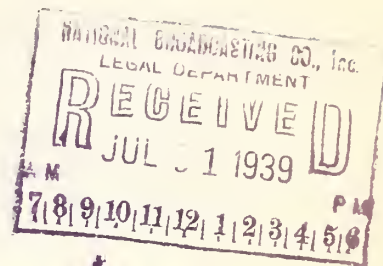


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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FLY, SUCCESSOR TO McNINCH, BACKED BY CORCORAN

James Lawrence Fly, gangling soft-spoken Texan who on Thursday was nominated by President Roosevelt as a member of the Federal Communications Commission to succeed Frank R. McNinch, resigned, had the backing of Thomas G. Corcoran, who is reputed to have suggested McNinch's appointment.

Mr. Fly, who is General Counsel of the TVA, is expected to encounter little opposition before the Senate Interstate Commerce Committee despite his affiliation with the New Deal's left wing. He is not, as has been reported, a former secretary of Senator Pat Harrison, of Mississippi. His name, it was said, was confused with that of Eugene Fly in the Internal Revenue Bureau.

While he was not designated as FCC Chairman at the time of his appointment, it is understood that he has been assured that he will be so designated by President Roosevelt once he has been confirmed.

Friends of Commdr. T.A.M. Craven, who has been supported for the chairmanship by organized broadcasters and radio manufacturers, still clung to the faint hope that he may be named Chairman if Mr. Fly arouses any opposition on Capitol Hill.

Mr. Fly, who successfully handled TVA's litigation before the U. S. Supreme Court and weathered the feud among the TVA Directors, has been considered for a half a dozen top New Deal jobs, it is understood, even though he was introduced to Government service by Herbert Hoover.

In 1929 he was appointed Special Assistant to the Attorney General in charge of anti-trust cases and in August, 1934, was made TVA General Counsel.

Mr. Fly's appointment, it is understood, had the approval of the retiring FCC Chairman.

Chairman McNinch's resignation does not become effective until September 1st, and it is reported that he is planning to let loose a final broadside against his critics and "unpurged" colleagues on the Commission.

Mr. Fly's nomination is for the remainder of the seven-year term of Mr. McNinch, which will expire July 1, 1942.

Mr. Fly has taken a leading part in the Administration's public-utility drive, but his service in this field dates back to 1929, when as Special Assistant United States Attorney General he

began and continued for six years to defend the Government as counsel in actions involving restraint of trade under Federal anti-trust laws and regulatory measures under commerce power.

Now, at 41, he is rated one of the most accomplished of the Administration's younger men.

Born February 22, 1898, in Seagoville, Dallas County, Texas, the son of Joseph Lawrence and Jane (Ard) Fly, the FCC Chairman-designate was graduated from the Dallas High School in 1916, from the United States Naval Academy in 1920 and from the Harvard Law School in 1926.

In June, 1923, Mr. Fly retired from the naval service and married Miss Mildred Marvin Jones of San Rafael, Calif. In 1925 he was serving as law clerk with Burlingham, Veeder, Nasten and Fearey in New York City. He was admitted to the New York and Massachusetts bars in 1926 and practiced with White & Case in New York until 1929, when he entered the Government service.

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MRS. ELLIOTT ROOSEVELT BUYS KTAT

The Federal Communications Commission this week authorized Mrs. Elliott Roosevelt to acquire all the outstanding common stock of the Tarran Broadcasting Co., licensee of Station KTAT, Fort Worth, Texas, from Raymond E. Buck for \$101,570.

The authorization was contingent upon the surrender of the license for Station KFJZ, also at Fort Worth, of which Mrs. Roosevelt is President and Director. It is proposed to make KTAT the key station of the Texas State network, which is headed by Elliott Roosevelt, son of the President.

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CRAVEN REPORT ON SHIP RADIO POWER IS ADOPTED

The Federal Communications Commission this week adopted the report of Commissioner T.A.M. Craven of May 19, last, relative to the power requirements of ship radio transmitters.

The Commission, had under consideration the proceedings upon the hearing conducted for the purpose of determining the power requirements for ship radio transmitters, in order to comply with the terms of treaty and statute, and as set forth in paragraph 12(c) of the Commission's Ship Radiotelegraph Safety Rules, as modified January 18, 1939.

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RISE IN RADIO FACTORY OPERATION SHOWN BY REPORT

Continued increase in radio factory operations this year over 1938 were disclosed in the April employment report of the U. S. Bureau of Labor Statistics, just released, but with decreases from the preceding month of March. A supplementary report stated that in the monthly turnover rate per 100 employees, there were layoffs in radio factories of 3.64 per hundred last April, and 1.94 per hundred in the following month of May compared with 12.19 in May 1938. The ratio of new radio employees hired was 3.38 per hundred last April and 8.73 in May, compared with 6.68 in May 1938.

The April Government report stated that radio employment last April declined 4.3 percent from the previous month of March but was 21.5 percent above radio employment in April 1938. The April index figure was 94.6 compared with the previous March index of 98.9.

Radio factory payrolls for April declined 5.1 percent but were 22.8 percent above radio payrolls of April 1938. The April index figure on payrolls was 80.8 as compared with the previous March index of 85.1.

Average weekly earnings last April of radio factory employees were reported at \$21.19, five cents more than in March, and 1.0 percent above the April 1938 average. For all manufacturing industries the April 1939 average weekly earnings were \$23.82, a decrease of 2.1 percent from March but 7 percent above April 1938. The average weekly earnings of all durable goods manufacturers was \$26.98, a decrease of .5 percent from the previous month of March but 12 percent above the April 1938 average.

