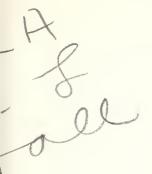
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL - Not for Publication





INDEX TO ISSUE OF NOVEMBER 4, 1938

McNinch Resumes Purge As Dissension Grows2
History Of Radio To 1936 Just Published3
McNinch Says FCC Can't Stop Swinging Of Classics4
Two S-W Stations Given Extra Frequencies
Japan Prepares For Television Debut6
Fascist Charge Against WHOM Is Under Inquiry7
Shepard Hearing Delayed On Eve Of Elections
Who Will Pay For Television? Engineer Asks9
Radio Signals Switch Freight Trains In Sweden
Even British Announcers' Tongues Slipll
Bullock Explains G-E Educational Series

No. 1172

I M

H

McNINCH RESUMES PURGE AS DISSENSION GROWS

Following a two weeks' pause, Chairman Frank R. McNinch resumed his purge of personnel at the Federal Communications Commission this week but for the first time was threatened with an opposition majority.

Meanwhile, dissension among the Commissioners appeared to be nearing a breaking point, and there were good reasons to believe that President Roosevelt himself may have to take a hand in the row.

Because of the apparent failure of Chairman McNinch to effect a reorganization within more than a year, it would not be surprising if he would be returned to the Federal Power Commission and the task of "house cleaning" were turned over to another.

A complete reorganization of the Commission, in fact, may be effected, either by a presidential demand for several resignations or a recommendation to Congress that the Commission be abolished and a new agency of radio control set up.

So far all changes are in a rumor stage, but it is known that the President is dissatisfied with the present state of the Commission and with Mr. McNinch's failure to bring about a reform without arousing public resentment.

Chairman McNinch's latest move was to demand the resignation of Davis G. Arnold, Chief Examiner of the FCC and a Civil Service employee of 17 years' standing.

The resumption of the purge, which had been halted temporarily after the ouster of Hampson Gary as General Counsel in mid-October, proved abortive when a special meeting of the Commission was called off abruptly Thursday.

Unlike the Gary case, it appeared doubtful that Chairman McNinch "had the votes" when Commissioner Norman S. Case left a sick bed to come to Mr. Arnold's rescue.

While Commissioners Eugene O. Sykes and Thad Brown were still aligned with the Chairman, it was learned that Commissioner Paul Walker was wavering. Upon Gary's ouster, only Commissioners George Henry Payne and T.A.M. Craven voted against the Chairman. Commissioner Case was absent.

Mr. Arnold, like Mr. Gary, was at first offered a job in another governmental agency. Chairman McNinch told him he had made arrangements for his return to the Veterans' Administration.

11/4/38

When the Chief Examiner investigated, however, he found that the job would pay only \$5,000, whereas he had been receiving \$7,000. He then asked the FCC Chairman to withhold the demand for his resignation until he could look around for a better job, but Mr. McNinch insisted on the resignation at once.

Whether Mr. Arnold will insist on a hearing before the Civil Service Commission or will accept the other job was uncertain. There was some indication that the diminutive FCC Chairman may change his tactics and reorganize the Examiners' Division so as to abolish Mr. Arnold's position.

Although originally marked for the McNinch purge, Mr. Arnold was believed to have escaped the ax about ten days ago at a conference with the Chairman. Consequently he was the more surprised at the abrupt demand for his resignation yesterday.

The next man in line for the purge, it is understood, is G. Franklin Wisner, Chief of the Press Division, and a Civil Service employee of 12 years.

Balked in his effort to exempt this and 50-odd other FCC jobs from protection of the Civil Service Act, Mr. McNinch is expected to abolish Mr. Wisner's job and to place the press relations job directly under his command, responsible to him rather than to the whole Commission.

All indications now point to a thorough investigation of the Commission by the next Congress. A House inquiry last session was blocked by the Administration on the plea that Chairman McNinch should be given a chance to "clean house". Members who are demanding the probe, however, point out that he has been in office more than a year without effecting any substantial reforms.

X X X X X X X X X

HISTORY OF RADIO TO 1936 JUST PUBLISHED

The American Historical Society this week released a 420-page volume entitled, "History of Radio to 1936", written by Gleason L. Archer, L.L.D., President of Suffolk University, Boston.

