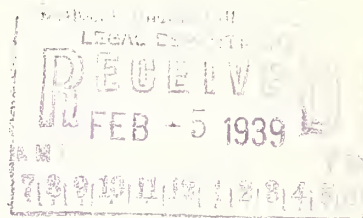


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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February 14, 1939

## McNINCH, ON DEFENSIVE, CRITICIZES COLLEAGUES

Obviously on the defensive, Chairman Frank R. McNinch, of the Federal Communications Commission, last Friday night blamed the minority bloc of the FCC for his failure to effect a thorough house-cleaning, denied implications that he was seeking to become a dictator of radio, and explained the Wheeler bill to establish a three-man Federal Communications and Radio Commission.

The Chairman's address was made before North Carolina Society of Baltimore and broadcast over the Mutual Broadcasting System.

Part of the speech was devoted to answering statements made in Stanley High's article "Not-So-Free Air" in the current Saturday Evening Post.

Excerpts from the address follow:

"Sixteen months ago the President appointed me Chairman of the Federal Communications Commission, which is charged with the duty of regulation, with the simple instructions to work out, so far as practicable within the framework of the Communications Act, plans for the most effective regulation of these industries. Since then there has been substantial improvement in the Commission's procedure and, if there had been a spirit of cooperation on the part of all members of the Commission, yet further advances doubtless would have been made.

"It is notorious that for several years before I became Chairman of the Commission it was handicapped by dissension and division, carried beyond reasonable differences of opinion to a point that precluded effective regulation. This condition has persisted and, while I am glad to testify publicly to the cooperation of most of the Commissioners with each other, I would be less than candid did I not say that these efforts on their part have been discounted or even cancelled at times by the hostile tactics of other members.

"No house that is divided against itself can stand; no family that engages publicly in criticisms and detraction of its own members can win or hold the respect of its neighbors. Out of all this has grown, and naturally, a deep dissatisfaction on the part of the President, which I know is shared by many members of the Congress and I believe by the people at large. The interests entrusted to this Commission are of too great importance to the people to be jeopardized through the lack of a coherent and - from the standpoint of the Nation as well as the industries affected - constructive program of regulation of these industries.

"While an absence of such clashing personalities and ideas within a Commission of even seven members would have given greater assurance of harmonious and constructive action, I am convinced that the very number of Commissioners is a fundamental disability. It creates at the outset the opportunity for, and the incitement to, individual struggle for power and collective strife. The bigger the Commission the less effective, and the less efficient, it is apt to be. The ultimate result is likely to be a breakdown of regulation, playing into the hands of the industries to be regulated and leaving the public interest unprotected. The more personalities you inject into such an equation, the greater is the likelihood of their working at cross purposes, of seeking personal prestige and advantage, at the expense of the job they have been set to do.

"Holding firmly to the conviction that a three-man Commission is in all respects preferable to a Commission with larger membership, I am one hundred percent in favor of the Bill introduced by Senator Burton K. Wheeler, of Montana, to abolish the present Federal Communications Commission and set up in its stead the Federal Communications and Radio Commission, bi-partisan and having three members appointed by the President with the advice and consent of the Senate. I helped to devise this Bill, in consultation with Senator Wheeler, putting into it the fruits of his many years of close observation of and my long experience in Commission work.

"There will be no divided responsibility as between the three members of the Board, and no difference in authority except that the Chairman, besides being the presiding officer, will be the principal executive officer. Good practice requires that, and the statutes under which most Commissions function provide for it. The Communications Act did not provide specifically for a principal executive officer, and that is one of the lesser reasons why the Communications Act has been imperfectly administered. What is everybody's business may, in practice, be nobody's business and inaction result. . . .

"I read with interest, but with greater amazement, an article in the Saturday Evening Post entitled 'Not-So-Free Air' by Stanley High. I say with amazement because of certain glaring and inexcusable misstatements and false statements it contains. It has been known in Washington for weeks past that Mr. High was inquiring into radio and Commission matters with a view to an article. I understand that he contacted a number of people outside the Commission, and that he talked with at least one member of the Commission, Commissioner Payne. It is significant that Mr. High writes little about Commissioner Payne, but writes expansively about the White House, about the Administration in general, and about me.

"And although I was in my office and available while Mr. High was gathering his material, he never once talked with me or asked for an opportunity to talk with me.



"That may account, in part, for his going so far wrong.

"Mr. High states that I discussed news broadcasts with Washington managers of the broadcasting companies, and left no doubt about my official opinion that something should be done about 'keeping them impartial'. He goes on to say that I mentioned Mr. Boake Carter and General Hugh Johnson 'as the worst examples' of what I meant.

