

HEINL RADIO BUSINESS LETTER

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No. 1110

CONNERY ATTACKS McNINCH AND RADIO MONOPOLY

Reiterating a demand for a sweeping investigation of radio, Representative Connery (D.), of Massachusetts, on Thursday assailed the "radio monopoly", the Federal Communications Commission and Chairman Frank R. McNinch in an address in the House.

He charged that funds are used by the "radio monopoly" to influence members of Congress, that this same monopoly controls 95 percent of the air waves, that a few people in New York decide what the American listeners shall have on the air, and that Mr. McNinch has trebled the cost of the FCC Publicity Division.

"A Congressional investigation of the Federal Communications Commission and the radio monopoly", he said, "will definitely show first, that the Commission has operated solely for the benefit of vested interests; secondly, that this condition was in full force and effect when the Roosevelt Administration came into power; third, that the contracts which the networks hold with affiliated stations force the affiliated stations to blindly accept such radio programs as the radio networks monopolists decide the people of every community of America must listen to, especially between the hours of six o'clock and eleven o'clock at night.

"The Congress of the United States indicated a month ago the virtual contempt which it has for the apparent malfeasance in office of those who constitute the Federal Communications Commission under the leadership of Chairman McNinch when the Congress enacted the Independent Offices Appropriation Bill without appropriating a dollar for the further support of this agency.

"The all important Appropriation Committee of the Congress of the United States has taken the position that before appropriating further funds for the support of this subservient Commission, we should enact new legislation. In view of the charges of debauchery and corruption, of virtually proven monopoly, of a condition in the Commission itself wherein the President of the United States has publicly stated that he is thoroughly dissatisfied, I do not believe that any fair-minded Member of this House can disagree that we should not enact any legislation until a full and thorough Congressional investigation is made into the many ramifications of the power which resides in those entrusted with the molding of public opinion, through the licenses granted by this governmental agency known as the Federal Communications Commission.

"During the past few months I have discussed this matter with several members of the House, and I was surprised to find that many Democratic members, while conversant with the corrupt conditions which exist and who freely admit the need of a Congressional

investigation, hesitated because they believed it would reflect upon the Roosevelt Administration. I have gone into this matter of radio at some length, and I want to say to every Member of the House that the most distressing conditions existing today in the field of radio broadcasting are the result of the power, the practices, and the licenses granted to the radio monopoly prior to the induction into office of President Roosevelt.

"Naturally, we are at fault when we entrust the issuance of radio licenses to a Chairman who was rewarded by President Hoover with appointment to Federal office because of his desertion of the Democratic Party. The present Chairman of the Federal Communications Commission rose to fame in his local community as a leader of Democracy. In 1928 he deserted Democracy and was rewarded for such desertion by appointment by President Hoover to an office in Washington which he publicly testified paid him ten times more per year than his prior average yearly earnings. This gentleman, as the records show, was accused publicly of failing to file a report of funds used in a political campaign to defeat the candidate of the Democratic Party for President of the United States; of having been appointed to a Federal position because of his treachery to a political party which had honored him with public office. For some unknown reason, shortly after Democracy came into power, this gentleman was placed at the head of first one and then another influential and powerful government agency. His administration of that agency for the past eighteen months has been such that on January 24th last, President Roosevelt publicly stated that he was thorough dissatisfied with the conditions within the Commission.

"To further indicate the attitude which President Roosevelt takes towards that Commission, I call the attention of the House to the President's recent public statement at a press conference when, as I understand, even before the President had received the resignation of one of the present members of the Communications Commission, he accepted that resignation before it was handed to him

"Many members of the Congress have demanded economy in Administration agencies. It might be of some interest for those members of the Congress to know that the clerical costs alone of running the individual office of the present Chairman of the Federal Communications Commission this year has increased, without either reason or results, more than 100% over those of his predecessor.

"In addition, the publicity division, operated last year at a cost of some \$7,000 now is operated on a basis of some \$17,000. This additional cost is due entirely to new attaches brought into the Commission by the Chairman himself.

"The radio monopoly has gone to great lengths to force all its affiliated stations to accept its judgment of what programs must be broadcast over the air. An investigation will disclose that both the National Broadcasting Company and Columbia Broadcasting System force the three hundred or more radio stations,

which they control through operation or affiliation, to blindly accept those programs which the radio monopoly itself decides shall be broadcast.

