

# HEINL RADIO BUSINESS LETTER

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## FCC MORALE AT NEW LOW; WORK AT A STANDSTILL

Because of the uncertainty of the reorganization of the Federal Communications Commission and the bitter feud between Chairman Frank R. McNinch and Commissioner T.A.M. Craven the morale of the FCC and its staff has reached a new low.

Work of the Law Department and other divisions of the Commission organization has come almost to a standstill as employees have no assurance of jobs after the shake-up. Decisions of the Commission under the new set-up instituted by Chairman McNinch following the abolition of the Examining Division have been few and far between.

Meanwhile, members of the Commission are at the mercy of members of Congress who believe in taking advantage of the situation to promote the interests of their constituents.

Despite the fact that Chairman McNinch announced a year and a half ago that a "gold fish bowl" policy would be followed by the Commission and that all communications from members of Congress would be made public, members of the FCC are being annoyed daily with calls in persons and on the telephone. One Commissioner stated that never before in his experience on the Commission has so much pressure been brought to bear on individual Commissioners by politicians.

With the Wheeler-McNinch and the White reorganization bills lying idle on Capitol Hill and with no appropriation for the FCC in sight, the outlook for radio regulation is indeed bleak.

Observers believe that the only solution to the dilemma is a thorough airing of the whole FCC affair before a Congressional committee. Most members of the Commission feel that the White resolution is the answer.

Rumors that President Roosevelt will again take a hand in straightening out the muddle continue to circulate around Washington. With Judge Eugene C. Sykes due to step down after 12 years' service next month, broadcasters are wondering if that may now be just the beginning of a general exodus from the Commission.

The one big question mark in the minds of broadcasters, however, is whether or not Chairman McNinch still has the backing of the President. Senator Wheeler (D.), of Montana, has noticeably cooled toward the Chairman and his three-man plan, but so far there has been no definite indication from the White House as to the Chief Executive's attitude on the reorganization plan.

The recent outburst of Chairman McNinch against Commander Craven has served to muddy the waters more than ever although the reaction was far more unfavorable to the Chairman than to the dissenting Commissioner.

The frank criticism of FCC policies and some of Mr. McNinch's pet ideas by Elliott Roosevelt this week while testifying in the chain-monopoly investigation was little comfort to the Chairman although it was apparent that the President's son was speaking his own mind as a broadcaster rather than for the Administration.

The consensus of newspaper correspondents and even members of the Commission was that the lid was apt to blow off at any moment and that "anything may happen".

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#### RADIO CRITICS TO BE HEARD BY FCC NEXT WEEK

With the chain-monopoly investigation of the Federal Communications Commission nearing an end, the FCC committee next week will hear some critics of commercial radio after completing its inquiry into the regional network operations.

Appearances have been filed by the following persons and organizations:

American Civil Liberties Union, American Guild of Musical Artists, Inc., Norman Baker, Congress of Industrial Organization, L. L. Corvell & Son, Independent Radio Networks Affiliates, National Committee on Education by Radio.

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#### NEW STATION GRANTED NEWSPAPER IN ATLANTIC CITY

A construction permit for erection of a broadcasting station in Atlantic City was granted this week by the Federal Communications Commission to the Press-Union Publishing Company. The facilities granted are 1200 kc. with 100-250 watts power, unlimited hours.

The applicant publishes morning and evening newspapers in Atlantic City. The only other station in the resort city is WPG.

At the same time the FCC reaffirmed its grant of a construction permit to the Amarillo Broadcasting Corporation, Amarillo, Texas, by denying a rehearing plea by W. C. Irvin, of Amarillo.

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## WHEELER PROPOSES PROBE OF TELEGRAPH INDUSTRY

Chairman Wheeler, of the Senate Interstate Commerce Committee, this week introduced a resolution for a Senate investigation of the telegraph industry, which comes under the jurisdiction of the Federal Communications Commission. The resolution reads:

"Whereas the telegraph industry plays an important role in the economic life of the Nation and is an arm of the national defense; and

"Whereas the telegraph industry is in a precarious financial and economic state and the corporations engaged in such industry are possibly contemplating a merger or consolidation which would result in the creation of a monopoly detrimental to the public, the industry, and labor: Therefore be it

"Resolved, That the Committee on Interstate Commerce is authorized and directed to make a thorough and complete study of the telegraph industry in the United States, including the economic conditions of the telegraph carriers, their relation to corporations engaged in other forms of communications, and the tendencies toward consolidation and monopoly in such industry. The committee shall report to the Senate as soon as possible the results of its study, together with its recommendations for the enactment of any remedial legislation it may deem necessary for the best interests of the public, the industry, and labor.

