applications seized by his office will be printed and made available to American industry at a nominal price, Leo T. Crowley, Alien Property Custodian, announced Sunday. These applications ordinarily cover latest developments in patentable fields and many can improve American processes and devices.

Publication of the printed copies of patent applications will begin during December. Applications will be listed as they are printed, in classified order, in the Official Gazette of the United States Patent Office. Announcement of the cost of copies and of the method of purchase will be made in the same publication.

Meanwhile, the Alien Property Custodian will make the information contained in the files of these applications available, insofar as is practical, to any person residing in the United States having a genuine legitimate interest therein.

Any registered patent attorney may obtain permission to inspect the file of a vested application upon filing a request with the Patent Prosecution Section, Office of the Alien Property Custodian, Washington, D. C.

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NEW REGULATION TO CONTROL SCRAP RECORD PRICE

Without altering the all-time low ceiling of new phonograph records, the Office of Price Administration Sunday issued a new maximum price regulation to control the price of scrap records used in the manufacture of the new records.

Maximum Price Regulation No. 263 - New Phonograph Records and Record Scrap - effective November 13, establishes:

1. Minimum prices which record retailers must pay or allow on used or broken records if the retailer requires the customer to turn in old records on new purchases.

2. Maximum prices which the distributor or manufacturer may pay for such material.

The object of the regulation is to maintain a steady flow of scrap material to the industry, which will permit and encourage the production of new records and continuance of OPA ceiling prices at levels established by the General Maximum Price Regulation. It also restores normal prices for scrap which, in some instances has increased to unwarranted levels.

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