"A Congressional investigation will disclose that the radio monopolists force the affiliated radio station owner to sign a contract wherein the local station owner agrees that that station's facilities will not be permitted to broadcast any program of any network other than the one with which he is affiliated.

"Further, an investigation will disclose that prior to 1936, there existed a gentleman's agreement between the officials of the National Broadcasting Company and the Columbia Broadcasting System wherein both agreed they would not service with programs any station which had a contract or was affiliated with a so-called competitor.

"Further, an investigation will disclose that both of these radio monopolies force the local affiliate into signing a contract of exclusiveness which virtually deprives the station licensee of operating his station in the public interest; because by so contracting for the sale of time to the network, he is forced to give to a few persons in New York City, to all intents and purposes, the operation and control of his radio station.

"Were the members of the Federal Communications Commission free to function in the public interest as the Congress intended, no such contract could legally exist let alone secure the approval of this governmental agency. But the FCC has totally ignored this practice - a practice that has resulted in greater monopoly for a few.

"Shortly after a substantial number of the members of the House had indicated their lack of confidence in the Federal Communications Commission by voting for a Congressional investigation, this Commission realizing that something must be done to satisfy the public demand for the elimination of a monopoly in radio, went through the motions of investigating the radio monopoly. Imagine, if you can, those who illegally made the radio monopoly possible investigating their own activities. As was well said by a well-known news commentator, it reminded him of 'the witches going on a witch hunt'.

"There is pending before the House Rules Committee two resolutions calling for an investigation of the radio monopoly as well as an investigation of the Commission itself. I have the honor of having presented one of these resolutions. I have no pride of authorship and am perfectly content for the Rules Committee, in its wisdom, to report out either of these resolutions or its own resolution.

"I appeal to the House to investigate these charges and the entire trouble which exists in the radio broadcasting field before we try hurriedly and without due consideration to enact new radio legislation."

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LEWIS, GRANIK IN FRONT FOR SYKES' PLACE

With the President expected to send a nomination next week to the Senate to fill the vacancy created by the resignation of Judge Eugene O. Sykes, two candidates were reported to be in the lead for the job.

They are former Representative David J. Lewis, of Maryland, and Theodore Granik, of New York, counsel to the United States Housing Authority. The name of former Senator Fred Brown, of New Hampshire, also was being mentioned as second choice.

Mr. Lewis is a lame duck member of Congress to whom the Administration is pledged to find a political job because of his New Deal fight against Senator Millard Tydings last Fall. His age and lack of knowledge of radio problems, however, are the principal obstacles to his selection.

Mr. Granik has the support of Thomas G. Corcoran, presidential advisor, and Senator Wagner, of New York. Senator Wagner called at the White House this week to endorse his candidacy.

Former Senator Brown is well liked in administration circles but has no particular radio qualifications.

President Roosevelt has indicated he would send the nomination to the Senate at the same time he accepts formally the resignation of Judge Sykes, due to become effective April 1st.

The fact that the President has recognized the need for appointing a successor to Judge Sykes is interpreted in broadcasting circles as an admission that a legislative reorganization of the Commission at the current session of Congress is extremely unlikely.

Neville Miller, President of the National Association of Broadcasters, and Mark Ethridge, former NAB head, as well as Chairman McNinch were callers at the White House this week. It is understood they were consulted with regard to the FCC appointment. Mr. Miller and Mr. Ethridge also are believed to have discussed the general radio regulation situation with the President.

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JAPAN READY TO START TELEVISION TESTS

The Japan Broadcasting Corporation's station at Tokyo, JOAK, will start television broadcasts on an experimental basis this Spring after it moves to the new building now nearing completion at Uchisaiwai-cho, Kokimachiju, Tokyo, according to the American Commercial Attache, at Tokyo. An appropriation of 970,000 yen was made at a meeting of the Board of Directors of the corporation recently. The test broadcasts will be made at the Atagoyama studio, now being used for the regular daily radio broadcasts. Dr. Kenjiro Takayanagi, premier television researcher in Japan, will take charge of all television broadcasts.

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VALUE OF RADIOTELEPHONE SHOWN IN GREAT LAKES SURVEY

Radiotelephone recently has come to be a worthy rival of radiotelegraph, in short range communication, as a means of protecting life and property from marine disasters, the Federal Communications Commission pointed out this week. That this is particularly true on the Great Lakes is shown in testimony received by the Great Lakes and Inland Waters Survey, the statement said.

