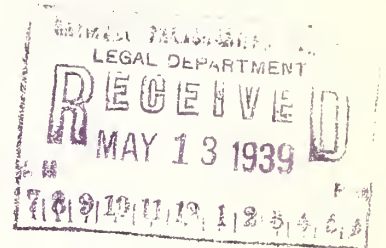


HEINL RADIO BUSINESS LETTER

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No. 1124

EDUCATOR ATTACKS PRESENT RADIO LICENSE SYSTEM

Asserting that the present method of granting broadcasting facilities does not guarantee the universal right of free speech, Charles A. Robinson, S.J., a member of the National Committee on Education by Radio, demands a reform for the benefit of educational groups in the current issue of "Education by Radio".

The present licensing system, he said, does not guarantee the right of free speech for the reasons:

"(1) it does not provide opportunity for the general public to broadcast its views, since it reserves no radio frequencies for that purpose; (2) in granting licenses to private agencies, it reserves no time for the public use; (3) it forces the licensees to be censors of speech, without conferring upon them the necessary authority to do so.

"The Federal Communications Commission has spoken frequently of the wonders of the 'American system of free competition in the field of radio.' But this 'Free Competition' is a myth, because: (1) many who would wish to compete cannot obtain licenses; (2) they who receive licenses do not get them for operation of stations of equal power or even of equal time. The present method is therefore very faulty and should either be discarded or improved. Let us look at the fundamental principles which enter into the proper solution of the question.

"The right to use the air waves belongs to every man, since it is impossible for them to be owned by anyone. But practically, if everyone tried to use them, there would be little effective use. So international agreements are made by which each nation agrees to use certain limited frequencies and leave others for international needs. If a nation fails to observe the agreement, there is no adequate sanction, since there is no world court with power to punish transgressors, so reliance must be placed on the natural law, which requires nations as well as individuals to fulfill legitimate contracts.

"Radio broadcasting is essentially a means of communication. Who transmits what, and for what purpose, are essential to the question of the proper use of this means and must be planned for reasonably by government.

"Government has two main duties: one positive, to work for the temporal welfare of all of its citizens; and one negative, to prevent injury to their physical, mental, and moral integrity. A good government should not restrict the rights of its citizens more than is absolutely necessary, but when the common good requires some restriction of private rights, that restriction should

be made by the government, and by no agency without government authority.

"There is no moment when the government is free from the obligation of protecting the rights of citizens to their physical, mental, and moral integrity. Existing laws and general radio practice provide fairly well for adequate protection of the physical welfare. But more important than physical well-being are mental and moral well-being. These are impaired not only by lies and misinformation, but also by jokes and innuendos about the very things necessary for good citizenship and good government; namely, respect for the authority of God, of rulers, and of parents; the sanctity of the home, and the validity of contracts. Yet the government, through its official agency, the Federal Communications Commission, continues to ignore these infringements of the rights of citizens by its present practice in granting and renewing radio licenses without consideration of, and sometimes in spite of, the contents of radio programs.

"Let us try to be fair. There is some good effected by all radio stations, but it is incidental to increasing the number of listeners for advertising purposes. Listening to radio is not necessarily good for the public unless what is broadcast is of benefit to the listener. The NBC program policies (pages 1 and 2) makes 'in the public interest' mean 'things the public will like'. Likes and dislikes can never be a proper standard for anything relating to the public good. A person may like things that are not good for him, as a diabetic may like sugar, while even a healthy man may like his neighbor's wife. The CBS follows the same practice, as may be seen from the Annual Report to Stockholders, presented by its president, Mr. William S. Paley, April 5, 1938. I don't know why Mr. Paley expects 'public-spirited men and women to help make that program effective' which would seem to be designed for the chief purpose of making money.

"Even the standards of educational stations are faulty. For example: the University of Kentucky excludes topics like evolution and religion; but the State College of Washington, while admitting non-sectarian religion, excludes politics. The University of Wisconsin assumes that only State Agencies have the right to use the air for educational purposes. Others may use the privilege by invitation. The University of Iowa assumes that it is legitimate to use state taxes for entertainment when it divides its time half and half between entertainment and instruction.

"Has any licensee the right of censorship which all of them without exception exercise, at least in the form of prohibition? What then is the use of prating about 'Freedom of the Air' as so many licensees do? I haven't any. My freedom of speech should be restricted when it interferes with the general good. But if I am to be restricted, it must be done by law and not by private individuals or corporations. So let the government act, or fail in both its duties of protecting the rights of citizens and of affording to all citizens equitable opportunities for social betterment by the proper use of radio."

