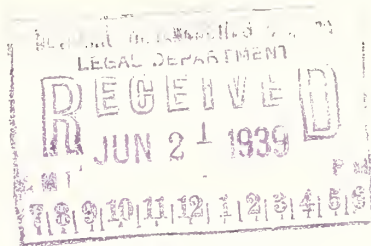


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



INDEX TO ISSUE OF JUNE 20, 1939

FCC Assured Of Funds After Mild House Inquiry.....	2
FTC Order Hits Radio Correspondence School.....	3
RMA Convention Sets Attendance Record.....	4
400 Television Sets Sold In First Month.....	5
RCA Issues Television Booklet For Servicemen.....	5
NAB Sessions To Be Open To Press First Time.....	6
Hearing On International Rules May Be Postponed.....	6
RMA To Oppose Wage Plan At Hearing.....	7
Wired Radio Starts In England Next Year.....	7
Dr. Kennelly, Noted Scientist In Radio, Dies.....	8
Zephyr Radio Hit By FTC Order.....	9
Germany Encourages Local Czech Programs.....	9
BBC Television Limited To London For The Time.....	10
Times Sees Knotty Problem In Television.....	11
U. S. Radio Sets Popular In Greek Market.....	12
Mutual Network Expands Into Southeast.....	12

No. 1134

g L

4

June 20, 1939.

FCC ASSURED OF FUNDS AFTER MILD HOUSE INQUIRY

The Federal Communications Commission was assured of funds to carry on after July 1st following an unexpectedly mild executive hearing before a Deficiency Sub-Committee of the House Appropriations Committee on Monday.

While the Sub-Committee has not yet decided how much of an appropriation to recommend, members indicated that it will be adequate to keep the FCC operating on the present basis although probably not sufficient to permit expansions recommended by Chairman Frank R. McNinch.

The absence of Chairman McNinch, who is still recuperating from his recurring illness at Atlantic City, accounted for the mild inquiry. Republican members of the Sub-Committee, it was understood, had demanded the inquiry in order to question the Chairman.

Thad H. Brown was Acting Chairman of the Commission and answered most of the questions asked by the Sub-Committee members. Commissioner Paul Walker was questioned somewhat about the telephone report.

Afterwards Representative Connery (D.), of Massachusetts, suggested that the FCC be allowed only an appropriation for eight months and that the House then adopt his resolution calling for a sweeping investigation of the Commission and the radio industry.

Indications are, however, that the full year's appropriation will be allowed and that no further inquiry will be ordered.

A rider calling for an investigation may be offered on the House floor when the FCC appropriation is considered, however, and it is likely that some further attacks on the Commission will be forthcoming.

The Commission's funds normally are carried in the Independent Offices Appropriation Bill, but when that measure was reported to the House several months ago, the Committee stated it did not include the FCC appropriations because of the assurance at that time that the Commission would be reorganized.

The Commission has asked for \$2,038,175, an increase of \$300,000, to be used principally for an increase in personnel and for purchase of new equipment for its monitoring stations throughout the country where the signals of radio stations are checked to see that they keep within their frequencies. Included in this amount is \$25,000 for printing and binding and \$13,175 for the purpose of continuing the investigation on the need for requiring vessels operating on inland waterways to have radio equipment aboard.

X X X X X X X X

FTC ORDER HITS RADIO CORRESPONDENCE SCHOOL

Misleading claims concerning the ownership and operation of an amateur radio station in connection with the sale of correspondence courses in "electronic engineering", will be discontinued by a Minneapolis concern under a stipulation entered into with the Federal Trade Commission.

Thomas J. Casey, trading as National Institute of Technology, agrees to discontinue using printed or oral representations tending to convey the idea that his school owns, operates and controls amateur Radio Station W9VXZ, Minneapolis, or any other radio station for its curricular purposes; that use of that or any other station or call number may be available to unlicensed students for practice and operation, or, inferentially or otherwise, that his school has the authority to operate or control the operation of the transmitting equipment of an amateur radio station even though it may own such equipment.

The stipulation recites that the respondent, in selling trade school courses for radio operators and mechanics, extensively featured W9VXZ as a part of the school's operating equipment; that he personally operated the station for the school's commercial purposes, seeking to make contacts with radio broadcasting studios throughout the country in an effort to procure paying jobs for his students; and that this was contrary to Federal Communications Commission regulations that amateur stations shall not be used commercially and that amateur licenses are not issued to schools or their representatives or to amateur radio societies if their names advertise business concerns or commercial schools.

