

HEINL RADIO BUSINESS LETTER

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No. 1112

NEW FCC MEMBER FACES PRESS OWNERSHIP QUESTION

Broadcasters and members of the Federal Communications Commission are wondering what attitude Frederick I. Thompson, Alabama publisher, will take on the issue of newspaper ownership of radio stations. The question is expected to come to a head when action is taken on the Allentown (Pa.) case.

While Mr. Thompson apparently has had no experience in operating a broadcasting station, he would be expected to side with fellow publishers in any matter that involved their interests. On most matters, however, Mr. Thompson probably will go along with Chairman Frank R. McNinch, who at this time still appears to be in the saddle at the FCC.

A traditional foe of the power trusts, Mr. Thompson is also a Southern Democrat and a New Dealer. It is understood he had the backing of Mr. McNinch for the nomination.

No hearing has been scheduled on the Thompson appointment by the Senate Interstate Commerce Committee, and it is likely that he will be confirmed without opposition. The nomination, however, took most broadcasters and politicians by surprise, and they were busy this week delving into his background.

Meanwhile, it appears that the reorganization of the FCC, at least during this session of Congress, has been shelved. Majority Leader Barkley of the Senate did not include it in the "must" legislation he outlined for the remaining weeks.

There is still a chance that an investigation will be ordered by either the Senate or House, but it probably would be conducted during the Congressional recess.

The FCC meanwhile is nearing the end of its own chain-monopoly investigation, but it is doubtful whether a report will be available before early Summer and possibly after Congress has adjourned.

So far the attitude of the Administration toward an investigation of radio has not been clearly defined on Capitol Hill. Some members consider the letter of President Roosevelt asking for an FCC reorganization as an indication that he has no objections to an inquiry, but others believe that he still is opposed to any airing of dirty linen for fear that anti-New Dealers will seize the opportunity to smear the Administration and the Roosevelt family.

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648 TUBES NEEDED FOR TELEVISION STATION

Pity the poor television studio technician if one of the tubes in his transmitting equipment goes bad. According to C. A. Priest, General Electric radio engineer, his company's television station scheduled to go into operation this year will have a total of 648 vacuum tubes - all essential to putting a broadcast on the air!

"Failure of any one of about 400 of the 648 tubes will stop the broadcast of the television program", Mr. Priest said. "The technician will have to find and replace the bad tube before the broadcast can be resumed. Of course, we expect to minimize the possibility of program interruptions through tube failures by regular inspections and tests."

The 648 tubes are almost seven times the number used in transmitters of most radio broadcasting stations today. Station WGY at Schenectady, for instance, only requires the comparatively small number of 94 tubes to bring you Jack Benny and Amos 'n' Andy.

Television requires more tubes than regular radio broadcasting because of the more complicated number of circuits needed in the transmitter for synchronizing purposes. Great number of tubes in transmitter really simplifies the receivers in the long run. What is more important, the unusually large number of tubes used in the television transmitter permits some simplification in receiving sets. The technical difficulties that need be considered in sending pictures over the air are myriad, and the more of them that can be coped with in the transmitting station, the fewer with which receiving sets will be required to reckon.

Mr. Priest expects improvements in television technique and design to occur ultimately which will permit reducing the staggering number of tubes now needed by as much as 50 per cent.

In broadcasting regular radio programs the possibility of interruption through tube failure is virtually eliminated because all large stations have complete auxiliary transmitters as a safeguard against such trouble.

"In its present more or less developmental stage, such an auxiliary system is not justified for television transmitting stations", Mr. Priest said. "However, when television broadcasting becomes a commercially sponsored business like present-day radio broadcasting, the same or similar measures will have to be taken to insure program continuity."

Of the 648 tubes that will light up when General Electric's television station W2XB goes on the air, 485 will be in the equipment at the studio in Schenectady. These range in size and shape all the way down from the big, funnel-shaped camera tube in the television camera itself, to the small metal "peanut" tubes like those in a regular home receiver. 130 of these tubes will be

instrumental in relaying studio programs by ultra short wave to the transmitter high in the Helderberg Hills twelve miles distant. This transmitter, more powerful than any now in use in this country, will serve the area comprising Schenectady, Albany, Troy, Amsterdam, and Saratoga, known as the Capital District, with a combined population of more than 500,000.