The author stated that the book is an outgrowth of a course on radio broadcasting in the Suffolk College of Journalism and five years of personal experience as a radio lecturer.

Beginning with a history of the intercommunication of signals in early times, the book carries the story of communications down through early wireless telegraphy, to the formation of the Radio Corporation of America, the inauguration of radio broadcasting by Westinghouse, down to the "struggle for network broadcasting".

11/4/38

McNINCH SAYS FCC CAN'T STOP SWINGING OF CLASSICS

Chairman Frank R. McNinch this week advised Alfred L. Dennis, President of the Bach Society of New Jersey, that the Federal Communications Commission is powerless to stop orchestras on the air from "swinging" Bach or any other of the classics.

He advised the complainant, who cited instances of jazz orchestras "swinging" Bach, that his only recourse is to protest directly to the radio station.

"The Commission is appreciative of the views expressed in your letter of October 24, relative to the rendition of classical and traditional music in a syncopated style, frequently heard on the radio". Chairman McNinch wrote.

"The statute under which the Commission functions expressly denies to this regulatory body the power of censorship over the transmissions of any station, in view of which no rule or regulation has been promulgated determining what should or should not be broadcast. The responsibility of accepting or rejecting program material rests with the respective station licensees, who are charged with the duty of using a high degree of discrimination in the selection of material broadcast in the public interest. Evidence of the transmission of material contrary to the public interest or in violation of the law is given full consideration by the Commission in connection with the renewal of the station license.

"If you have not already done so, you may want to write direct to the station or stations which carried the program to which your letter refers, as it is our understanding that comments upon radio presentations are welcomed and are carefully considered."

X X X X X X X X X

Radio reception in the Arctic is often lauded for its clarity, but, according to Dr. R. G. Ellis, of the Faculty of Dentistry, University of Toronto, who has just spent a year in the North attending to the teeth of the Eskimos, it is not consistently good.

"The isolation of the Arctic", he says, "is accentuated for the visitor from outside by the absence of good radio reception during the Summer months. It was very difficult to get Canadian programs, and, on fine, clear nights the radio provided no entertainment whatever."

TWO S-W STATIONS GIVEN EXTRA FREQUENCIES

Two international short-wave stations in this country were granted extra channels this week by the Federal Communications Commission on a temporary basis pending ratification of the Cairo radio regulations and one of the stations was given a big power boost.

Station W8XAL, of Cincinnati, operated by the Crosley Radio Corporation, was given a power increase from 10 to 50 KW. and modification of license authorizing use of the following frequencies: 21650 and 17760 kc. additional to 6060, 9590, 11870 and 15270 kcs.

Station W2XE, New York, operated by the Columbia Broadcasting System, was granted 6170, 9650, 17830 and 21570 kc. additional to 6120, 11830 and 15270 kc. Deleted from the CBS station were 9590, 17760 and 21520.

Commissioner Paul Walker voted against the granting of 17760 kc. to W8XAL because it did not carry the legal clause making the grant on certain conditions.

X X X X X X X X X X

RADIO "OUTLAW" CONVICTED IN BOSTON

A series of cases involving violation of the Communications Act of 1934, as amended, are now under investigation by the Federal Communications Commission or pending in the Federal courts throughout the United States, it was announced this week. The latest of such cases to be completed is the case of Harry W. Smith.

Harry W. Smith entered a plea of guilty on October 18, 1938, in the United States District Court, Boston, Massachusetts, to an indictment on two counts charging unlawful radio operation in violation of Sections 301 and 318 of the Communications Act of 1934, as amended.

On the first count the defendant was fined \$50.00. On the second count the Court sentenced defendant to be imprisoned for six months but suspended such sentence and placed the defendant on probation for a period of one year.

X X X X X X X

11/4/38

JAPAN PREPARES FOR TELEVISION DEBUT

The Japan Broadcasting Association expects to begin public television broadcasts early next Spring, following removal of JOAK to its new "Radio City" quarters, nearing completion at Uchiseiwaicho, Kojimachi Ward, reports the "Yomiuri", a Tokyo newspaper. A television studio is being provided on the third floor of the new building, and it is expected that antenna for television broadcasts will be erected atop Atago Hill, Shiba Ward, where JOAK already has a transmission plant and aerial for sound broadcasting.