"For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places, either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate in the Seventy-sixth Congress; to employ such experts, and clerical stenographic, and other assistants; to require by subpoena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents; to administer such oaths; and to take such testimony and to make such expenditures as it deems advisable. The expenses of the committee, which shall not exceed \_\_\_\_\_, shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman."

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The Australian Broadcasting Commission, in its sixth annual report, for the year ended June 30 last, estimates that there are now wireless receiving sets in 65 percent of the dwellings throughout the Commonwealth. On June 30 there were 1,057,911 licenses in force, which raised the percentage of licenses to population to 15.40, compared with 13.78 in the previous year. Australia still holds sixth place in the world in the percentage of licenses to population.

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## ELLIOTT ROOSEVELT RAPS FCC "CENSORSHIP"

The voice of young Elliott Roosevelt, son of the President and a broadcaster in his own right, this week was added to the growing cries against indirect censorship of radio by the Federal Communications Commission.

Appearing before the FCC chain-monopoly hearing for parts of two days, Mr. Roosevelt complained against the six-months license period, the insecurity of the broadcasting business, and objected to the suggestion that a "bureau of standards" be set up as a yardstick for programs.

Mr. Roosevelt said that "a censorship of fear" exists in radio. He told the FCC that radio, "for the good of free speech and private initiative" in this country, "needs a law that will allow a broadcaster to operate without fear, even though his worst enemy administers it".

The present requirement that radio stations renew their licenses every six months, Mr. Roosevelt said, "tends to act as a restriction upon free speech".

"Free speech, generally speaking, is enjoyed only in America", he went on. "The totalitarian States have not only a controlled press, but a controlled radio, and this trend is to be feared in America. This censorship may be unintended. It is none the less real."

On the second day, under questioning by Chairman Frank R. McNinch, the President's son said he had not meant to charge the FCC with exercising censorship but had intended to point out its potential danger.

Instead of requiring stations to make periodical license renewals, although he said it mattered little whether the period was every six months, as required by the FCC, or every three years, the maximum allowed by the Communications Act, Mr. Roosevelt urged:

A certificate permitting a station to continue so long as it operates for the public good. Such a certification would be revokable for cause.

Mr. Roosevelt is President and Chairman of the Board of the Texas State Network, Inc., and head of Hearst Radio, Inc.

Because of the license renewal and station sale regulations, he testified, radio had been unable to obtain financing from banks.

"Because of the uncertainty of continued operation", he said, "no bank could justify a loan."

"As a result, the people who went into radio were those willing to gamble rather large sums of money."

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Chairman McNinch, chief questioner, asked the witness what "threat" there can be if the Commission denies license renewals only in "extraordinary cases".

Mr. Roosevelt replied that this fact makes no difference to bankers so long as operators must make regular renewals of licenses and are not allowed to place any value on the license.

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#### SUB-COMMITTEE NAMED ON LIQUOR ADVERTISING BILL

Chairman Wheeler of the Senate Interstate Commerce Committee, announced this week the appointment of a sub-committee of Senators Andrews of Florida, Johnson of Colorado, and Gurney of South Dakota to consider S 517, "a bill to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, and for other purposes", introduced by Senator Johnson of Colorado.

The purpose of Senator Johnson's bill is to prohibit any advertisement of, or information concerning, any alcoholic beverage, such advertisement or information is broadcast with the intent of inducing the purchase or use of any alcoholic beverage.

The Federal Alcohol Administration in each of their yearly reports have recommended that the Congress take such action. Senator Johnson says he is hopeful of getting action on his bill at this session of Congress.

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#### INTERFERENCE ERADICATORS GIVEN AWAY IN COPENHAGEN

The Danish State Radio Monopoly is now in a position to offer Copenhagen listeners, gratis, suppression of motor noise radio interference through a grant of 50,000 crowns in the last budget, according to the American Commercial Attache, Copenhagen. Hitherto the listeners themselves were obliged to meet the expenses incurred in suppressing interference by motors, etc. installed prior to 1931, the effective date of the current radio law. In the future all work in eliminating sources of interference will be done free of charge by the radio authorities.

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## NBC ISSUES COMMERCIAL TELEVISION BOOKLET

The National Broadcasting Company has mailed the first booklet dealing with television exclusively from an advertising standpoint to more than 5200 advertisers and agencies throughout the country. The booklet, compiled by E.P.H. James, NBC Sales Promotion Manager, is called "Television in Advertising", and summarizes the present status and future of television as an advertising medium. Also being mailed at the same time is another booklet called "RCA Television", which contains a short history of television development and a condensed description of the RCA electronic system.