"This statement is but a half truth, if indeed it is that. If Mr. High had wanted the whole truth he could have gotten it from either Mr. Harry Butcher, Vice-President of the Columbia Broadcasting System, with whom I had discussed this subject, or from me. From either of us he would have learned that in the course of our discussion I positively did not cite Mr. Carter and General Johnson 'as the worst examples', and that I did not refer to any commentator in any such approbrious terms.

"On the contrary, I stated that it was my personal opinion that if a broadcasting station permitted anyone to discuss cosial, economic, or other controversial questions - whether on free time or on time paid for by a sponsor - the station owed it to the listening public to give fair opportunity to those holding contrary views to discuss the same subject. I spoke of what I regarded as the importance of the listening public getting a rounded, whole discussion of any controversial subject which was discussed at all on the air - exactly what I said in a recent public speech. As an illustration, I mentioned the names of six or eight commentators, among them Mr. Carter and General Johnson, who expressed their various views over the air, and said that the industry's problem, as I saw it, was not to put anyone off the air but to provide opportunity for speakers who held contrary views on controversial subjects

"I understand that Mr. Carter is of the opinion that I sought to 'eliminate' commentators of his type in the future. He is wholly mistaken. I have not sought to 'eliminate' anybody.

"Again, Mr. High asserts in effect that Thomas Corcoran got the job of General Counsel of this Commission for 'one of his own men', William J. Dempsey. This statement is utterly unfounded. Mr. Dempsey was Assistant General Counsel of the Federal Power Commission at the time I moved from there to the Federal Communications Commission. I consulted my associates at the Power Commission and they agreed to release Mr. Dempsey so that he could come with me as Special Counsel. It was not Mr. Corcoran who proposed Mr. Dempsey for the post of General Counsel thirteen months later. I did so because of his ability and his familiarity with the Communications Commission's work, including radio, with which Mr. High asserts Mr. Dempsey was 'entirely unfamiliar'.

"Mr. High's statement that Mr. Corcoran 'suggested to the Chairman that the Law Department of the Commission should be taken out of the Civil Service entirely', is likewise false. Like others, it is part of a labored attempt to create an illusion of



a sinister influence at work upon the Roosevelt Administration and the Commission. I did not mention the matter to Mr. Corcoran, nor he to me. I took and now take full responsibility for recommending this action to the Commission. Mr. High states further that 'Without presenting the matter to the Commission', I made the request to the Civil Service Commission to exempt the attorneys. This is not true, and the Commission's records show it is not true. The letter to the Civil Service Commission was prepared at my direction and sent to the office of every member of the Commission except Commissioner Case, who was ill."

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### RMA-NAB PROMOTION STARTS THIS MONTH

The national all-radio promotion project of the Radio Manufacturers' Association and the National Association of Broadcasters will be inaugurated this month. The joint RMA-NAB campaign, exclusively by and for radio interests, contemplates immediate organization of local "Radio Councils" in each State where NAB broadcasting stations are located and will include broadcasters, distributors and dealers, utility representatives, servicemen, and public spirited citizens. A program will be prepared for the guidance of local radio organizations, with data and material for use by the local Councils.

Also planned are broadcast programs for both networks and local stations, with scripts and transcriptions supplied to non-network stations so that all classes of stations may participate in the national campaign.

Another part of the all-radio project is the preparation of a simplified booklet detailing information on installation and use of receivers and regarding programs and the American system of broadcasting. Inclusion of this pamphlet with each receiving set sold and distribution otherwise is planned.

The four main objectives of the RMA-NAB campaign are (1) to increase the amount of daily listening; (2) to increase the quality of home reception; (3) to sell the excellence, variety and extent of the American program schedule, and (4) to sell the American system of broadcasting and contributions made thereto by each broadcast station.

In the promotion of school radio, the RMA will cooperate with the Committee on Scientific Aids to Learning of the National Research Council of New York. This is headed by Dr. Irvin Stewart, former FCC Commissioner. Information is being collected regarding the quality and types of receiving sets best adapted for various school rooms and auditoriums. The RMA Engineering Department will prepare school receiver specifications for the National Research Council Committee. These RMA specifications will be distributed to all school superintendents and educators.

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## BROADCAST ENGINEERS MEET AT OHIO UNIVERSITY

U. S. broadcast engineers are taking a look into the future at a meeting at Columbus, O., February 6-17 for their second annual conference held under the sponsorship of Ohio State University's Department of Electrical Engineering. Sessions devoted to television and facsimile are included in the program.

