

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF SEPTEMBER 10, 1938

Latest British Television Equipment Exhibited.....	2
FCC Delays Monopoly Hearing Announcement.....	5
NBC Billings Set New High In August.....	5
Sears, Roebuck Drops "All-Wave" Claims.....	5
FCC Demands Tolerance in Church Broadcasts.....	6
CBS August Billings Total \$1,423,865.....	7
FCC Delays Monopoly Hearing Announcement.....	8
Purchase of WFAB By Debs Fund Approved.....	8
FCC Amends Rule on Emergency Service.....	8
NBC Officials, Editor to Lecture on Radio.....	9
Mutual Billings Up 22% This Year.....	9
Politics, Propaganda Ruled Out Of U.S. Studio.....	10
Wife of Ex-Commissioner Lafount Dies.....	10
Two New Stations Authorized; Six Are Denied.....	10
Trade Notes.....	11
Circular Raps Broadcasters and Publishers.....	12
Zenith Reports Profit of \$124,806.....	12

No. 1156

LATEST BRITISH TELEVISION EQUIPMENT EXHIBITED

For a large portion of the visitors at the Radiolympia, London's annual radio exhibition, which has just closed, were the season's new television receivers.

A description of some of the outstanding models was carried in the current issue of World-Radio, organ of the British Broadcasting Corporation.

"A feature of the 1938/9 television equipment is the variety of forms in which it can be obtained. There are, for example, very compact table models, not very much larger than ordinary broadcast receivers--instruments standing about two feet in height--yet giving a full 10 in. by 8 in. picture and also incorporating an efficient all-wave broadcast receiver. Others, yielding an 8 in. by 6 in. picture, but without a broadcast receiver, are still more compact, and there are yet smaller "vision units" which can be plugged into any ordinary A.C. mains broadcast set, when they will reproduce the picture portion of the television programme and also the sound accompaniment, which is heard through the medium of the speaker in the radio set.

"The next class consists of the console models which, as their name implies, are more massive instruments, mounted in floor cabinets standing some four feet or more in height. They, also, are available both with and without all-wave broadcast receivers."

"Then come the television-radio-gramophone models--truly universal home entertainers--comprising a television equipment, usually giving a 10in. by 8 in. picture, an all-wave broadcast receiver, and an electrically-driven turntable with pick-up for the reproduction of gramophone records. Apparatus in this class is obtainable at prices in the region of £75.

"The aristocrats of the television equipments are those termed "projection models" in which the actual image is produced in a comparatively small cathode-ray tube, and is projected on to a viewing screen giving a large picture size. One model, at least, has alternative screens so that pictures either 18 in. by 15 in. or 24 in. by 19in. can be obtained. Instruments of this class also incorporate an all-wave, high-fidelity broadcast receiver, and in some models this also includes push-button tuning and wave-change switching.

9/10/38

"Turning now to the more technical details of the sets, it should be stated that, with one exception, the television receivers to be shown employ cathode-ray tubes for generating the image. The exception is an example of a receiver using the mechanico-optical system.

"This instrument incorporates a number of interesting features which make possible reproduction of the picture on a 24 in. by 20 in. screen without employing high voltages. Among these features is a method of light focussing with cylindrical lenses which permits the use of a very small scanning system; a paraffin cell and quartz crystal to control the beam; and a high intensity of illumination.

"In the cathode-ray equipments, three methods of viewing are available. In many receivers the picture is viewed on the screen of the cathode-ray tube direct, the tube being mounted in the cabinet horizontally, that is, with the screen vertical. This arrangement is the most convenient for the table and the smaller floor models.

"The second arrangement, known as "indirect" viewing, is that in which the cathode-ray tube is mounted vertically, with the screen end pointing upwards. The picture is then viewed in a mirror fitted inside the lid of the cabinet, which is partly raised so that the mirror is at an angle of 45 degrees during television reception.

"The third method of viewing the picture is by projection, of which brief mention has already been made. Here, the cathode-ray tube is of miniature dimensions, but by the use of very high operating voltages the fine image is of extreme brilliance. A system of lenses, or of mirrors and lenses, projects the picture on to the back of a large translucent viewing screen and owing to the high intrinsic brilliance of the original image, a very great degree of enlargement can be obtained without reducing the brightness of the picture below a comfortable normal level.