The survey has just concluded a two weeks hearing at Cleveland, Ohio, with Commissioner Thad H. Brown of the Communications Commission presiding. Hearings will be resumed in Cleveland on April 5 for further inquiry into radio needs for marine safety in the Lakes region.

More than 80 American vessels and about 40 Canadian vessels have already installed radiotelephone equipment voluntarily, Commissioner Brown pointed out. In recognition of radiotelephone on the Great Lakes the United States Coast Guard plans to place radiotelephone transmitting and receiving equipment this year in 15 life saving stations strategically located around the Great Lakes.

At Cleveland 15 captains, representing the Lake Carriers Association and the Inter Lake Transit Company, testified to the usefulness of the radiotelephone as well as to the value of radio direction finders in preventing navigation casualties. According to testimony by the captains radiotelephone is faster than radiotelegraph in getting messages from ships to shore, and quicker communication brings speedier aid for vessels in distress. Because of its greater convenience officers of a telephone equipped ship frequently talk with vessels ahead to learn of fog and other disturbances as well as currents in difficult passages. Testimony was obtained that radiotelephone messages went through heavy static when the telegraph was unable to get through.

On the other hand evidence has been obtained from the American Communications Association that the radiotelegraph penetrates interference better than the radiotelephone. It is also argued for the telegraph that it provides a written record and, with a radiotelegrapher on duty to give his entire attention to communication, frees the master and officers for other duties. The Association urges that all commercial vessels of over 1600 gross tons should be compelled to install radiotelegraph equipment.

Virtually all of the commercial lake vessels have radio direction finders and use regularly the numerous beacons which give the navigator an accurate bearing when fog and thick weather blots out all visible landmarks, lights and buoys, the survey learned.

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The recent hearing revealed a wide and active interest in the use of radio for safety purposes on the Great Lakes. The several radiotelephone and radio-telegraph corporations with facilities on the lakes, the Erie Chamber of Commerce, the American Communications Association, the Lake Carriers Association, and other steamship lines were particularly interested in the use of radiotelephony on the many large lake freighters which navigate the Lakes. On the other hand, the yacht associations and power squadrons in the Great Lakes area, and the Lake Huron and Lake Michigan fishing companies were interested in usefulness of radio promoting safety of smaller vessels on the Great Lakes.

The Government departments other than the Federal Communications Commission which presented evidence were the Coast Guard, the Bureau of Lighthouses and the Bureau of Marine Inspection and Navigation. The work of these departments is related to safety on the Great Lakes and they have cooperated with the Federal Communications Commission in the conduct of the present investigation of radio needs for safety purposes.

Six witnesses of the Federal Communications Commission presented comprehensive data relating to radio equipment on the Great Lakes, characteristics of Great Lakes vessels, navigation casualties over a period of 15 years and the results of engineering tests which have been conducted relating to radiotelegraphy and radiotelephony. Over a hundred exhibits based on studies and investigations of the staff of the Great Lakes and Inland Waters Survey under the direction of Commissioner Brown were introduced into the record.

Hundreds of pages of testimony including 164 exhibits were presented by 49 witnesses during the hearing.

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RADIO STATIONS PLAN OPEN HOUSE APRIL 17

Carrying on its joint promotion campaign, a Committee from the National Association of Broadcasters and the Radio Manufacturers' Association this week were making plans for a nationwide open house demonstration on April 17th.

Prior to this public appeal, sectional meetings of station operators and radio retailers will be held for the discussion of mutually beneficial promotion stunts.

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TELEVISION ATTACHMENT FOR RADIOS DEVELOPED

Development of a simple television receiver which can be attached to any radio set by the Wald Radio & Television Laboratories, Inc., of New York, was announced this week by Robert Robins, Secretary of the company.

This development by George Wald, a pioneer in the field of radio, television and talking pictures, prevents the present radio receivers now in homes from becoming obsolete and makes possible the rapid conversion of the present radio audience into a television audience.

"A patent held by the Wald Corporation permits the sending of programs over hundreds of miles by means of 'mixed frequencies' without any necessity for costly relay stations", the statement added. "This will eliminate another hurdle in the expansion of television which to date has faced the problem of erecting expensive booster stations because of the limited television range extending from 25 to 50 miles from the point of broadcast origin. Another patent owned by the company enables television broadcast to be made over present radio transmitting equipment without construction of special costly television transmitters.

"The Wald Corporation will manufacture, distribute and license the use of equipment based on its patents. It has also perfected a new method of television transmission enabling use of the present broadcast band on radio receivers for television transmission.