The points covered in the booklet of particular interest to advertisers are: (1) That the cost of production remains the greatest problem to be solved, and in any event will, on the average, exceed that of present sound broadcasting; (2) that NBC, while not planning any immediate sale of time, is following the policy of creating as much program variety as possible in order to build up a fund of experience of future value to advertisers; (3) that the addition of sight to sound will give more than twice the flexibility of present day sound broadcasting for commercial purposes and can be expected to be many more times as effective in actual sales appeal, and (4) that for more than four years NBC has employed special observers whose task it has been to watch and chart the development of television in relation to its possibilities as an advertising medium.

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## U. S. RADIO SET SALES ABROAD FALL IN JANUARY

Sale of American-made receiving sets abroad, which aggregated 55,000 units valued at \$1,271,674 in December, dropped to 35,081 sets valued at \$808,842 for January of this year, the Commerce Department reports. Foreign sales of receiving set accessories, recorded at \$32,299, reached the lowest point in more than a year. Sales abroad from the United States of "radio receiving tubes" and "receiving set components" classifications decreased from a value of \$368,362 to \$156,355 and \$535,276 to \$265,461, respectively. Exports of "transmitting sets, tubes and parts" also decreased from the December figure of \$304,196 to \$165,225 for January.

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## DENIES NAZIS DROWN U. S. WAVES IN PUERTO RICO

Reception of American broadcasting stations in Puerto Rico is not hampered by Nazi or other European transmissions, according to first-hand advice received by S. T. Thompson, of the Zenith Radio Corporation, Chicago, despite a statement to the contrary by the Rev. Jarvis S. Morris, President of the Polytechnic Institute of Puerto Rico.

The Rev. Mr. Morris' statement was reported in the New York Times as having been made in a New York City church recently and was reprinted in the Heintz News Letter.

"I arranged with our Export Department", Mr. Thompson writes, "to communicate with a friend in Puerto Rico, and I think it only fair that we send you a copy of his reply so that you may see that the situation, insofar as German propaganda is concerned, is not universally the way it was reported by the Rev. Morris. It is quite possible that in an isolated case and with a receiver incapable of receiving short wave reception properly, he may have stumbled across a condition that disturbed him. Evidently it is not a general condition, and if it exists at all, is isolated."

In reply to Mr. Thompson's inquiry, Hijos de Ricardo Vela wrote as follows, in part:

"We have your letter of January 26th in which you want our comments in reference to an item in Heintz Radio Business Letter in which it is informed that according to the Rev. Jarvis S. Morris the Nazi Propaganda Broadcasts are drowning out educational programs from your country in Puerto Rico making almost impossible for radio listeners in Puerto Rico to tune in either local or United States stations. We wish to inform you that this is absolutely incorrect and that there is no interference from the German or any other European broadcaster with the transmissions from the local or U.S. stations. We have not heard absolutely any complaints from anybody here regarding this interference and the writer, who is an ardent radio listener, tunes every day the American programs day and night without interference from European stations. He has a Zenith radio in his home and nightly tunes in the principal programs from the U.S. short wave stations not only those directed to South America but also the principal programs from the Columbia and the National Broadcasting system with absolute regularity and clarity.

"During the daytime we can tune in on the American stations on 13, 16 and 19 meters with good volume without interference from other stations. The station at Bound Brook, New Jersey, W3XAL at 16 meters starts a program at 6 P.M. every day that is heard here with splendid volume and clarity without absolutely any interference, also during the night time the Columbia Broadcasting System with its stations W3XE and KDKA at Pittsburgh, Pa., both on 25 meters, are heard with very good volume and clarity transmitting the chain programs and programs directed to Latin America.

On 31 meters we have the Schenectady stations and also another station at Bound Brook in 30 meters. These are received also very well. The only complaint we would make against the U. S. is that they transmit too much in Portuguese when out of 20 countries in Latin America there is only one who speaks Portuguese. The best received European station here at night is the English station on 31 meters and it does not interfere with any other station. During the day time all U. S. short wave stations are received here with much greater strength and clarity than any European broadcaster, and is only during the night time that the English station on 31 meters excels the U. S. stations and these are on a par with the German stations as to volume and clarity.

"We know there is a movement in the U.S. to have the government erect a powerful station to counteract German propaganda and probably Rev. Morris' sermon was more of a propaganda nature than a desire to state the true facts, or maybe Rev. Morris does not have a Zenith.

"Of course, the German stations are very well received here, and there are many people, in Puerto Rico, just as in the States, that prefer to tune the German broadcast to any others, but this cannot be avoided, just as it cannot be avoided that others prefer and tune only Cuban, American, Italian, English or Spanish broadcasters."