It is this transmitter that will require the most expensive tubes in the system, according to Mr. Priest. 14 of the 163 tubes to be installed there will cost about three times more than all the rest of the tubes put together. These are the big, water-cooled type tubes that actually do the work in sending out the television broadcast. They are about 12 inches long and 6 inches in diameter.

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EDUCATORS SKEPTICAL OF CONGRESSIONAL RADIO REFORM

While talk of reorganization and investigation of the Federal Communications Commission took a temporary recess on Capitol Hill this week, the National Committee on Education by Radio expressed skepticism of the ability of Congress to effect sound reforms in the regulation of radio.

Reviewing recent developments in the move for revisions of the Communications Act, the Committee, through S. Howard Evans, its Secretary, stated in the March bulletin:

"That Congress is poorly prepared to deal with radio is indicated by its recent record in radio legislation and by the generally admitted fact that only one qualified expert on wireless communication is to be found in its two branches. Although numerous bills dealing with radio have been introduced, Congress has not passed an important piece of such legislation since 1934. Senator White, conceded to be the Congressional expert on radio, has been rather inactive in legislation dealing with this specialty and has failed to press for enactment the bill he introduced in 1937 calling for a broad investigation of all phases of radio regulation.

"While the record of actual accomplishment by the Senate in radio is confined almost entirely to the confirmation of members of the Communications Commission and the passage in 1938 of a resolution expressing the 'sense' of the Senate against superpower, the prospect is that 1939 will see a great increase in activity.

"Although the House of Representatives is allowing the Senate to have the first chew at the reorganization bone of contention, it can point with pride to a more aggressive recent history in radio legislation. One channel of action has been the Appropriations Committee through which pass the annual budget requests of the Communications Commission. Another channel has been created by the Connery resolution for an investigation of the Commission. . . .

"What comes after the proposal for the three-man Commission? This question is vital to all those interested in the future of broadcasting. President Roosevelt's letter suggested that Congress must go on beyond reorganization to lay down policies 'so clear that the new administrative body will have no difficulty in interpreting or administering them.'

"The value of any policies which may be proposed to Congress will depend not on the kind of political pressure which can be marshaled in support of them but on the accuracy of the analysis on which they are based. To date there has been no complete analysis of what causes the present unsoundness in the structure of broadcasting. Presumably such an analysis will be forthcoming from the Communications Commission as a result of its current investigation. Until that report appears, the most comprehensive discussion of conditions which need to be corrected in radio seems to be that presented by the National Committee on Education by Radio through the bulletin Education by Radio and through appearances at hearings before the Communications Commission.

"To answer the questions raised by the National Committee, Congress will have to find ways, (1) to end the present unfairness created by the Communications Commission when it licenses high- and low-powered stations to compete directly for advertising revenue; and (2) to provide a more democratic method of control over programs than that represented by either complete commercial domination or concentrated Federal control."

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PRESCRIPTIONS CARRIED BY RADIO TO ISLANDS

The boon which radio has brought to the fourteen small islands in the Torres Strait, which, about a year ago, were equipped with small transmitters on the instructions of the Queensland Protector of Aborigines, is commented on in an official report just published, according to World-Radio. The islands lie between Australia and New Guinea, and it is in the treatment of sickness among the natives - a superior type of aborigines who live by pearling and fishing - that wireless is of inestimable service, says the report.

The main station is on Thursday Island, and a Government ketch, which is on constant service among the islands, is also equipped with a two-way installation.

The service has proved particularly effective in the treatment of cases of serious illness, which previously had to await the periodic visits of the doctor who supervises the whole of the Straits territory. He can now be consulted by radio, and treatment is given by the Mission superintendents and teachers on the islands, acting on his advice.

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ONE-YEAR LICENSES EXPECTED TO BE ORDERED SOON

Revision of the regulations of the Federal Communications Commission to permit the issuance of one-year rather than semi-annual broadcasting licenses is expected to be ordered shortly.

Chairman Frank R. McNinch has intimated that he is ready to go along with the three-man FCC Committee that recommended this change as soon as the North American broadcasting treaty is approved by Mexico.

The Administration also is understood to be agreeable to the extension, but absolutely opposed to the suggestion of Elliott Roosevelt, the President's son, that broadcasters be given a franchise that would be operative indefinitely.

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WIRED RADIO TO BE DEVELOPED IN BRITAIN

A new broadcasting service to reach listeners over telephone wires - which, of course, would be immune from radio interference or jamming by hostile foreign radio stations in wartime - is to be developed throughout Britain, according to G. C. Tryon, Postmaster General, who controls Britain's telephones.