"At present, the spectrum range allows only two available channels on the 5 meter band. Reception, therefore, has been limited to two television programs within a given area. Wald patents overcome this limitation. They utilize the present aural-broadcasting wave and enable as many television programs to be on the air as there are radio broadcasts going out at present."

Officers of the new corporation chartered at Albany last week, are George Wald, President; Robert Robins, Secretary and Treasurer; Ralph Vatner, Vice-President and General Counsel. The Wald Radio & Television Laboratories, Inc., is a closed corporation and will not make any public issue of capital stock, it was said. The company in addition to its other activities, will engage in broadcast of non-commercial television programs.

Among patents received and issued to Wald, are Facsimile Broadcasting, issued April 17, 1917; patent on method of transmission making use of present radio broadcasting band for television and capable of transmitting video or image transmission nearly the same distance as audio or sound is transmitted today, issued Dec. 31, 1935; and simultaneous transmission and reception of sound and image over one channel, either radio, wire or television carrier, issued March 15, 1938. A basic patent for film talking motion pictures was reduced to practice on June 20, 1917.

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MAJ. ARMSTRONG BARES "MODULATION" WONDERS

Some of the hitherto unrevealed wonders of the new "frequency modulation" radio broadcast system developed by Maj. Edwin H. Armstrong, Columbia University electrical engineering professor, were demonstrated in New York Thursday night at the University at a meeting of the Radio Club of America, the New York Times reported.

Assisted by three engineers of the General Electric Company, Major Armstrong showed in a series of tests that the transmitting power of his 20,000-watt station at Alpine, N.J., twelve miles up the Hudson, and a similar 600-watt station in Yonkers, could be reduced almost to the vanishing point without appreciably affecting the quality of the program. At the same time this huge reduction in power, about 4,000 times in one case and 600 in the other, respectively, did not seem to cause an increase in static noises.

"In other words he purported to show, and seemed to succeed in showing, that with his unique system high-power stations are not necessary for perfect, noise-free reception", the Times said.

Directing the tests by telephoning to his operators at Alpine and Yonkers, Major Armstrong first showed the several hundred assembled engineers of the Club what music and sound effects "sound like" with his system blotting out the noise generally considered inherent with all types of reception. Each sound was crystal clear and life-like, and murmurs of approval were heard from the audience.

He then asked Yonkers to reduce power from 600 to one watt. Music sent over the wave thus created by scarcely as much as is required to light the bulb of a pocket flash lamp, seemed to suffer not a bit by the reduction. Next he instructed Alpine to reduce its 20,000 watts to a minimum, which he said would be five or six watts of power. The result was about the same as with Yonkers.

Major Armstrong then explained to the assemblage that "I believe this demonstration speaks for itself; certainly it tells us the system actually does step outside the realm of static. We have reduced our sending power almost to the irreducible minimum and still have transmitted music of the same quality without appreciably adding noise."

The Alpine station, erected by Major Armstrong to prove his theories that "frequency modulation will work", utilizes a wavelength of about six meters. The Yonkers station, owned and operated by C. R. Runyon, an amateur, utilizes a wave of three meters.

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PRESS WIRELESS EXTENDS TRANSMISSION POINTS

Press Wireless, Inc. has notified the Federal Communications Commission of the commencement of transmission of multiple-address press material from its existing point-to-point radio-telegraph station WBC located at Hicksville, New York, and licensed to operate on the frequency 15,880 kilocycles, to Buenos Aires, Argentina; Santiago, Chile; Rio de Janeiro, Brazil; and Lima, Peru.

All of the above-mentioned cities are named as primary points of communication for stations licensed to Press Wireless, Inc. except Lima, Peru, which has been reported to the Commission as a multiple-address point for other stations licensed to this Company. In addition, each of these cities receives radio-telegraph communication service from either R.C.A. Communications, Inc., or Tropical Radiotelegraph Company, or both, and they also receive cable service.

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BRINKLEY OPENS SUIT AGAINST AMA EDITOR

Del Rio, Tex.

Dr. John R. Brinkley, deposed broadcaster, testified in/ this week that his gross income dropped from about \$1,100,000 in 1937 to about \$210,000 in 1938 after publication of an article written by Dr. Morris Fishbein, editor of the Journal of the American Medical Association.