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I. T. & T. READY TO ENTER TELEVISION FIELD

Subsidiaries of the International Telephone & Telegraph Corporation are prepared to manufacture and market television receiving sets when the demand warrants, Sosthenes Behn, President, stated in his 1939 report to stockholders this week.

The extent of damage to the properties of the Corporation by the civil war in Spain has not yet been ascertained, he said, but reports received indicate that a "high percentage" of the 346,000 telephones in service at the beginning of the war still remain in service.

The number of telephones in service at the end of 1938 reached new high levels for all of the companies operating in the countries served by the I. T. & T. system, with the exception of Cuba. The system had a total of 772,597 telephones in operation (exclusive of Spain) at the end of 1938, an increase of 76,140 in the year.

The Shanghai Telephone Company not only recovered the net loss of 10,525 stations sustained in 1937, as a result of hostilities in and around Shanghai, but gained an additional 7,335 telephones, making a net overall increase of 17,860 instruments in 1938, the report sets forth.

As previously reported, the corporation had a consolidated net income of \$7,038,590 in 1938, against \$10,236,148 in 1937.

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U. S. RADIO EXPORTS RISE DURING MARCH

Three countries, namely the Union of South Africa, Brazil and the United Kingdom, contributed materially to the upturn in exports of radio receiving set exports from the United States during March, according to the Electrical Division, Department of Commerce.

Of the total trade valued at \$875,746, these countries, in the order named, accounted for \$122,325, \$76,008, and \$66,958, statistics show.

The very large increase in foreign sales of non-specified telephone equipment during March was almost entirely due to the sizable purchases made by Australia, the Philippine Islands and Canada. Purchases by those countries amounted to \$175,582, \$108,144 and \$107,231, respectively, the combined amount being 82.5 percent of the total of \$473,965.

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LARGE ATTENDANCE EXPECTED AT RMA CONVENTION

Advance reservations for the RMA convention, the "RMA Cabaret" and annual radio industry banquet, and the National Radio Parts Show in Chicago, June 13 to 17, inclusive, indicate the largest gathering of the radio industry in several years, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. In addition to the fifteenth annual RMA convention, there will be meetings of the Radio Servicemen's Association, the Sales Managers Clubs, the National Association of Radio Parts Distributors, "The Representatives", and many Division and Committee meetings of RMA.

The Radio Parts Trade Show, sponsored jointly by RMA and the Sales Managers Clubs, is expected to "top" all previous records of attendance. More than half of the parts distributors and sales agents attending last year have already filed registrations for the June show and meetings. Many will come on a "radio special" train from New York City.

President A. S. Wells will preside at the RMA convention. Prominent speakers at the RMA membership luncheon on Tuesday, June 13, include Commissioner T.A.M. Craven of the Federal Communications Commission and Chairman of the Commission's Television Committee, and President Neville Miller of the National Association of Broadcasters, which is cooperating with RMA in the national industry promotion campaign. There will be two meetings of the RMA Board of Directors, June 13 and 14, and many meetings of Association Divisions and Committees.

The National Radio Parts Trade Show will run from Wednesday, June 14, until 10:00 P.M., Saturday night, in the Stevens Hotel Exhibition Hall.

The annual convention of the Radio Servicemen of America, with engineering lectures jointly with the Chicago section of the Institute of Radio Engineers, will be held Friday and Saturday, June 16 and 17. The National Association of Radio Parts Distributors will meet at 2:30 P.M., Tuesday, June 13; "The Representatives", at 10:30 A.M., Friday, June 16, and the Sales Managers Clubs also at 10:30 A.M. Friday, June 16.

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For the systematic collection of data on the drift of ice in the polar basin, a Soviet scientist has suggested the use of a buoy equipped with radio apparatus to indicate its position as it drifts along with the ice. The Soviet Arctic Research Institute is holding a competition for the best design of buoy of this type.

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EDUCATION OFFICE TO PRODUCE NEW PROGRAM

Commissioner of Education John W. Studebaker announced this week that the Office of Education, Department of the Interior, has accepted an invitation extended by the U. S. New York World's Fair Commission to produce in cooperation with the Columbia Broadcasting System a new weekly coast-to-coast radio series interpreting and supplementing the Federal Exhibits at the Fair. Beginning May 14, the series will be on the air every Sunday, 2 to 2:30 P.M., EDST, over CBS and affiliated stations.