First week of the conference was devoted largely to topics centering around the transmitter, and the second week will go into studio and television problems. One of the highlights will be the panel discussion on "Standards of Good Engineering Practice", led by Andrew D. Ring, Assistant Chief Engineer for the Federal Communications Commission. Another "head-liner" is the lecture-demonstration on "Waves, Words, and Wires" to be given by Dr. J. O. Perrine, American Telephone and Telegraph Co., New York City.

Others on the "faculty", with their subjects, include:

Stuart L. Bailey, Consulting Radio Engineer, "Standards of Good Engineering Practice", Washington, D. C.; Howard A. Chinn, Columbia Broadcasting System, "Functional Design and Measurement of Broadcasting Studio Facilities"; Dudley E. Foster, RCA License Laboratory, "Receiver Characteristics Having Special Broadcast System Significance"; Robert M. Morris, National Broadcasting Company, "The Development of the Proposed Standard Volume Indicator"; John F. Morrison, Bell Telephone Laboratories, "Practical Aspects of Radiating Systems and Transmission Lines"; Arthur Van Dyck, RCA License Laboratory, "The Receiver as Part of the Broadcast System"; all from New York City.

Loren F. Jones, RCA Manufacturing Company, "Television on Transmission"; Charles J. Young, RCA Manufacturing Company, "Facsimile"; Vladimir K. Zworykin, Electronic Research Laboratory, RCA Manufacturing Company, "Electron Optics", all from Camden, N.J.

John H. DeWitt, Jr., Radio Station WSM, "Standards of Good Engineering Practice", Nashville, Tenn.; Professor Everitt, Ohio State, "Electromagnetic Waves"; Profes. E. M. Boone, Ohio State, "High Power Rectifiers"; Donald B. Sinclair, General Radio Company, "Measurements on Broadcast Antennas", Cambridge, Mass.; Edwin E. Spitzer, RCA Manufacturing Company, "Transmitting Tubes", Harrison, N. J.

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Applications for six mobile press broadcast frequencies have been received by the Federal Communications Commission. Associated Press has asked for two assignments and four are sought by the Telegram Publishing Co., and Salt Lake Tribune Publishing Co., covering the Telegram, evening, and Tribune, morning, at Salt Lake City, Utah. No frequencies have been assigned as yet.

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## WHITE OPPOSES WHEELER BILL; MAY OFFER OWN PLAN

Senator White (R.), of Maine, ranking minority member of the Senate Interstate Commerce Committee, disclosed this week that he is unalterably opposed to the McNinch-Wheeler bill for establishing a three-man Federal Communications and Radio Commission.

At the same time he said he is considering introducing a measure of his own. He declined to divulge the nature of the plan he has in mind, but it was reported in industry circles that it would propose an eleven-man Commission with five of the Commissioners assigned to broadcasting.

Senator White, who is the outstanding authority in the Senate on radio regulation, said he may issue a statement explaining his views later this week.

Meanwhile, the clerk of the Interstate Commerce Committee said that it is unlikely that hearings will be called on the Wheeler Bill before March. He said that Senator Wheeler, himself, probably will head a sub-committee to conduct the hearings.

The Executive Committee of the National Association of Broadcasters met in Washington over the week-end and discussed the McNinch-Wheeler Bill at length but took no positive action, it was said, until they could also examine the White plan. While making no official statement, it was reported that some members of the Committee felt that the policies for the new Commission should be defined before a personnel reorganization is effected.

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## FOREST SERVICE'S RADIOS RING LIKE TELEPHONE

The days when the Forest Service might be termed a peaceful occupation are ended. Technicians in the Service's laboratory at Portland, Ore., have found a method to make radio receivers ring like a telephone and arouse slumbering "look out" men.

The bell-ringing system, announced recently, permits emergency radio calls to be put through as easily as telephone calls. The device, it was also said, eliminates noise from loud-speakers when operators are "standing by".

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2/14/39

## MBS STILL ON STAND; REGIONALS START FEB. 21

With officials of the Mutual Broadcasting System still on the witness stand this week in the chain-monopoly investigation of the Federal Communications Commission, the Commission announced that the regional networks will be heard, beginning next Tuesday.

MBS, whose officials last week described its operations, was discussing its policies this week with Alfred J. McCosker, President of MBS, due to take the stand.

Because MBS has no program staff, Engineering Department, or Artists Bureau, such as NEC and CBS, its examination has been comparatively brief.

E. M. Antrim, Director and Secretary-Treasurer of MBS, described the establishment and operations of the network last week. He said the cooperative network has grown from four stations in 1934 to 110 in 1939.