The television antenna, however, requires towers 300 to 360 feet high, because visual broadcasting uses such a high-frequency wave length that will not bend readily over physical obstructions as ordinary broadcast waves do. The ground is being tested now at Atago Hill to see if it will bear the weight of the high towers, but the "Yomiuri" says there is no certainty that the Atago site will be used. A site for antenna towers also has been acquired next to the Japan Broadcasting Association's television research laboratory in Setagaya Ward, says the newspaper, and a large television studio is nearing completion there.

Preparations for preliminary experimental broadcasts are said to be progressing rapidly. A committee of experts recently approved use of the iconoscope, employing a cathode tube, instead of the outmoded mechanical scanning disc, and settled upon a standard of 441 scanning lines per unit, the same as in United States experiments with television.

Actual research is being carried on by a staff of men under Mr. Kenjiro Takayanagi, former professor at Hamamatsu Higher Technical School, Shizuoka Prefecture. The first television broadcasts will employ only one kilowatt of power, although the researchers had hoped to use 20 kilowatts. It is further planned to relay television broadcasts to other parts of the country in the future by means of the co-axial cable especially designed by an American telephone company for television transmission.

X X X X X X X X

Gano Dunn and Henry C. Bonfig were elected this week Directors of the RCA Manufacturing Company to fill vacancies resulting from the deaths of James R. Sheffield and J. C. Warner. Mr. Dunn is President of the J. G. White Engineering Corporation and Mr. Bonfig is Commercial Vice-President of the RCA Manufacturing Company.

FASCIST CHARGE AGAINST WHOM IS UNDER INQUIRY

A complaint that Station WHOM, Jersey City, home of Mayor Frank Hague, had broadcast an "Un-American, anti-Semitic" address of a Fascist nature, is under investigation by the Federal Communications Commission, it was disclosed this week.

The FCC voted to grant the station only a 90-day temporary license instead of the customary six months' permit pending the outcome of the inquiry.

Some of the excerpts of the broadcast quoted by the FCC in a release follow:

"We (Fascist Italy) do not stop progress which doesn't recognize individuals in their interests, which doesn't precocupy itself with groups, parties, sects, but goes right ahead overturning ideals and everything that stops in front of it in order to triumph * * The problem of race which is confronting Italy constitutes an efficacious reagent not only against the Jews but against all those even though they be Italian who have not yet assimilated Fascist philosophy and thought." "The efficacious reagent came because the Jews and their friends wanted it." "Those who are not with us are against us has been the revolutionary motto of Fascists and this motto has not yet been put back in the attic * * Why have the Jews of the world declared themselves pro-Spanish Communists and against Fascism?" "Jewish anti-Fascism in these last years overstepped its bounds and Italy has run to the rescue - to a just and duty-bound rescue."

Two Commissioners voted to grant the renewal of the license but to continue the investigation. They gave as reasons that the Commission did not have sufficient facts before it at this time to set the renewal of license for a hearing, but were desirous of proceeding with an immediate investigation of the facts and circumstances surrounding the alleged broadcast.

X X X X X X X X X X

The Federal Communications Commission this week directed that the effective date of amended Rule 443 be extended from November 1, 1938, to April 1, 1939, insofar as it affects radio stations and operators in the Territory of Alaska, and that the present Rule 443 remain in force in that Territory until April 1, 1939.

SHEPARD HEARING DELAYED ON EVE OF ELECTIONS

A hearing scheduled for November 4 (today) on complaints against two Boston stations of the Yankee Network - WNAC and WAAB - were abruptly delayed until after January 1st this week by the Federal Communications Commission. Commissioner T.A.M. Craven voted "no" after failing to persuade his colleagues to act at once.

While there were many rumors of pressure being brought from high Administration sources, it was significant that the action was taken just prior to the national elections.

John Shepard, III, who owns the Yankee Network, is alleged to have broadcast editorial attacks on certain political groups in Boston without giving the opposition an opportunity to reply in accordance with provisions of the Communications Act.

X X X X X X X X

CBS NET PROFIT \$1.53 A SHARE

The Columbia Broadcasting System, Inc., and subsidiary companies this week reported net profit for the nine months ended on Oct. 1 of \$2,606.158, equal to \$1.53 a share, compared with \$3,053,417, or \$1.79 a share in the 1937 period. These figures were determined after expenses, interest, depreciation and Federal income taxes had been deducted and were calculated upon 1,707,950 shares of \$2,50 par value stock outstanding or to be outstanding upon completion of exchange of the old \$5 par value stock.