The new series, titled "Democracy in Action" will succeed the Office of Education program "Americans All-- Immigrants All", recently named by the Women's National Radio Committee, as the "most original and informative program" of the year.

Announcement of the new series was made also in New York City by United States Commissioner Theodore T. Hayes of the U. S. New York World's Fair Commission and by William S. Paley, President of the Columbia Broadcasting System.

The purpose of the series, according to Commissioner Studebaker, is to promote wider understanding of democratic processes and functions as revealed by the ways in which our American government operates, and to extend the values of the Federal Exhibits at the New York World's Fair.

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PEACE FOUNDATION TO ASK S-W STATION LICENSE

A powerful new short wave radio station to broadcast messages of peace to Europe and other Nations throughout the world will be constructed at Swannonoa, the million-and-a-half dollar estate in the Blue Ridge Mountains of Virginia, recently purchased by Mrs. Louis H. McGuire, if an application to be presented within the next few days to the Federal Communications Commission is granted. Mrs. McGuire, former Asheville, N.C., society matron, is now living in Washington.

The estate, built in 1912 near Waynesboro, Virginia, by the late Major James Dooley, of Richmond, Va., will be retitled the "Swannonoa Peace on Earth Foundation", and will be dedicated through the medium of the short wave radio to sending the Peace Message of Christ to all the world. Mrs. McGuire said that she believes such a foundation can render a particular service at this time in view of the troubled condition of the world, when nations are turning to arms and away from Christ, and when war-minded nations are sending their doctrine of hate throughout the world by short wave radio.

The Foundation will be non-political, non-sectarian, non-racial, and non-commercial, Mrs. McGuire said. The movement, she added, will have the backing of outstanding religious and social leaders throughout the nation.

Over the Swannonoa station, please for peace will be sounded regularly to all peoples. In these appeals, Christianity and Democratic ideals will be blended closely. "The Star Spangled Banner" and the Sermon on the Mount will go hand-in-hand", she said.

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CHAVEZ MAKES PLEA FOR PAN AMERICAN STATION

Making a plea for greater unity between the United States and Latin American countries, Senator Chavez (D.), of New Mexico, Thursday night over an NBC network spoke in support of his bill to erect a Pan American short-wave station in Washington.

He said that Germany has 11 - 100,000 watt short-wave stations at Zeesen, and that it "practically dominates radio reception in South America".

"Contrast this with our broadcasting station at Boston (WLXAL - a privately-owned station), which supposedly handles our official propaganda", he said. "The Boston station is only one-fifth as strong as one of these German stations."

Continuing, he said:

"Granted that it is necessary to cultivate relations with Latin America, what can we do?

"In the first place, we should recognize that radio is the greatest force existing today by which people of different nations can be brought close together. We need a powerful government short-wave broadcasting station. Outside of the General Electric Station and the World Wide Radio Station at Boston, and the efforts of the National Broadcasting Company through the intelligent and expert guidance of its vice-president, Mr. Frank Mason, who has devoted considerable study to the Latin American field, little or nothing is being done. These stations are woefully ineffective. Travelers tell us that nowhere in South America are they able to get reception and that in Central America it is inadequate and only partially successful.

"There is no reason why this government cannot operate a radio station exclusively devoted to promoting cultural ties with the Western Hemisphere. Through such a radio station we can acquaint our Latin neighbors with the sincerity of our Good Neighbor Policy."

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ELLIOTT ROOSEVELT URGES RADIO SELF-CENSORSHIP

Elliott Roosevelt, son of the President, and president of the Texas State Network, Inc., believes in strict self-censorship of radio. Speaking before the New York Rotary Club Thursday, he said broadcasting and the press are the most important mediums for maintaining our democratic form of government.

"There has been a lot of talk about censorship of radio", Mr. Roosevelt said. "But, whenever the government takes a hand in censorship under any administration, then you can expect to see the death of our democratic form of government. On that day the radio will be used as a medium of propaganda; it will then become the same weapon it is in such totalitarian States as Germany and Italy and we will have the same kind of government that they do. We cannot help to succeed in the rendition of this service to the people of the United States unless we impose self-censorship. If we overstep the bounds of fairness to both or all sides of a question, we will find ourselves playing a part in helping to break down our government and, as soon as it steps in with censorship of radio, newspapers can expect the same thing."