Dr. Brinkley, who said he performed about 5,000 goat gland operations before he abandoned the use of animal glands in his rejuvenation medical treatments, was called as the first witness by the defense in his \$250,000 libel suit against Dr. Fishbein.

He had been a member of the American Medical Association before he began to advertise his operations, Dr. Brinkley stated.

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RCA INAUGURATES "PLUG" FOR COMMERCIALS

A series of announcements, designed not merely to sell one product but to urge listeners to pay close attention to all advertising announcements on the air, has been started on the RCA Magic Key program on Sunday afternoons over NBC. These announcements point out that radio advertisers are giving "hours of entertainment in return for a few minutes of commercial announcements" and ask listeners to patronize the products mentioned on the air. While radio stations have carried at various times the Advertising Federation's "Short Talks on Advertising", this is believed to be the first time that a "house ad" for all radio advertising has been heard on the air.

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NOMINATIONS CLOSED FOR PALEY RADIO AWARD

Nomination of candidates in United States and Canada was completed this week for the third annual William S. Paley Amateur Radio Award. For the first time since the award was instituted, women "hams" have made their appearance with men as contenders for the title of outstanding 1938 amateur radio operator.

Candidates were submitted by Coast Guard, Army, Navy, American Radio Relay League, short-wave publications editors and others prominently identified with short-wave operations. Nominations are being compiled in a brochure to be sent members of the Board of Award.

Foremost achievement in amateur short-wave research, technical development and operation is the basis on which the 1938 winner is chosen. Announcement of the Board's choice is expected about mid-May. Members of the Board of Award are Norman H. Davis, Chairman of American Red Cross; C. P. Edwards, Director of Radio, Canadian Department of Marine; Rear Admiral Russell Randolph Waesche, Commandant, United States Coast Guard; Dr. J. H. Dellinger, Chief of the Radio Section, U. S. Bureau of Standards, and Prof. A. E. Kennelly, Professor Emeritus of Electrical Engineering, Harvard University.

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POWERFUL NAVAL STATIONS PLANNED BY AUSTRALIA

Two long-range radio stations which will cost about £40,000, will be erected near Darwin this year by the Commonwealth Government of Australia for use by the Royal Australian Navy, according to the American Trade Commissioner, at Sydney. It is reported that the stations, which will be among the most powerful in the world, will be able to maintain communications at almost any distance. They will be erected as one of the principal links in the chain of defense of British waters south of the tropic of Cancer, and are intended to form an important part of Australia's development of Darwin as the southern adjunct of Singapore.

The construction of the stations, one of which will receive and the other transmit, will be begun soon. The work will be carried out by the Department of Works.

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 ::: TRADE NOTES :::
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Construction will start May 1 on a new vertical radiator for WCCO, Columbia's Minneapolis station and fifth member of the network to acquire this type of transmission equipment. Of uniform cross-section design, the tower will be 640 feet high, weighing some 125,000 pounds. It will be designed and insulated for operation at 500 kilowatts power.

National Broadcasting Company stations will total 172 on April 30 when WCOA, Pensacola, Fla., becomes a supplementary affiliate to the Red and Blue Networks. On that date also, WALA, Mobile, Ala., will no longer become individually available but only in combination with WCOA. WCOA, owned by the Pensacola Broadcasting Company, operates on a regional channel of 1340 kilocycles with 1000 watts power during the day and 500 watts at night.

A handsome brochure announcing the engagement of Max Gordon, noted Broadway producer, for the production of television shows was issued this week by the National Broadcasting Company.

Work on the Columbia Broadcasting System's television transmitter atop the Chrysler Building is rapidly nearing completion under the direction of Dr. Peter Goldmark, Chief Television Engineer, and G. S. McAllister, Director of Construction.

Charles E. Saltzman, son of Maj. Gen. Charles McK. Saltzman, former Chairman of the Federal Radio Commission, this week was appointed one of four Vice-Presidents of the New York Stock Exchange. He formerly was associated with the New York Telephone Company.

Donald Hunter Munro, Television Production Manager of the British Broadcasting Corporation, will come to New York shortly to work in an advisory capacity with Gilbert Seldes, CBS Director of Experimental Television Programs. He will spend four weeks consulting with Mr. Seldes on Columbia's development of the new science.

The total number of radio sets registered in Denmark at the end of the year 1938 was 763,643, an increase of 57,415 sets over the 706,228 registered at the close of 1937. On this basis 20.6 percent of the total population are radio owners which means that fully 75 percent of all Danish households possess a set.

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