The facts are, according to the stipulation, that the call number W9VXZ is not the property of the school as represented and implied, but is assigned in a license to Raymond O. Overby as trustee for the National Institute of Technology Radio Club, an amateur radio society, upon a showing made by him of control of proper transmitting apparatus and of the station premises.

The respondent agreed to cease use of the words "Institute and "Technology" in his trade name or in any manner as applied to his school or any affiliated radio club or society; or the use of any similar designation the effect of which is to convey the belief that the school is equipped to give technological courses or instruction other than trade or vocational, or that either school or club is an institution for the promotion of learning, philosophy, art or science, or is a national association of technologists.

Among other representations to be discontinued are overstatements of actual earning power or probable salaries and future security of graduates and students; representations implying that the respondent is in a position to offer employment to his graduates; and implications that persons lacking in proper education,

experience or aptitude can become competent electronic or radio men by taking the respondent's course; that the school is equipped to supply competent engineers; that "some of the best engineers in this country" collaborated in preparing the course; that a certificate issued by the school is a diploma; that a fictitious price for the course is the actual price, and that the school occupies the whole of a building depicted when in fact it occupies part of one floor.

X X X X X X X X

RMA CONVENTION SETS ATTENDANCE RECORD

In attendance, interest and constructive action, all radio industry records of a decade were surpassed at the fifteenth annual RMA convention and National Parts Trade Show, June 13-17, at the Stevens Hotel in Chicago, according to Bond Geddes, Executive Vice-President.

Registration records, both for the bigger and better parts show, RMA convention and committee meetings, and also the annual "RMA cabaret" and industry dinner, held Wednesday evening, June 14, in the Hotel Morrison's "Terrace Casino" were broken. There was wide optimism over future business prospects, with bigger volume and higher price levels informally set as goals for the coming year.

Close to 10,000 manufacturers, distributors, dealers and servicemen, and members of RMA Sales Managers Clubs, the Radio Servicemen of America, the National Association of Radio Parts Distributors, and other allied organizations were present and held many group and committee meetings.

The big social event was the annual "RMA cabaret" attended by over 750 RMA members and guests, and 40 percent larger than last year. President Wells was presented with a sterling silver cocktail set by Paul V. Galvin, of Chicago, Chairman of the Convention and Banquet Committee. Another entertainment feature of the convention was the annual radio golf tournament at the Calumet Country Club on Thursday, June 15, participated in by nearly 200 radio golfers.

The National Radio Parts Trade Show held in the Exhibition Hall of the Stevens Hotel from Wednesday, June 14 to Saturday, June 17, was the largest and best in five years. Thousands of radio distributors and sales representatives, dealers and servicemen attended, with a registration far exceeding last year. Sponsored jointly by RMA and the Sales Managers Clubs under the management of Ken Hathaway, the show will be held again next year in the Stevens Hotel. Arrangements for direct representation of RMA and the Sales Managers Clubs in the management and operation of the show were made. Directors H. E. Osmun and J. J. Kahn, of Chicago, were appointed by President Wells as the RMA Directors on the Show Management Committee.

X X X X X X X

400 TELEVISION SETS SOLD IN FIRST MONTH

At the end of one month of regular broadcasts by the National Broadcasting Company, Radio and Television Retailing has made a check-up of television set sales in the New York area. Approximately 750 complete sets have been delivered to dealers, according to O. Fred. Rost, Editor. Half that number, or at best 400 sets were sold at retail and installed in consumer's homes, he said. A considerable number of kits have been sold.

"Not less than 350 dealers within television range are demonstrating or getting ready to demonstrate sets", the report continued. "Some have made no sales, others have moved one set, smart dealers in unusually good locations have sold 6, 8, 11, up to 21 sets. One large department store made enough sales to justify tripling its demonstration facilities.

"Sets with 9 in. cathode ray tubes, in the \$300 to \$400 price range are at present most popular, mirror equipped models slightly outselling the direct-vision type. Table models, 5 in. tube, video only, equipped for plug-in to radio sets are selling comparatively well.

"Distributors and dealers agree that brevity of program periods and quality of the show are handicaps, best programs coming on at night when dealers have little or no chance to make sales. Dealers also grumble at 25% discount, want more profit because it takes more time and effort to make sale. Manufacturers remind that one television sale is equal to profit on a whole flock of small radio sets.

"Substantial improvement in sales is expected when Columbia goes on the air with its Chrysler Building station."

X X X X X X X X

RCA ISSUES TELEVISION BOOKLET FOR SERVICEMEN

The RCA Manufacturing Co., Camden, N. J., this week issued a new booklet (price 25 cents) entitled "Practical Television by RCA" for the information and use of television servicemen.