Mr. Roosevelt warned his audience that television was still in the experimental stage and had not reached perfection in spite of statements by "prominent persons that it is here".

"Television is a long, long way off from being an accomplished and new industry that can stand on its own feet", he said. "They have never been able to find out where the income is coming from to support television, so there is no need to throw away your radios and buy television sets yet, although the unions are fighting about how they are going to unionize it."

He urged an amendment to the 1927 radio laws by which radio stations operate under a six-months license from the Federal Communications Commission. He said leaders in the industry were supporting a movement to operate under a permanent certificate of "convenience and necessity" which would be revocable at any time it was shown that stations were not operating in the public interest. He added that he believed the industry should be supported by a special tax on radio broadcasting stations so long as the tax was "not made destructive".

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The only broadcasting station in Danzig is the "Landes-sender Danzig", which has power of 500 watts, 1303 kilocycles frequency, has no call letters and is owned by the Government of Danzig.

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BRITISH IMPORTS OF U. S. RADIO TUBES DECLINE

The volume of American radio tubes or valves imported into the United Kingdom during 1938 showed a decided decline as compared with the previous year, according to the U. S. Commercial Attache at London. The total imports of radio tubes or valves during 1938 amounted to 1,217,611 units as compared with 2,341,039 units during 1937. During recent years - 1936 and 1937 - imports of radio tubes or valves from the United States accounted for approximately 83 and 70 percent, respectively, of the total imports.

"It is also believed that imports from the Netherlands will show a decline since the leading Dutch radio manufacturer has extended its local manufacturing activities and has also become a member of the local radio 'Patent Pool', the report stated.

"Importers of American tubes attribute this decline to the fact that local manufacturers are now making the American type tube or valve. While it is generally admitted that the American tube is better than the British-made tube, the prices of the latter are lower than the landed prices of tubes imported from the United States. Competition is therefore difficult and importers report there are no signs at present of the American tube regaining its former position."

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FAIRNESS OF RADIO LAUDED BY F.D.R. IN FIRST DISK

Inaugurating a series of recorded interviews for broadcasting over approximately 150 radio stations scattered throughout the United States, President Roosevelt paid tribute to the accurate reporting of news by radio.

"In some communities it is the unhappy fact that only through the radio is it possible to overtake proclaimed untruths or greatly exaggerated half-truths", he said.

Interviewed by Lowell Mellett, Executive Director of the National Emergency Council, Mr. Roosevelt continued:

"While, to be sure, the people have learned to discriminate pretty well between sober facts and exciting fiction, they have a right to expect their Government to keep them supplied with the sober facts in every possible way."

Mr. Mellett explained that Secretary Hull would make the first of a series of reports by Cabinet officers next week when he will discuss the work of the State Department.

Mr. Roosevelt said he could best express the reason for the broadcasts by quoting from Washington's farewell address:

"Promote then as an object of primary importance, institutions for the general diffusion of knowledge . . . in proportion as the structure of a Government gives force to public opinion, it is essential that public opinion be enlightened."

The two most important institutions for the diffusion of knowledge prior to the advent of radio, Mr. Roosevelt declared, were the press and the schools.

"Aside from some financial assistance, in the form of less-than-cost postal rates", the President continued, "the Government has supported the press chiefly by protecting its freedom. Whether or not we have the best schools in the world - and many of us think we have - it can hardly be disputed that we have the freest press. Government restrictions on the press amount to little more than laws to prevent the printing of obscene matter and articles calculated to incite rebellion. The press is as free as it cares to be or as its economic condition permits it to be."

Although radio is still in its infancy, he said, it "already rivals in importance" the schools and the press.

"The Government, as the people's agent, has had and has now a still different relation to radio from that toward the schools and the press. It has encouraged and aided its development on the one hand, and, on the other it has set up such controls of its operations as are necessary to prevent complete confusion on the air. In all other respects the radio is as free as the press."

There is a limit, Mr. Roosevelt added, to the amount of information the newspapers can print.

"Newspapers are business institutions, living on advertising revenue, and they are apt to be as large or as small as their advertising volume requires or permits", he said. "This is true, and must be recognized, regardless of how seriously or how lightly an individual publisher may take his responsibility to keep the public fairly informed."