The consolidated income statement of the System showed gross income for the period from the sale of facilities, talent and wires of \$23,958,344, against \$24,926,421. Time discount and agency commissions amounted to \$6,875,428, against \$7,526,543; operating expenses to \$9,318,012, against \$9,538,911, and selling, general and administrative expenses to \$4,188,570, against \$3,834,191. After these deductions net income for the period before interest, depreciation, Federal income taxes and before miscellaneous income was \$3,576,333, against \$4,026,775.

The Columbia Broadcasting System reported October billings at \$2,389,895, a loss of 4.6 per cent from a year ago, but a gain of 49.2 percent over September. The ten months' total was down to 3.9 percent.

WHO WILL PAY FOR TELEVISION? ENGINEER ASKS

The quality of television pictures achieved in the past few years has been good enough to interest an increasingly large proportion of the population, but there are still two major questions to be answered, I. J. Kaar, design engineer of the General Electric Company's Radio Division, pointed out in a paper delivered this week in Detroit, before the Fall convention of the Society of Motion Picture Engineers. The first of these - fixing satisfactory television standards - has practically been settled now, he added. The second is a method of paying for the programs.

"Television differs from sound broadcasting very markedly in the importance of standards", said Mr. Kaar. "In the latter the technical quality of transmitted programs can be improved year by year, and while this happens a receiver once purchased is always usable, even though it may become outmoded. The situation in television is quite different. Because of the use of scanning and the necessity of synchronization between receiver and transmitter, if transmission standards are changed, receivers designed for the old standards become useless. Because of this fact no responsible manufacturer would sell receivers to the public until standards were fixed by the industry and sponsored by the Federal Communications Commission.

"It required considerable technical perfection to justify our high standards, but this has now been attained and the essential standards agreed upon. It may be said with some assurance that the last technical obstacle in the path of commercial television, at least so far as the excellence of the picture under proper conditions is concerned, has been removed."

The question of who shall pay for television programs has not been answered, Mr. Kaar said, pointing out that the present broadcasting system, with its commercial sponsors who pay the bill, requires the existence of tens of millions of receivers, with listeners who may be induced to buy the advertised products.

"Such an audience does not exist in television", he said, "and cannot be expected for several years. Of course, no such audience existed in the early days of sound broadcasting, either, and the receiver manufacturers, along with a few others, operated the stations. In those days, however, the thought of something coming through the air, receivable at no cost, was an entirely new one. People were quite satisfied with the new toy as such and program excellence was a secondary consideration. This meant that the cost of broadcasting, as compared to the present, was low. Now the public has been educated to expect a high degree of excellence in program material. In other words, when television is born, it must be born full-fledged as far as program material is concerned. This means great expense, which undoubtedly will have to be borne by the pioneers."

Answering the questions as to how good television will be and how much it will cost means discussing how large and bright the picture will be and how much it will show, said Mr. Kaar.

"The standard high quality television system which will possibly be commercialized shortly will have a 12-inch tube with a picture $7\frac{1}{2}$ by 10 inches. Three, five, seven, and nine-inch tubes will probably also be standard commercial sizes. Compared with the size of a motion picture or even a home movie, these dimensions seem small. However, considering the fact that an audience viewing a television picture will ordinarily not be more than four feet from the screen - and in the case of the small tubes, even one foot from the screen - these sizes do have considerable entertainment value. Nevertheless it is reasonable to expect larger pictures in the best systems of the future.

"The matter of increasing the size of a cathode ray picture presents serious obstacles", Mr. Kaar declared. "As tubes become larger they also become longer, and their overall size becomes such that it is difficult to find suitable cabinets for them which at the same time lend themselves to attractive styling. When the 12-inch tube is used it is invariably mounted vertically in a cabinet, and the picture is seen as a mirror image by the observer. Since a mirror causes loss of light, and possible double images and distortion, it is an undesirable adjunct at best. As a further difficulty, as cathode ray tubes are increased in size, they require more driving power, which is expensive, and higher anode voltages, which cost more and offer shock hazards."