Stations WGN, Chicago, and WOR, New York, invested \$5,000 to start the network, he said, and now stand ready to underwrite any losses incurred.

Regional networks which have been requested by the FCC to submit evidence, and the order in which they will be heard, follow:

Don Lee Broadcasting System; Yankee Network (Colonial Network); King Trendle Broadcasting Corporation (Michigan Network), Virginia Broadcasting System, California Radio System, Wisconsin Radio Network, Pacific Broadcasting Company, Texas State Network, North Central Broadcasting System, Arrowhead Network, Empire State Network, Inter-City Broadcasting System, Oklahoma Network, Pennsylvania Network, Quaker Network and Texas Quality Network.

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## McNINCH TO TAKE TWO WEEKS' VACATION

Chairman Frank R. McNinch is preparing to take a two weeks' vacation, it was learned this week, prior to the starting of Senate hearings on the Wheeler reorganization bill.

It was not known whether his decision to take a vacation at this time has any connection with his recent illness, but it was pointed out that he has been very active since the President recommended that the Federal Communications be reorganized and the Communications Act be revised.

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## JEWETT CLARIFIES TESTIMONY ON TUBE

Testimony of Dr. F. B. Jewett, Vice-President of the American Telephone and Telegraph Company, before the Monopoly Investigating Committee on January 18th regarding the lack of general adoption by the radio tube manufacturing industry of a long-life tube developed by Bell Laboratories for telephone use was clarified in a letter to Chairman O'Mahoney, dated Jan. 24, and made public last week.

Dr. Jewett corrected a statement that the number of patents owned by the Bell system was 15,000 as of 1934. This number, he wrote, was the number the system was free to use, but it owned only 9,500 at that time.

The 50,000-hour vacuum tube which the Bell system has employed for a number of years in telephone circuits is available for manufacture under the A. T. & T. cross-licensing arrangements with electrical and radio manufacturers, he wrote, and these agreements do not prevent Western Electric, the A. T. & T. manufacturing subsidiary, from making radio tubes on the principles of the long-life tube.

In this connection, Dr. Jewett wrote as follows:

"I should like to point out that the problem of designing vacuum tubes for use in telephone repeaters differs in important fundamental respects from the problem of designing tubes for radio receiving sets. My regret, of course, is that I did not take time while testifying to make this perfectly clear, particularly as a very few words would have been sufficient to establish the fact. Although the radio tubes of the present day may be of considerably shorter life than our telephone repeater tubes, it does not follow that the radio tubes would be better suited to their work if they partook more of the character of telephone tubes. In the first place, the average radio set is itself a thing of relatively short life, perhaps four to six years, so that little or nothing would be gained by using in this set tubes whose normal life is eight to ten times the life of their associated equipment. Particularly would this be true if the longer life tube represented any material increase in tube cost. In the present state of our knowledge, such longer life would definitely entail a greater cost.

"In the case of the telephone repeater the more expensive type of tube is amply justified, but for reasons which do not operate in the case of radio receiving sets. In the first place, the telephone repeater forms part of a relatively expensive circuit connecting distant points. Because of this and within wide limits, the first cost of the telephone tubes is a very small quantity compared to the cost of the circuit of which they are a part. The cost of tube operation, however, is a most important consideration in the design of the telephone tube. Repeater tubes must operate uniformly and reliably twenty-four hours a day every

day in the year and they have to be fed from storage batteries, a form of electrical energy costing several times as much per unit as lighting current. Hence, low current consumption in the telephone tube is essential; and it happens that we have been able to make long tube life a concomitant of low energy consumption.

"These exacting operating and service considerations do not obtain, apparently, in the design and manufacture of receiving set tubes. In the latter case the manufacturer is concerned with tubes of high quality, low initial cost and life characteristics compatible with the life of the sets they serve. I believe that these requirements have been well met by the industry.

"In conclusion, let me point out again that to the extent that the long-life telephone tube is covered by patents, these are available to radio manufacturers through license. The engineering problem of the radio designer, however, has diverged from that of the telephone designer, with the result that each has developed a tube construction best suited to his industry."

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#### NEW RADIO-TELEPHONE DEMONSTRATED

A recently developed emergency radio-telephone unit, capable of bridging a gap of as much as 50 miles in broken telephone lines, was demonstrated Monday night at a meeting of the Institute of Radio Engineers in the Chamber of Commerce auditorium.

The new unit, an improvement over equipment used in Florida hurricanes of 1933 and 1935, has a combined receiving-transmitting unit, portable antenna, and generator.