Explaining the system in the House of Commons this week, Mr. Tryon said it would be possible to give a telephone subscriber the choice of three or four programs and the subscriber would be able to use his telephone simultaneously with the reception of programs, the New York Times' London correspondent reported.

Technical details of the new system have not yet been disclosed, but apparently the subscriber would have a loudspeaker attached to his telephone wire with a "relay" instrument having three or four knobs, which would give him a selection of that number of programs.

It has frequently been stressed that in wartime the British Broadcasting Corporation's system would be subject to considerable jamming, if not complete interruption, when any attempt was made to broadcast news bulletins or propaganda. According to Mr. Tryon, it is proposed to connect the broadcasting corporation's radio studios and post offices with "relay stations" by landlines so that the programs would reach subscribers by wire all the way.

In addition, it is proposed to extend the licenses of existing radio relay companies for another ten years. These radio relay companies operate chiefly in large blocks of apartment buildings. The companies pick up radio programs at their own stations and relay them over wires to the apartments of their customers, who have a choice of three or four programs.

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NAB OPPOSES BILL TO CURB LIQUOR ADS

A Senate Interstate Commerce sub-committee this week began hearings on bills offered by Senators Johnson, of Colorado, and Capper to restrict liquor advertising on the air. Government officials and dry leaders endorsed the Johnson bill to prohibit such advertising over the radio; the National Association of Broadcasters opposed it.

From Representative Culkin, who had introduced similar legislation in the House, came word, however, that proponents had decided not to press for action at this session on the Capper-Culkin bill, which would prohibit interstate transmission of liquor advertisements by all other media as well.

W. S. Alexander, Federal Alcohol Administrator, and Philip Buck, FAA general counsel, both endorsed the Johnson bill as sound.

"Both the public and most of the alcoholic beverage industry", Mr. Alexander said, "have shown a willingness to eliminate liquor advertising over the radio."

Mr. Buck called the Johnson bill a "sane" approach to the liquor advertising problem.

Edward B. Dunford, counsel for the Anti-Saloon League, endorsed the bill in a statement. He said that North Carolina now prohibited alcoholic-beverage advertising in radio programs originating in that State, while other States had lesser restrictions. He sought assurances that the proposed ban would not affect discussion of the liquor ban over the air.

Miss Izora Scott of the National Temperance and Prohibition Council offered in favor of the bill twelve bulky bundles of petitions which she claimed contained 500,000 signatures. She said that the opposition of the National Distillers Institute to liquor advertising did not have any bearing on beer and wine makers.

Neville Miller, President of the National Association of Broadcasters, said that a prohibition on advertising of alcoholic beverages would set a "dangerous precedent" under which other groups might move against the advertising of cigarettes or even coffee.

He described the problem as a minor one which the radio industry was trying to clean up, asserting that a poll of the industry indicated that less than 1 percent of its revenue came from all alcoholic beverage advertising.

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FCC LAUDS SYKES IN RESOLUTION

The Federal Communications Commission this week made public a resolution of tribute to Judge Eugene O. Sykes, of Mississippi, who will terminate his 12 year association with the Commission and its predecessor agency, the Federal Radio Commission, on April 5th.

In the resolution the retiring Commissioner's associates, Chairman McNinch, Commissioners Brown, Case, Walker, Payne and Craven recalled Commissioner Sykes' services as the first Chairman of the Federal Communications Commission, expressed regret at his withdrawal from the Commission and wished him happiness in his future work.

The resolution was offered by Commissioner Case, seconded by Chairman McNinch, and adopted unanimously. The Commission ordered it spread upon the minutes of the Commission "as a token of the esteem wherein the retiring member is held by his colleagues".

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PHILCO STAGES TELEVISION SHOW IN CAPITAL

Washington audiences this week had an opportunity to watch both ends of a television demonstration at the same time. Inside workings of the television were presented by Philco Radio & Television Corp., in the Raleigh Hotel.

Audiences not only saw the transmitted images of performers on the tiny radio-set screen but also were taken "back-stage" while the broadcast was going on and could see the actors in front of the television camera and microphone even as their pictures and voices were transmitted to three receiving sets.

Performers from the Capital theatre took part in the demonstration and the intricate operations of television were explained by Arthur Murray, Philco's television engineer.

Now that television has "left the research laboratory and has entered the American home", said Mr. Murray, "one of the biggest problems facing producers is program material. Lack of entertaining and practical television talent has put a crimp into development of the enterprise for home consumption."