"Considerable progress has obviously been made towards simplification of controls. The variables in a television set, omitting any broadcast or gramophone sections which may be included in the equipment, are the tuning, picture brightness, contrast or "light and shade," the positioning and proportions of the picture, and the synchronising and control of the scanning arrangements. Early forms of television receivers contained provision for individual adjustment of all these variables, at least, and the panel was almost alarmingly equipped with control knobs.

9/10/38

"Last year saw a substantial measure of simplification, and this year the number of visible controls in most models is further reduced. Improved methods of controlling the beam and its movement within the cathode-ray tube--resulting, in part, from advances in the design of the tubes themselves and to the more general adoption of magnetic methods of deflection, and other circuit improvements--have rendered it unnecessary for viewers to make many of these adjustments, and it has therefore, been possible to make many of the controls either pre-set or semi-variable, and to relegate them either to the back of the set or even to positions inside the cabinet, since usually they can be adjusted once and for all by the installing engineer when the set is originally put into service.

"As a result, the majority of the television receivers to be seen at Radiolympia have only three main controls, and some have only two. These generally provide adjustment of tuning occasional adjustment of brightness and contrast. Operation is, therefore, an extremely easy matter. It is necessary merely to switch on the set, and to make any necessary small adjustment of the tuning by turning the tuning knob until the sound accompaniment is heard at its best, and thereafter to set the sound volume control at the most enjoyable level. Brightness and contrast controls, where provided, are merely used occasionally to give a picture quality which best suits the programme item being received or the individual preference of the viewer.

"In some sets the vision tuning is accurately pre-set, and the sensitivity of the receiver can also be pre-set to suit the reception conditions prevailing in the locality where the set is used, so that the local field strength and the characteristics of the aerial can be taken into consideration. Provision is also made, in some equipments, for a simple modification of the receiver to permit television to be received in districts well beyond what is considered the normal "service area" of the television transmitter.

"Individual manufacturers also claim improvements in detailed design which greatly enhance the performance of their receivers. Advance in the design and manufacture of cathode-ray tubes and better ray control have resulted in a higher standard of picture brightness and detail. The various causes of picture distortion, such as those which result in the picture appearing to be produced on a surface curved like a pin-cushion, can now be avoided, while absolute steadiness of the picture and freedom from horizontal lines across the image have also been achieved. Another point to which careful attention has been given is the angle of vision, and it is now possible to view the picture anywhere within an angle of 120 degrees with experiencing distortion.

XXXXXXXXXXXXXX

9/10/38

FCC DELAYS MONOPOLY HEARING ANNOUNCEMENT

While the broadcasting industry prepared for a long-heard investigation of the charges of monopoly hurled against chain networks and others, the Federal Communications Commission this week delayed announcing a date for the hearings to begin.

Broadcasting circles had expected 30-day notices of the hearing to be sent out shortly after the return of Chairman Frank R. McNinch, but no action was taken this week and no official explanation was given for the delay.

Indications were the inquiry will not start before mid-October and may be later. Some announcement is expected next week by the FCC.

William J. Dempsey, special counsel for the probe, flew to New York over the week-end.

X X X X X X X X

NBC BILLINGS SET NEW HIGH IN AUGUST

Billings of the National Broadcasting Company for August rose 5.6 per cent over the same period a year ago to \$2,941,099, and all-time high for the month. August billings in 1937 were \$2,784,977. It was the ninth successive month that NBC gross revenue has exceeded that for the corresponding period of the previous year.

Cumulative billings for the first eight months of 1938 totalled \$26,923,483, up 5.8 per cent over the \$25,440,534 total for the same period of 1937.

X X X X X X X X

SEARS, ROEBUCK DROPS "ALL-WAVE" CLAIMS

Sears, Roebuck & Co., Chicago, has entered into stipulations with the Federal Trade Commission to discontinue misleading representations in the sale of certain of its products, namely, radios and food tablets.

The respondent company, under one stipulation, will cease advertising radio receiving sets by use of the words "All Wave" or "All Wave Reception", either alone or in connection with other words when they refer to sets incapable of reception over the entire meter range covering all broadcast transmissions.

X X X X X X X X

9/10/38

FCC DEMANDS TOLERANCE IN CHURCH BROADCASTS

Enunciating a policy of religious freedom on the air, the Federal Communications Commission this week refused to grant an application to the Young People's Association for the Propagation of the Gospel, of Philadelphia.

The applicant has asked for 1220 kc. with 1 kw. power, unlimited time.