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RADIO NEWS REPORTERS FORM ASSOCIATION

Radio newsgatherers and commentators have organized the Radio Correspondents' Association. Fulton Lewis, Jr., commentator for the Mutual Broadcasting System, was elected President, and Albert L. Warner, commentator for Columbia Broadcasting System and former Washington correspondent of the New York Herald Tribune, was named Vice-President.

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CROSS-EXAMINATION OF SARNOFF IS POSTPONED

The final hearing of the chain-monopoly hearing of the Federal Communications Commission, in which David Sarnoff, President of the Radio Corporation of America, will be cross-examined, was postponed this week until May 17th.

At that time Mr. Sarnoff and Mr. Levine, Manager of the NBC Concert Division, will be on the stand. Mr. Levine will appear in the place of George Engels, NBC Vice-President and Managing Director of the Concert Division, who has been ill for several months.

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THEATRICAL TELEVISION EXPERIMENTAL, SAYS BBC

The British General Post Office Television Advisory Committee held a meeting recently regarding the Television-Cinema controversy, the U. S. Commercial Attache reports. As a result, the British Broadcasting Corporation issued the following statement:

Much misleading publicity has followed the theatrical reproduction of the BBC television transmission of the Boon-Danahar contest on February 23rd. The BBC therefore wishes to make its own position clear.

"Large screen projection of television programs is still regarded as experimental, and permission to use BBC transmissions in this will be subject to certain necessary restrictions. Experience of the results will afford guidance as to future policy, which is still under consideration by the Television Advisory Committee.

"The BBC, although primarily concerned with the provision of a home service, does not oppose experiments in large screen rediffusion of its programs before paying audiences, when the programs concerned are either of events of national importance and interest, independent of commercial promotion; or when the subject is a sports event, the rights in which are held by a promoter.

"For the present therefore the BBC will raise no objection to rediffusion of events in the latter category if agreement as to terms is reached between the rediffuser and the promoter, subject to certain conditions. The conditions include an undertaking that no exclusive rights shall be given to any one group or system, and that all applicants shall be granted rights on equal terms, based approximately on the relative seating capacity of the theaters concerned. Should the promoter object, the BBC will act accordingly and withhold permission to reproduce.

"As in the past, no objection will be raised by the BBC to the use of its television transmission for genuine trade demonstrations providing no charges are made."

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::: TRADE NOTES :::
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Many Washingtonians turned out for a ceremony that marked the breaking of ground at Wheaton, Md., Thursday, for the new 50,000-watt transmitter of Station WJSV, CBS outlet, of Washington. A novel effect was an electric eye which raised a flag every time a pedestrian passed through its beam.

American Society of Composers, Authors and Publishers has assumed the right to license the catalog of its members for television performances, according to Variety. Formal notification of this step was conveyed to ASCAP's publisher membership in a letter signed by John G. Paine, General Manager. Mr. Paine has also advised NBC that his organization was interested in working out a formal agreement on television as quickly as possible and that hereafter all application to televise the musical works of ASCAP members would have to be taken up direct with the Society.

"Radio Center", impressive new \$100,000 structure, will be dedicated Saturday, May 13th, by WOKO, Columbia's Albany station since 1932. Columbia will salute the newest advance of WOKO in a half-hour program Saturday evening, 11:30 to 12 midnight, featuring the music of Jan Garber and his orchestra. The station's own dedicatory ceremonies will be held from 9 to 10 that evening.

Sterling Fisher, CBS Director of Education and Radio Talks, has been named a life member of the American Museum of Natural History, New York City, by its Board of Trustees. The action was taken at the Board's Spring meeting and unanimously adopted by the membership.

Richard C. Patterson, Jr., former executive head of the National Broadcasting Company, is planning to resign as aide to Secretary of Commerce Hopkins and to return to private business this Summer, it was disclosed this week. He is understood to be negotiating for the post of Chairman of the Board of a public utility company or a motion picture concern. The Radio-Keith-Orpheum Corporation, going through reorganization, is prominently mentioned as the firm Mr. Patterson will join. the R-K-O has no Chairman at present.

Directors of the Farnsworth Television and Radio Corporation this week elected J. P. Rogers as Vice-President and Treasurer of the company, according to an announcement by E. A. Nicholas, President. Mr. Rogers has held former executive positions as Treasurer of the Associated Simmons Hardware Co., Secretary and Treasurer of the United States Radio & Television Co. and most recently Vice-President of the Crosley Corporation.

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