The United States, he said, now has five large companies interested in television and Philco has been conducting field tests since 1935.

Mr. Murray warned prospective purchasers of television equipment "not to expect too much at first".

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EUROPEAN RADIO PARLEY HAS DIFFICULT TASK

"There is now in session at Montreux, Switzerland, a European governmental conference to revise the allocation of wavelengths to every broadcasting station in Europe working the so-called 'long' and 'medium' wave bands, the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce stated this week.

"The Conference will be faced with a difficult task. A new wavelength plan must be produced which will be accepted and brought into use simultaneously by all countries at an agreed date. The problem of the long waves is still outstanding, and can only be solved by reducing the number of long-wave stations in Europe, so that those which remain can work without mutual interference. On the medium waves there are now over 250 broadcasting stations in Europe, and though many of these are of low power and can share wavelengths, the number of high-power stations built or building is more than double that in 1933, while the number of wavelength channels available will be increased by about 5 percent, by the changes approved at Cairo. If a general agreement is to be reached each country will have to be prepared to make some sacrifice. There may be less reluctance to accept a compromise if it is recognized that the result of a failure to obtain agreement on a new wavelength plan would be an increase in interference between stations and a progressive deterioration in the broadcasting services of every European country.

"The last broadcasting conference to revise wavelengths was held at Lucerne in 1933, and the present plan of wavelength allocations is governed by the Lucerne Broadcasting Convention. The Lucerne Plan unfortunately did not obtain general agreement, and as a result the Lucerne long-wave plan was unworkable. In order to obtain a 'modus vivendi' the long-wave stations have ever since been working on an unofficial arrangement. This is admittedly unsatisfactory, as the wavelength separations between stations are insufficient, while some stations have to share a wavelength, although not far enough apart geographically to avoid mutual interference.

"The wavebands allotted to broadcasting are laid down by the International Radiocommunication Regulations. The World Telecommunications Conference which met at Cairo in the Spring of 1938 made a number of revisions which will come into force on September 1. Because of these revisions and because of the defects in the present broadcasting situation, the Cairo Conference gave directions that the Lucerne Convention should be revised early in 1939, and this revision will be the function of the Montreux Conference. The Cairo Conference directed the U.I.R. (International Broadcasting Union) to prepare a draft plan as a basis of discussion. This draft, prepared at Brussels in November 1938, was circulated to all Governments, and their comments on it have already similarly been circulated."

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600,000 FARNSWORTH SHARES ARE OFFERED

An underwriting group headed by E. H. Rollins & Sons, Inc., offered to the public this week 600,000 shares of common stock of Farnsworth Television and Radio Corporation. The stock was priced at \$6 a share. Other members of the offering group are Eastman, Dillon & Co., W. E. Hutton & Co., Hemphill, Noyes & Co., Hallgarten & Co., Riter & Co., H. M. Byllesby & Co., Inc., William Cavalier & Co. and O'Melveny-Wagenseller & Durst. The offering marks the initial public financing for the company.

The corporation intends to use a portion of the cash proceeds from the sale of these shares, together with additional common shares, for the acquisition of the business and properties of Capehart, Inc., and certain properties of the General Household Utilities Company. According to the prospectus, 43,598 shares of additional common stock will be issued in connection with the acquisition of the Capehart properties at Fort Wayne, Inc., and 25,000 additional common shares in connection with the acquisition of the General Household Utilities radio plant, machinery and inventory, located at Marion, Ind. Both of these properties will be used for the manufacture of television apparatus as well as radio and phonograph equipment.

The company anticipates that its receiving models will be made available for sale to the trade by this Fall, and that it will be ready to offer its transmitting apparatus for sale about twelve to eighteen months after work starts. Approximately \$2,000,000 of the proceeds from the sale of the stock will be set aside for working capital and inventory requirements. Other portions of the proceeds will be reserved for research and development activities and for plant improvements.

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I. T. & T. INCOME \$7,038,590 FOR 1938

The preliminary statement of the International Telephone and Telegraph Corporation and subsidiaries for the year ended December 31, 1938, as compared with the year 1937, shows consolidated net income amounted to \$7,038,590 for 1938 as compared with \$10,236,148 for 1937. Gross earnings, including gross profit on sales, increased to \$67,518,700 from \$63,453,870.