X X X X X X X

RADIO SIGNALS SWITCH FREIGHT TRAINS IN SWEDEN

Freight trains are now being switched by radio signals in one of the railway yards of Sweden, according to a report to the Department of Commerce by the office of the American Commercial Attache at Stockholm. Although the equipment is designed primarily for electric engines, it is reported to be adoptable for steam locomotives, the report stated.

A signal arrangement installed in the switching locomotive is operated by radio signals from the switching foreman at his post. The transmitter is also supplied with a telephone, through which the switching foreman can give oral orders or information, the Commercial Attache reported.

The transmitter, which is mounted in a signal shed, is made to transmit wave lengths between 1,000 and 2,000 meters, and consists of a directing generator, a capacity amplifier, and a modulator. The modulator is equipped with a number of varying tone frequencies, one for each separate switching signal.

The trolley wire for the electrical operation of the trains serves as an antenna, the transmitter being connected with the trolley wire by a series of condensers and high tension fuses.

A receiver mounted in the engine has a frame antenna and a signal board for the loudspeaker. The receiver is furnished with a number of selectivity relays.

X X X X X X X X

EVEN BRITISH ANNOUNCERS' TONGUES SLIP

American radio announcers are not the only ones whose tongues slip now and then over the air. The British, who take pride in their precise enunciations, also have a lapse occasionally to the amusement of the empire listeners.

Prefacing a few samples of these slips, <u>World Radio</u>, organ of the British Broadcasting Corporation, remarks that though the "consistently high standard of the work of the BBC staff announcers tends now to be taken for granted", the announcers do make mistakes which have "all the attractiveness of the unexpected as well as considerable rarity value".

Some of the choice samples follow:

A famous work by Offenbach was referred to as "Orpheus in the Underground."

* * * * * * * * * *

Another announcer referred to "His Holiness the Pipe"; another to "The Society for the Propagation of the Gospital".

Describing a volcanic eruption, an announcer once said: "A large area of lager is rapidly overcoming the village."

Another announcer explained that he would not be able to play the last record in a gramophone recital, because he had just sat on it.

* * * * * * *

At the conclusion of a recital of gramophone records, an announcer confessed: "Excuse me, I have got so wrapped up in this that I have gone on seven minutes over my time."

An Empire announcer, when closing a transmission in the small hours of the morning, apologized for not having made the usual announcement preparatory to opening the session. This, he said, was the result of "partaking of excessive sleep".

BULLOCK EXPLAINS G-E EDUCATIONAL SERIES

B. W. Bullock, Assistant Manager of General Electric broadcasting, termed the new educational series launched over the Company's two short-wave stations W2XAD and W2XAF in Schenectady this week as an attempt to weld all people into a world citizenship founded on international friendship and understanding.

The initial program, first in a series to be presented four times weekly to radio listeners throughout the world and which will be directed at South America and Europe by the use of directive antennas, was also participated in by R. C. Muir, Vice-President of the General Electric Company and Chairman of its Educational Committee; W. Howard Pillsbury, Superintendent of Schenectady schools; and John Sheehan, Program Manager of Short-Wave Broadcasting.

"One of the functions of short-wave broadcasting", according to Mr. Bullock, "in addition to furnishing entertainment to listeners in other lands, is to broadcast programs that will bring the many peoples of the world closer together.

"As citizens of the world, we are all interested in learning what we can about those of us who, by chance or by preference, live in countries other than our own. So it is that we here in Schenectady have come to feel that one of the important activities we have is that of building programs which tell listeners in other countries what goes on in this part of the world, how we live and what sort of people we are", Mr. Bullock said.

X X X X X X X X X

PRESS WARNED NOT TO "CODDLE" RADIO

The existence and usefulness of radio can be recognized without coddling it with a lot of free advertising, Harry Hughes of Lorain Journal declared in a talk last month before the Ohio Circulation Managers' Association's Fall convention in Columbus, O.

"Personally, I think the figures of newspaper circulation prove that newspapers still hold public confidence", Mr. Hughes said. "There's no reason why we should even dislike radio or seek to injure it, but we should recognize that it has grown up to be a competitor and no longer needs to be spoon fed with newspaper publicity in order to survive."

He urged the treatment of radio as the theatre is treated - as a potential customer, not as a parasite.