"The facilities of the station are to be used primarily for the dissemination of religious programs to advance the fundamentalist interpretation of the Bible," the FCC report stated.

"The applicant stated, however, that in connection with religious broadcasts the station's facilities would be extended only to those whose tenets and beliefs in the interpretation of the Bible coincide with those of the applicant. On the other hand, no restriction is placed on the use of the station's time by those not having the same beliefs as the applicant when the program to be broadcast is devoted to civic and charitable purposes.

"Where the facilities of a station are devoted primarily to one purpose and the station serves as a mouthpiece for a definite group or organization it cannot be said to be serving the general public. That being the case, if one group or organization is entitled to a station facility for the dissemination of its principles, then other associations of equal magnitude would be entitled to station licenses on the same grounds. Obviously, there are not a sufficient number of broadcasting channels to give each group a station license. The Commission has accordingly consider that the interests of the listening public are paramount to the interests of the individual applicant in determining whether public interest would best be served by granting an application. This principle, enunciated by the Commission, was upheld by the United States Court of Appeals for the District of Columbia in the case of Chicago Federation of Labor v. Federal Radio Commission.

"Again, where the applicant, as in the instant case, seeks to extend the use of the station's facilities for religious purposes only to those whose religious beliefs are in accord with those of the applicant, the Commission has heretofore held, as in the Wilbur Glenn Voliva decision (Station WCBF, Docket No. 4901), that:

"There is no room for the operation of broadcasting stations exclusively by, or in the private interests of, individuals or groups so far as the nature of the programs are concerned. There is not room in the broadcast band for every school of thought, religious, political, social and economic, each to have its separate broadcasting station, its mouthpiece in the ether. If franchises are extended to some, it gives

9/10/38

them an unfair advantage over others and results in a corresponding cutting down of general public service stations. It favors the interests and desires of a portion of the listening public at the expense of the rest. Propaganda stations (a term which is here used for the sake of convenience and not in a derogatory sense) are not consistent with the most beneficial sort of discussion of public questions. As a general rule, postulated on the laws of nature as well as on the standard of public interest, convenience of necessity, particular doctrines, creeds and beliefs must find their way into the market of ideas by the existing public service stations, and if they are of sufficient importance to the listening public the microphone will undoubtedly be available. If it is not, a well-founded complaint will receive the careful consideration of the Commission in its future action with reference to the station complained of.

"The contention may be made that propaganda stations are as well able as other stations to accompany their messages with entertainment and other program features of interest to the public. Even if this were true, the fact remains that the station is used for what is essentially a private purpose for a substantial portion of the time and, in addition, is constantly subject to the very human temptation not to be fair to opposing schools of thought and their representatives."

The United States Court of Appeals for the District of Columbia supported the Commission in the above contention when, KFKB Broadcasting Association v. Federal Radio Commission, the court stated that:

"When Congress provided that the question whether a license should be issued or renewed should be dependent upon a finding of public interest, convenience or necessity, it very evidently had in mind that broadcasting should not be a mere adjunct of a particular business but should be of a public character. Obviously, there is no room in the broadcast band for every business or school of thought."

X X X X X X X X X

CBS AUGUST BILLINGS TOTAL \$1,423,865

Gross time sales on the Columbia Network for August, 1937, totaled \$1,423,865, up 4.1% over July, and represented the second best August in CBS history. This record was topped only by August, 1937, when sales of \$1,955,280 soared 58.6% over the same month of the previous year. Cumulative total for the first eight months of '38 rose to \$18,373,777, compared with \$18,746,957 a year ago.

X X X X X X X X X

9/10/38

FCC DELAYS MONOPOLY HEARING ANNOUNCEMENT

While the broadcasting industry prepared for a long-heralded investigation of the charges of monopoly hurled against chain networks and others, the Federal Communications Commission this week delayed announcing a date for the hearings to begin.

Broadcasting circles had expected 30-day notices of the hearing to be sent out shortly after the return of Chairman Frank R. McNinch, but no action was taken this week and no official explanation was given for the delay.

Indications were the inquiry will not start before mid-October and maybe later. Some announcement is expected next week by the FCC.

William J. Dempsey, Special Counsel for the probe, flew to New York over the week-end.

X X X X X X X X

PURCHASE OF WFAB BY DEBS FUND APPROVED

The Federal Communications Commission this week approved the purchase of Station WFAB, New York City, by the Debs Memorial Radio Fund, Inc., which operates WEVD. The price is \$85,000.