The first publication of its kind, the booklet does not attempt to present an engineering treatise but presents practical aspects of television receiver design installation and service gained by RCA engineers in field tests during the last seven years. It also gives a practical outline of a complete television service.

X X X X X X X X X

NAB SESSIONS TO BE OPEN TO PRESS FIRST TIME

For the first time since its organization, the National Association of Broadcasters will open most of its sessions at the Atlantic City convention July 10-13 to the press, according to Joseph L. Miller, labor and press relations official.

Among the prominent speakers scheduled for the meeting are: James Stahlman, former President of the American Newspaper Publishers' Association; Elmer F. Andrews, Federal Wage and Hour Administrator; and Will Hays, the movie czar, or a representative of his office.

Consideration of the proposed Code of Ethics for the broadcasting industry will be the highlight of the convention.

X X X X X X X X X

HEARING ON INTERNATIONAL RULES MAY BE POSTPONED

The Federal Communications Commission's hearing on its widely-criticized regulations outlining, in general terms, the type of programs which must be broadcast by international radio stations may be postponed from the July 12 date set last week by the Commission.

The date conflicts with the convention of the National Association of Broadcasters, which is to be held in Atlantic City, and the charge has been made that the FCC chose this time for the hearing so it might interfere with the appearance of the broadcasters. Members and officials of the Commission, however, disclaimed any such purpose.

It has been suggested that when the broadcasters file notice of intention to appear at the hearing, they might request a postponement and that in all likelihood it would be granted.

The NAB was the first to file complaint against the new rule and ask a hearing contending the rules smacked of an attempt to invoke censorship. When the Commission granted the hearing, it stated that it acted on the subsequently-filed petition of the American Civil Liberties Union, but opened the hearing to all who desired to appear.

X X X X X X X X X

The increase in radio licenses issued by the British Post Office during April, as compared with the total as at April 30 last year was 359,000 or 4.2 percent on the figure of 8,604,000 recorded on the same date a year ago. The total number of licenses in force at April 30 was 8,963,000. The 536,427 licenses issued during April reflected a net decrease of 5,259 in the number of license holders by comparison with the previous month, after making allowance for expired licenses and renewals.

X X X X X X X X X

RMA TO OPPOSE WAGE PLAN AT HEARING

The Radio Manufacturers' Association will participate in the hearing scheduled July 6 before the Department of Labor at Washington on procedure to establish a minimum wage for the radio and also the electrical industry. Octave Blake is Chairman of a special RMA committee which is seeking exemption for manufacturers of home radio sets, tubes, parts and accessories.

The RMA is not concurring in a suggestion to include transmitters, special custom built receivers, and parts, together with public address systems in the Government procedure relating to a minimum wage for the electrical industry, including the radio interests in a minimum wage finding for the electrical industry. This suggestion has come from Administrator Walling of the Walsh-Healey Act, but the RMA has advised him that the Association does not concur in this proposal. Chairman Blake and the RMA Committee will represent the radio interests at the Washington hearing on July 6th.

X X X X X X X X

WIRED RADIO STARTS IN ENGLAND NEXT YEAR

Radio by telephone will be available for London, Edinburgh, Birmingham and Manchester at an approximate cost of one shilling a week by the end of the year, according to a correspondent of the New York Times. Earlier announcements suggested that the service would apply only in wartime.

The system is being introduced temporarily as a defense measure, Major George Clement Tryon, Postmaster General, told the Commons last week, since ordinary broadcasting would be subject to tapping and interference in the event of hostilities.

Unlike the existing relay service of the British Broadcasting Corporation, which requires only loud-speakers, the telephone broadcasting system requires receiving sets. The change apparently has been made following the protests of radio dealers, who feared that the extension of the relay system would hit their business.

X X X X X X X X

Proof of the vast area serviced with American programs by General Electric's newest international broadcast station W6XBE was announced this week when letters received in the same mail reported perfect reception at the southernmost tip of the Americas, within the Arctic Circle, the Orient, the Antipodes, India, and South Africa. W6XBE, a permanent installation in the San Francisco area, is presently located at the Golden Gate International Exposition on Treasure Island in San Francisco Bay.

X X X X X X X X

DR. KENNELLY, NOTED SCIENTIST IN RADIO, DIES

Radio lost one of its most famed scientists on Sunday when Dr. Arthur Edwin Kennelly, Professor Emeritus of Electrical Engineering at Harvard University and Massachusetts Institute of Technology, and at one time principal assistant to Thomas Edison, died at the Phillips House, Boston, after a long illness. He was 77 years old.

Among his accomplishments was the co-discovery with the English mathematician, Oliver Heaviside, of the ionized layer surrounding the earth, now popularly known as the "Kennelly-Heaviside Layer", which has figured prominently in the technical operations of radio.