Speakers at the meeting were D. O. Hunter, of the National Broadcasting Company, on "U.F.H. Transmitters for Relay Broadcast Purposes", and F. M. Ryan, of the American Telephone & Telegraph Company, on "Radio Equipment for Telephone Communications in Emergencies".

Among the Committee Chairmen participating in the meeting was J. H. Payne, Chief of the Electrical Division, U. S. Bureau of Foreign and Domestic Commerce.

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The preliminary report of the Columbia Broadcasting System, Inc., for 1938 shows net income of \$3,541,700 compared with \$4,297,600 in 1937. Directors have declared dividends of 25 cents on the company's Class A and B stocks.

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McNINCH STATES VIEWS ON BAR PROPOSALS

Chairman Frank R. McNinch of the Federal Communications Commission this week sent the following letter to Judge Frank Roberson, President of the Federal Communications Bar Association:

"Dear Judge Roberson:

"This will reply to your letter of January 23, 1939, in which you ask on behalf of the Executive Committee and the Committee on Ethics and Grievances of the Federal Communications Bar Association, whether the Commission is in sympathy with, or generally approves the Canons of Ethics of the Bar Association as published in the May, 1937, issue of the Federal Communications Bar Journal.

"The Commission desires to promote and encourage the practice of law before it under the standards observed by ethical lawyers throughout the profession; and our rules now specifically impose on attorneys the duty of conforming to recognized standards of professional conduct.

"In this connection the Commission views with general approval the Canons adopted by your Association. At the same time it will be appreciated that the subject is so much one of conscience as to make inappropriate the adoption or approval of rigid rules having the force of law. It may be noticed that most courts have declined to lay down fixed standards, other than through the precedents to be derived from their decisions. Accordingly, the Commission must reserve to itself as cases may arise the determination as to the principles of ethics which shall be applied. Judicial precedents, and our own, are guides in such determination; and the precepts your Association has established also are entitled to recognition and weight.

"The Commission is in sympathy with your objectives in agreeing among your membership upon an ethical code, and commends the Association and its Committee in their effort to assist in insuring that the practice before us shall be conducted with all propriety."

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A new bibliography of radio publications and references was issued this week by the Electrical Division, U. S. Bureau of Foreign and Domestic Commerce, and is available at ten cents a copy.

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 ::: TRADE NOTES :::  
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The American Telephone and Telegraph Company has filed revisions to its tariffs FCC No. 137 and No. 143 to become effective March 1, 1939. The revisions introduce for the first time rates and regulations for 75-speed Private Line Teletypewriter commercial and press services which the company proposes to offer on an experimental basis for one year beginning March 1, 1939. The minimum period of service for 75-speed operation is three months.

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 The 90-day employment of Marion L. Ramsay, Director of Information for the Federal Communications Commission has been extended for another 30 days.

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 "Electrical Week", a national news magazine on appliance distribution, edited by O. H. Caldwell, former Federal Radio Commissioner, made its appearance last week. Its headquarters is 480 Lexington Avenue, New York City.

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 Hygrade Sylvania Corporation reports for 1938 a net profit of \$438,691, equal, after dividends on \$6.50 preferred stock, to \$1.48 each on 204,684 shares of common stock outstanding. Net profit in 1937 was \$868,064, or \$3.58 a share on 204,684 common shares. Sales were \$7,957,065 last year, against \$9,417,034 in 1937. Balance sheet as of Dec. 31, 1938, shows current assets, including \$1,784,297 cash and United States Government obligations, amounted to \$5,416,021, and current liabilities were \$896,132. Inventories were \$1,646,842, against \$2,449,960.

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 A new member of the Radio Manufacturers' Association is the Farnsworth Radio and Television Corporation, whose application for membership in the Association has been approved by the RMA Board of Directors. Membership of RMA now includes virtually all of the leading companies interested in the development of television, and non-member companies, as well as all broadcasting interests, have participated in RMA engineering work in connection with television. The Association also is considering a special engineering service to determine signal strength and market areas of future television broadcasting service, together with other information on the future merchandising, installation, service, etc. of television receivers, in anticipation of the future problems of RMA receiver manufacturers.

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 Lincoln's birthday, Sunday, February 12th, inaugurated a new NBC series of "good will" shortwave programs, recorded in Spanish and Portuguese by the National Broadcasting Company for broadcast to South and Central America, over stations W3XAL, W3XL, W2XAD, and W8XK. The series of records is the result of a five-week radio survey by NBC of the peoples, regions, industries, economic exchange possibilities, educational facilities, cities, amusements and history of the United States.

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