Station WFAB, which has been sharing time with WEVD, WHAZ, Troy, N. Y., and WBBR, Brooklyn, on 1300 kc., will be taken off the air and its operating time absorbed by WEVD.

The original cost of WFAB, according to the FCC report was \$68,616.05. The net worth of the Debs Memorial Fund, it stated, is approximately \$183,678.22. It had a profit last year of \$17,433.89 from the operation of WEVD.

X X X X X X X X

FCC AMENDS RULE ON EMERGENCY SERVICE

The Federal Communications Commission this week amended Section 111.10 of the Emergency Service Rules to include the following provision:

"A blanket application may be submitted by a single applicant for a license or modification of license, covering both the fixed transmitter and mobile or portable mobile transmitters used in a single coordinated communication system."

X X X X X X X X X

9/10/38

NBC OFFICIALS, EDITOR TO LECTURE ON RADIO

Three officials of the National Broadcasting Company, Orrin E. Dunlap, Jr., Radio Editor of the New York Times, and other experts on broadcasting will lecture at the College of the City of New York this Fall in connection with a course in "Radio Broadcasting: Theory and Practice".

The new course will be conducted by Seymour N. Spiegel, Program Director of the Municipal Broadcasting System. It is designed to equip students for careers in radio, and the NBC men chosen work daily at highly strategic jobs in the preparation and presentation of broadcasts.

The first to be heard will be J. Harrison Hartley, Assistant Director of Special Events. This division at NBC is responsible for on-the-spot radio reports of events attracting public attention in politics, sports, aviation, and other occasions of news interest. The next NBC speaker will be Stockton Helffrich, who is Assistant Manager of the Script Division, which is responsible for every written word which is prepared for the NBC networks. The third lecturer from NBC represents that phase of broadcasting which is most familiar to the public, announcing.

Among others to be heard during the course will be Homer Fickett, Director of the March of Time program; Felix Greene, U. S. representative of the British Broadcasting Corporation; Dr. Herman Hettinger, Professor of Merchandising, Wharton School, University of Pennsylvania, and Dr. Clyde Miller of Columbia University, Secretary of the Institute for Propaganda Analysis.

X X X X X X X X

MUTUAL BILLINGS UP 22% THIS YEAR

A. 22.7 percent increase in time billings for the first eight months of 1938 is reported for the Mutual Broadcasting System in comparison with the same period in 1937.

Total billings for this period in 1938 were \$1,673,913.08. For the first eight months in 1937 they were \$1,363,707.21. Total billings for last August were \$164,625.80. For the same month in 1937 they were \$96,629.27.

The percentage of increase for August, 1938, over the same period in 1937 is 70.4 percent. July, 1938 billings totalled \$167,108.

X X X X X X X X

9/10/38

POLITICS, PROPAGANDA RULED OUT OF U.S. STUDIO

Politics and propaganda are taboo in the new Interior Department broadcasting studios recently opened.

Shannon Allen, a former NBC announcer, who is in charge of the studio, has announced rules that are intended to keep the broadcasts free of criticism. The programs, most of which are sponsored by the U. S. Office of Education, are intended to be educational in character.

The studio, which cost \$100,000, has no Government-owned transmitter, but can be hooked up to commercial stations and networks.

X X X X X X X X

WIFE OF EX-COMMISSIONER LAFOUNT DIES

Mrs. Alma Robinson Lafount, wife of former Radio Commissioner Harold A. Lafount died Thursday at the Washington Sanitarium.

Born at Montpelier, Idaho, 54 years ago, Mrs. Lafount was graduated from the Utah State Agricultural College at Logan, Utah. For many years she lived at Salt Lake City where she was active in various auxiliary organizations of the Church of Jesus Christ of Latter Day Saints. She was also active in behalf of the Children's Hospital of that city.

Mr. Lafount is now associated with the Bulova radio organization which is building a chain in New England and on the Atlantic Seaboard.

X X X X X X X X X X

TWO NEW STATIONS AUTHORIZED; SIX ARE DENIED

Continuing its task of clearing up an accumulated Summer docket, the Federal Communications Commission this week granted construction permits for establishment of two new broadcasting stations and denied a half-dozen other applications for new facilities.