A national authority in his field, Dr. Kennelly received the French Cross of the Legion of Honor in 1922 for his work. In 1933 he received the annual Edison Gold Medal for "meritorious achievement in electrical science, electrical engineering and electrical arts". Winners of the medal have included George Westinghouse and Alexander Graham Bell. He also received the gold medal from the Franklin Institute of Philadelphia for his invention of the hot wire anemometer.

A native of Bombay, India, Dr. Kennelly was educated in private schools in France and England and at University College School, London. He served as Professor of Electrical Engineering at Harvard, 1902-30, and at Massachusetts Institute of Technology, 1913-24.

Dr. Kennelly devoted nearly his entire life to electrical work and in his earlier years was chief electrician of a cable repairing steamer and senior ship's electrician for the Eastern Telegraph Cable Company. He was principal electrical assistant to Thomas Edison from 1887 to 1894 and a member of the firm of Houston & Kennelly, Philadelphia, consulting electrical engineers, from 1894 until he went to Harvard. He was also engineer in charge of laying the Vera Cruz-Frontera-Campeche cables for the Mexican Government in 1902.

He was President of the American Institute of Electrical Engineering, 1898-1900; Society for Promotion of the Metric-System of Weights and Measures, 1904; Illuminating Engineering Society, 1911, and the Institute of Radio Engineers, 1916.

Dr. Kennelly was also a corresponding member of the British Association for the Advancement of Science, a member of the National Academy of Sciences and a Vice-President of the American Academy of Arts and Sciences, as well as a member of numerous other scientific organizations. He was the author of nearly a score of books on electrical subjects.

X X X X X X X X

ZEPHYR RADIO HIT BY FTC ORDER

Orville J. Bond, trading as Zephyr Radio Company, Highland Park (Detroit), Mich., has been ordered by the Federal Trade Commission to cease and desist from representing that radio sets distributed by him will give world wide reception.

In magazines and newspapers the respondent is alleged to have advertised as follows: "Get politics, news, music, market and weather reports on a new Zephyr world-wide, all electric, battery or auto radio. All latest improvements."

Findings of the Commission are that the "Zephyr" radio receiving set advertised to sell at \$6.95 is a complete radio set with all working parts and aerial designed as a local receiver primarily for reception in a radius not over 100 miles and will not give world-wide reception; that "world-wide reception" as applied to radio means that a radio is capable of picking up signals transmitted from the major continents of the world and that the respondent's radio receiving set is not capable of picking up signals from the major continents of the world, nor even from remote places on this continent.

The respondent is ordered to cease and desist from representing that the radio set sold under the name of "Zephyr Radio Receiving Set" or any other radio receiving set similarly constructed, will give world wide reception or that such a set will receive programs broadcast from all continents.

X X X X X X X X

GERMANY ENCOURAGES LOCAL CZECH PROGRAMS

Under the latest agreement between the Czech Broadcasting Corporation and the German representatives of the Protectorate, the little 1.5 KW Moravian station, Moravska-Ostrava, is now devoted entirely to Czech broadcasting, according to World-Radio.

The programs are popular, and very often of a local folklore character. Some of them are transmitted also by the Prague and other stations. From May 1, 70 percent of the programs of the Brno station are Czech and the rest German. The times are regular, so that Czech and German listeners of Moravia know exactly when to tune in to programs in their mother tongues.

The programs of the main Prague station are also being standardized, and in future the chief features of the programs will be more popular music, more Czech music and folk songs, and longer plays.

X X X X X X X X X

6/20/39

BBC TELEVISION LIMITED TO LONDON FOR THE TIME

The following discussion occurred in the House of Commons recently regarding the possibility of the extension of television broadcasting in Manchester, according to the office of the American Commercial Attache, London.

"Mr. E. Smith asked the Postmaster General whether he is aware of the public desire within a 50-mile radius of Manchester for a television service; what are the prospects of such a service; and will he consult with the British Broadcasting Corporation with a view to having a television station constructed on a site that will enable the people of this area to have the opportunity of a television service. Mr. Burke inquired whether the Television Advisory Committee has given any indication as to whether the time has arrived for the extension of television services to centers outside London.

"The Assistant Post Master General replied that the extension of the television service to areas outside the range of the London Station involves serious problems both technical and financial. On the advice of the Television Advisory Committee technical research is being undertaken in regard to possible methods of relaying television programs from London to other centers; but this research work is likely to occupy a considerable time; and it is feared no decision concerning the extension of the service to other centers can be reached in the near future."