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#### PORTABLE TELEVISION TRANSMITTER EXHIBITED

A portable television transmitter weighing about 450 pounds, developed by engineers of the Philco Radio and Television Corporation, which can be rolled about on wheels and used to televise either studio programs or outdoor athletic or news events, was demonstrated this week on the first day of the company's "All Year 'Round" convention at the Savoy-Plaza Hotel, New York City.

Standing about five and one-half feet tall and measuring about one-and-a-half feet in width, the apparatus, which picks up both sight and sound, can be moved easily by two or three men and is able to transmit over a distance of 150 feet under its present low power. Compact, in spite of its eighty-three tubes, it is made up of 12,000 individual parts, and is equipped with a battery of lights for use indoors, which are detachable. Only a plug-in to a nearby electric outlet is needed to place it in operation. A sound box is attached to the side of the transmitter and is adjustable to it, in much the same way a motion picture sound track is adjusted to a film.

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TRADE NOTES

The average price of radio sets in 1938 was 73 percent below the average 1929 price and radio tubes 50 percent lower, David Sarnoff, President of the Radio Corporation of America, estimates from reports in the trade this week.

A. D. Willard, Jr., General Manager of the Columbia Broadcasting Company's District of Columbia division said this week that the ace sports commentator, Arch McDonald, will leave Washington not later than April 1 to take up a similar assignment in New York.

NBC President Lenox R. Lohr has announced a new personnel training plan for Radio City guides and pages, designed to give them a more intensive preparation for careers in the broadcasting business. In addition to the inauguration of special classes and discussion groups, the plan will permit rotation of all junior employees on the guest relations staff in the various positions of the division.

More than a hundred manufacturers have contracted for over 130 booths in the National Radio Parts Show at the Stevens Hotel, June 14-17, which is sponsored jointly by the Radio Manufacturers' Association and the Sales Managers Clubs. The number of exhibitors, as well as the space contracted for, is ahead of last year's record, and the programs both for the RMA convention and the parts show are being prepared.

WNYC, New York City-owned transmitter, will serve hometown news to New York World Fair visitors this Summer through tie-ups with out-of-town newspapers. Local items will be condensed into a daily news report, with each paper given credit. It's tentatively titled "Your Home Town News".

The reduction in power of WLW, Cincinnati, from 500 KW. to 50 KW. has not affected a single account, according to James D. Shouse, General Manager of WLW and Vice President of the Crosley Corporation in charge of broadcasting.

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## GERMANS DEVELOP TUBE TO COMPETE WITH U. S. IMPORTS

German scientists have developed a radio tube that promises to compete favorably with American imports, according to the office of the American Commercial Attache at Berlin.

At a recent meeting at Mannheim of the German Association of Radio Amateurs (Verband des Deutschen Amateur-Sende und Empfangs-Dienstes) Professor Dr. Wesch of the Lenard Institute of Heidelberg read a paper on two new types of radio tubes developed by this Institute, the report stated. Professor Wesch claimed that, apart from technical advantages, these tubes can be manufactured at a cost which would be in line with the present prices of American tubes and asserted that the new invention "would break the American radio tube monopoly".

Professor Wesch said both of the new radio tubes are so-called pentodes. The first of the two types represents an improvement of the universal tube EF 14 which can be put to many different uses and has wide possibilities of amplification. Its principal use will be for short wave amateur sets. It is also of importance as a power tube for broadcasting stations up to 100 watts and can serve as oscillation generator with back-connection with the controlling grid ("echo connection"). Owing to its construction it produces an absolutely silent oscillation with an efficiency of 70 percent.

Of still greater importance for amateur radio sets is the new "German Standard Sending Tube", Professor Wesch asserted. It presents the same advantages as the first tube and can be used even for the smallest waves (down to 10 meters for amateur sets). Other characteristics are its very small dimensions and its extraordinary reserve capacity - 50 watts outgoing out of 75 watts reception. Its efficiency is 74 percent.

There is reason to believe, Professor Wesch asserted, that the new tubes will put an end to the dominant position of America in the world radio tube market. As the German industry will take no special profits according to Professor Wesch, it will be possible to produce the new tube, which will make its appearance in the German market early in the new year, at a cost corresponding to present American prices, quite apart from the fact that the quality of the new German tubes will be higher than the corresponding American product.

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Dear Miss Sprague:

There apparently is no No. 1106. That number apparently was skipped but I am sending March 14th issue in case you do not have that. We only get out the letter on Tuesdays and Fridays so you have not missed any if you have No. 1107.

Donna K. Lawrence  
Secretary to Mr. Heinl