This improvement in gross earnings was more than offset by increased taxes in the amount of \$1,871,753, increased interest charges of \$859,109 and \$4,575,412 reduction in income as related to the previous year resulting from the inclusion in the 1938 accounts of foreign exchange losses in the amount of \$3,561,479 as compared with foreign exchange profits of \$1,013,933 in 1937.

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CBS DEVELOPS NEW TELEVISION FILM SCANNER

Transmission by television of motion pictures without distortion or loss of definition is made possible by a development of Dr. Peter Goldmark, Chief Television Engineer for the Columbia Broadcasting System. It is a new type film scanner which will be placed in operation as soon as the CBS station atop the Chrysler Building is completed.

The principle upon which the revolutionary new scanner works is a great deal different from that of the standard motion picture projector. In the latter a strip of film is made to pass between a light source and a lens in a continuous series of rapid jerks so that 24 separate photographs or frames can be scanned per second while they are at rest. This is necessary because the eye would see only a shifting melange of light and shade if the celluloid were kept in continuous motion.

It is not desirable to do this in scanning pictures for television, CBS pointed out, first because for such purposes the film must be scanned at the rate of 60 frames per second to eliminate flicker, and second because stop-motion scanning requires a great deal of light, causes much wear on the film and necessitates a great number of expensive moving optical parts.

Dr. Goldmark and his staff of engineers solved the problem by making the film pass continuously downward before a scanning aperture and lens system and then causing an electronic scanning beam to move upward at exactly the same speed so that a stationary electronic image results. A slotted rotating disc is placed between the film and a number of lens segments. This acts as a shutter and gives light to only one of the segments at a time. The result is that sixty separate stationary frames per second can be produced from film which was originally photographed at 24 frames per second, although the speed of action on the receiving screen is not changed in the least. Moreover the received images will have even illumination and great contrast and character.

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U.S. BAIRD STOCKHOLDERS TO CONSIDER LOAN

Holders of United States units in Baird Television, Ltd., are to meet in London on next Saturday to consider proposals to issue a £400,000 5 percent loan due on June 30, 1944, at a 5 percent premium, according to the New York Times. The United States units include both preferred ordinary and deferred ordinary shares, according to the announcement by the City Bank Farmers Trust Company this week.

The proposed 5 percent loan stock is to be convertible up to March 31, 1944, into a new class of participating preference shares of 2s6d par value, senior to the two classes included in the United States units. The Directors propose to offer the new 5 percent loan stock at par to existing shareholders, but will not do anything about the entire proposal unless at least £325,000 of loan stock is subscribed.

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RADIO WHETS NEWS APPETITES, SAYS E. & P.

"From the St. Louis Post-Dispatch of March 15, we cull an observation of more than passing interest", Editor & Publisher comments editorially in the current issue. "It notes that when Pope Pius XI was elected in 1922, there was no trans-Atlantic radio. Newspapers were the only source of information on the impressive ceremonies, the political and religious implications of Achille Ratti's elevation to the Vatican. And the Post-Dispatch sold only 1,000 extra copies then.

"In 1939, Cardinal Pacelli succeeded to the Papacy. From the moment of his predecessor's passing until his own coronation, every step had been reported, flashed at the second of its occurrence across the ocean and the American continent. And the Post-Dispatch sold about 5,000 extra copies with the election which many of its readers had heard with their own ears simultaneously with the throngs in St. Peter's Square.

"The Post-Dispatch, which has done extensive work with broadcasting, believes that this may indicate the whetting of public interest by radio and the creation of a desire for the more extended accounts and comment published in the press. We agree absolutely. Radio may have changed the function of the printed newspaper, but it has augmented, rather than diminished that function."

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CROSLEY HINTS AUTO WILL BE MANUFACTURED

Lewis M. Crosley, Executive Vice-President of the Crosley Corporation, announced this week in Cincinnati at the annual meeting of stockholders that it was possible that an announcement concerning development of an automobile by the concern would soon be made. Beyond that, however, all officials of the organization refused to commit themselves.

Sales to date this year, Mr. Crosley said, were about 20 percent correspondingly above a year ago, and it was expected sales would continue on an increased basis over 1938.

Gains in sales were principally in the refrigeration line, Mr. Crosley added. This is the slack period in the radio receiver sales division. During the second quarter refrigeration sales are normally at their peak and activity in the radio division increases. Mr. Crosley further stated that because the inventory at the close of 1938 was about \$1,000,000 below the preceding year that it was possible to operate the factory more efficiently.

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