X X X X X X X X

Picketing of Station WMCA, at 1657 Broadway, New York City, which has been done each Sunday afternoon for more than six months in protest of the failure of the station to carry broadcasts of the Rev. Charles E. Coughlin was confined last Sunday to the Broadway side of the building by Deputy Chief Inspector John J. DeMartino, Manhattan Borough commander, who was in charge of 100 policemen at the scene.

With a speech in Spanish by the Director-General of the British Broadcasting Corporation, F. W. Ogilvie, the BBC's special program service for Latin-America will be inaugurated on July 3 in the presence of Diplomatic representatives of all the Latin-American Republics.

The programs of the new transmission, which except for the opening program, will be broadcast from Daventry daily between 6:25 P.M. and 9:20 P.M., E.S.T., under the call-signs GSO (15.18 Mcs, 19.76 m) and GSC (9.58 Mcs., 31.32 m), will include two news bulletins in Spanish and one in Portuguese, and topical talks in both languages - in which, of course, all announcements will be made.

X X X X X X X X X X

TIMES SEES KNOTTY PROBLEM IN TELEVISION

Following is an editorial which appeared in the Sunday
New York Times:

"The Radio Manufacturers' Association, convened at Chicago, looks sourly on the commercial future of television. And well it may. Though the images sent and received are acceptable, a transmitter has a range of only fifty or sixty miles even when mounted on top of the Empire State or Chrysler Building. To blanket the country with visual entertainment through a national hook-up involves the erection of perhaps several hundred stations, each costing from \$100,000 to \$500,000. Interconnection can be achieved by short-wave radio, but engineers prefer the coaxial cable, which costs about \$5,000 a mile, with at least 90,000 miles needed.

"Assuming that some inexpensive way of hooking up stations will ultimately be evolved, there still remains the obstacle of studio costs. The worst film play that the public will tolerate costs about \$1,000 a minute in screen-time. Probably \$5,000 a minute is the average for a good screen play. But the most that a national hook-up now costs the advertiser is about \$600 a minute, which leaves a satisfactory profit for the broadcasting company. Television studio costs will have to be brought down to about \$500 a minute if ordinary broadcasting is any criterion. How that miracle is to be performed in the face of Hollywood's long experience and the public's demand for high-priced actors and elaborate stage settings, no economic soothsayer will venture to predict.

"British experience indicates that the public is not satisfied with mere sketches. It wants full-length plays - a new one every twenty-four hours if possible. And this means a production cost of \$300,000 a day. The gross business of the two leading sound-broadcasting companies amounts only to about \$90,000,000 a year, which is barely enough to produce 300-hour-long television plays on a Hollywood scale, with nothing allowed for research costs, huge investments in electrical equipment, heavy expenditures for maintenance and technical operation. Hollywood never had to reckon with anything like the productivity that television will demand from authors, actors, engineers, set designers, property men, make-up experts, stage directors and costumers.

"No radio manufacturer now believes that the sale of sets alone can pay the cost of television. Nor does he expect much from the turnover in tubes, though a televisior now has about twenty. It is the advertiser who must pay. But will he? And can he? The present cautious broadcasting of only two television program-hours a week will not answer definitely. Rather will it reveal how strong is the public demand for television and hence the potentialities of advertising. It is the established system of providing entertainment at the expense of 'sponsors' that is actually being tested - not television itself."

X X X X X X X X

6/20/39

U. S. RADIO SETS POPULAR IN GREEK MARKET

American low-priced radios are popular in the Greek market, according to the Department of Commerce. Effective July 1, three-fourths of the quota for the importation of radio sets into Greece has been reserved for sets priced below 2,500 drachmas, or \$21.50.

During the first six months of this year the Greek Minister of Economy authorized a global import quota for radio sets of 40,000 kilos and an extra quota of 20,000 kilos for radio sets of United States origin. It is probable that similar quotas will be established for the remainder of the year.

X X X X X X X X

MUTUAL NETWORK EXPANDS INTO SOUTHEAST

Expansion of the coast-to-coast network of the Mutual Broadcasting System into the southeastern section of the United States became known this week when it was announced that four stations in North Carolina became affiliated with the Mutual network on Sunday, June 18.

The four stations that joined Mutual on that date are:

WSOC, Charlotte, operating on 1210 kilocycles, 250 watts day, 100 watts night; WRAL, Raleigh, operating on 1210 kilocycles, 250 watts daytime, 100 watts night; WSTP, Salisbury, operating on 1500 kilocycles, 250 watts day, 100 watts night; WAIR, Winston-Salem, operating on 1250 kilocycles, 250 watts daytime.

The addition of these four stations to the Mutual network raises the total to 118 affiliates from coast to coast.

X X X X X X X X