The new stations are: F. C. Todd, Gastonia, N.C.; 1420 kc., 100-250 watts, power, unlimited time, and Y. W. Scarborough and J. W. Orvin, Charleston, S. C., 1210 kc., 100-250 watts power, unlimited time.

X X X X X X X X X X

:::
 ::: TRADE NOTES :::
 :::

Deadline set by the American Federation of Musicians for the completion of contracts between its local unions and the non-network broadcasters has again been postponed, from Sept. 1 to Sept. 23. Deadline had previously been set up a month from Aug. 1, to give the committee representing these independent broadcasters more time to get the stations and unions together.

Addresses by radio executives and high-ranking officials of Utah and a special musical salute will herald inauguration of service of a new five kilowatt transmitter and antenna at Station KDYL, NBC affiliate in Salt Lake City, on Tuesday, September 13. The dedicatory program will be heard from 11 P.M. until midnight EST, over the NBC-Red-Network.

Following the recent resignation of J. K. Craig from the managership of Radio Sales, San Francisco office, the Columbia Broadcasting System has consolidated that office with its network sales force in San Francisco. Personnel of the office now includes Henry M. Jackson, Sales Manager; Clyde F. Coombs and Charles E. Morin, salesmen. Radio Sales, Inc., is a CBS division representing owned and operated members of the network. A. E. Joscelyn heads the New York office.

The International Telephone and Telegraph Corporation reports that its telephone operating subsidiaries in nine countries gained 40,500 telephones in the first seven months compared with a gain of 36,500 in the same period of 1937. All major companies reported increases. The largest gains were contributed by the United River Plate system in Argentina and by the Shanghai Telephone Company which has now regained practically all of the telephones which were withdrawn from service last year when hostilities centered around Shanghai.

James R. Sheffield, former Ambassador to Mexico and a Director of the Radio Corporation of America, died last week at Saranac Lake, N. Y. He is understood to have been responsible for the appointment of William D. L. Starbuck to the Federal Radio Commission, which preceded the Federal Communications Commission. Mr. Starbuck represented the New York zone for several years on the Commission.

The Seattle Broadcasting Co.'s \$250,000 damage suit against Senator Homer T. Bone, Saul Haas, United States Collector of Internal Revenue, and others was dismissed this week on stipulation of counsel, in Tacoma, Wash. The company accused Bone of using his influence as a member of the Senate Committee on Interstate Commerce to further a conspiracy to compel the Columbia Broadcasting System to terminate its contract with Station KOL, operated by the plaintiff, and give it to Station KIRO, one of the defendants, in which Bone was alleged to have an interest.

9/10/38

CIRCULAR RAPS BROADCASTERS AND PUBLISHERS

Under the letter head "Educational Broadcasting, Lakewood, Ohio", A. Ballard Walton has sent out circular letters this month to non-commercial broadcasters reading as follows:

"Publishers and broadcasters who sell space and time to tricky advertisers and suppress the reports of the Federal Trade Commission, are a menace to clean business and to sound economics.

"If the freedom of radio and press to give or to suppress, is exercised in the interests of national advertisers, then a Democracy might even be destroyed by private interests, and a supposedly free people might become builders of wealth and power for those who buy national publicity.

"Such freedom and power are too dangerous to go unchallenged by a Government such as ours that was originally established for the purpose of promoting and protecting the general welfare of all its people."

In a footnote to a copy sent the Heintz News Service, Mr. Walton asks that "your clients be informed that the McGraw-Hill Co. has never removed the 'Racketeer' label pinned on me by its Electrical Merchandising for June, 1932".

X X X X X X X X X X

ZENITH REPORTS PROFIT OF \$124,806

Zenith Radio Corporation reports a consolidated operating profit for the first quarter ended July 31, 1938, of its current fiscal year amounting to \$124,806, after depreciation, excise taxes and liberal reserves but before provision for Federal income and excess profits taxes or undistributed profits taxes, as per the Company's books, according to Hugh Robertson, Vice-President and Treasurer.

"Zenith's new line is being well received by the trade", Mr. Robertson said. "Distributors' orders now on hand and being received for future delivery indicate steady production and shipment for the balance of the calendar year. It is the consensus of opinion that the company will do a larger percentage of the total business of the industry this year than ever before. Irrespective of this optimistic outlook the management continues to exercise a conservative policy of manufacturing only against orders received or the movement of merchandise in the territory, to the end that there be no excessive inventories or distress selling."

X X X X X X X X