Average hours worked per week last April in radio factories were 36.2 hours, a decrease of 1.3 percent from the March average of 36.6 hours and were 7.7 percent above the April 1938 average. The national average working hours of all manufacturing industries last April were 36.4 hours, a decrease of 2.1 percent from the March average of 37.1 hours. The national average working hours of all durable goods manufacturers in April was 36.5 hours, a slight decrease from the March average.

Average hourly earnings last April of radio factory employees were 58.6 cents, .6 percent above the March average of 57.8 cents but 5.5 percent below the radio average hourly earnings for April 1938. The national average hourly earnings last April of all manufacturing industries were 64.8 cents, a slight decrease from the preceding month, and the national average of all durable goods manufacturers was 72.6 cents compared with March average of 72.7 cents.

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FUTURE OF McNINCH IN DOUBT; U. S. JOB EXPECTED

Just where Chairman Frank R. McNinch will be transferred following his resignation from the Federal Communications Commission on September 1st is conjectural, but it is understood that he has been assured that a place will be made for him in the Government service.

It is doubtful that he will return to the Federal Power Commission because of opposition to him on Capitol Hill.

One story is that he will return to private law practice but with a sinecure as Special Assistant to Attorney General Murphy.

Reports of his state of health also vary widely. His friends insist that he has all but recovered from his stomach ailment which has kept him away from the FCC for most of the two years that he has been Chairman, while others maintain that his malady is incurable.

Mr. McNinch, who was appointed as FCC Chairman in the Fall of 1937 to do a "house cleaning" job, has had an odd political career. A former Mayor of Charlotte, N. C., he deserted the Democratic party when Al Smith was nominated for President and helped swing North Carolina to Herbert Hoover.

Mr. Hoover rewarded him by appointing him to the Federal Power Commission, but when Franklin Roosevelt was nominated, Mr. McNinch agilely jumped back on the Democratic bandwagon and became an ardent New Dealer. He soon became associated with Corcoran, who also first came to Washington under the Hoover standard.

Almost from the beginning McNinch aroused opposition both in the Commission and in the industry by his attempts to impose censorship on broadcasting, his ideas that radio stations are quasi-public utilities, and his hostility to newspaper ownership of broadcasting outlets.

His Waterloo came last Fall when he belatedly set about "house cleaning" by abruptly dismissing Hampson Gary, General Counsel, G. Franklin Wisner, Press Relations Chief, Davis G. Arnold, Chief Examiner, and others in a widely publicized "purge".

Commissioners Craven and Payne aroused his wrath by voting against the "purge", and McNinch thereafter devised, with Corcoran, the idea of reducing the Commission to a three-man agency to "purge" the recalcitrant Commissioners.

He got as far as having Senator Wheeler (D.), of Montana, introduce such a bill early in the session, but such an outcry of "dictatorship" was raised in the press and the radio industry that even Mr. Wheeler shortly thereafter pigeon-holed the plan.

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FOUR NEW STATIONS AUTHORIZED BY FCC

Construction permits for four new broadcasting stations were granted tentatively this week by the Federal Communications Commission. Two of them are to be operated by newspaper publishers.

The applicants are:

Niagara Falls Gazette Publishing Company, for a new station in Niagara Falls, N.Y., to operate on the frequency 1260 kc., with power of 1 KW, during daytime hours.

Vincennes Newspapers, Inc., Vincennes, Indiana, for a construction permit to erect a new station to operate on 1420 kc., with 100 watts, unlimited time.

Pontiac Broadcasting Company, Pontiac, Mich., for a construction permit to operate on frequency 1100 kc., with power of 1 KW, daytime only.

John R. Pepper, Greenville, Miss., for a construction permit to erect a new station to operate on 1310 kc., with power of 100 watts night, 250 watts, until local sunset, unlimited time.

Two license transfers also were approved.

Acting on the application of Charles R. Cook, Transferor, for consent to the transfer of 127½ shares of the Commodore Broadcasting Company, Inc., Licensee of Station WJBL, Decatur, Illinois, to the Decatur Newspapers, Inc., the Commission granted the application for Consent to Transfer Control of the Commodore Broadcasting Company, Inc., licensee of WJBL, to Decatur Newspapers, Inc. The station operates on 1200 kc., with 100 watts, sharing with Station WJBC.

The Commission also granted the application of Corn Belt Publishers, Inc., Transferees, for Consent to Transfer of Control of Drovers Journal Publishing Company, Licensee of Station WAAF, to Ralph W. Dawson, et al, transferees. Station WAAF operates on 920 kc., 1 KW, day.

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MARS IGNORES RADIO SIGNALS FROM MOTHER EARTH

Inhabitants of Mars, if any, blithely ignored radio signals of good will Thursday night when Station WOR, New York, attempted a unique, if futile, experiment to penetrate the 36,000,000 miles between Mother Earth and Mars with a high frequency signal.

The experiment, as described by the New York Times, created considerable interest and some sarcastic comments by spectators, chiefly newspaper men.

"The American Museum of Natural History, which has sent expeditions to all parts of the terrestrial sphere until there is very little of it left to explore, set out on its first inter-planetary adventure last night in an effort to communicate with Mars by radio", the Times reported. "The occasion was the close approach of Mars yesterday, when it was at the nearest point to the earth since 1924.

"The museum's Martian 'expedition' was headed by Dr. Clyde Fisher, Curator of the Hayden Planetarium, with Hans Christian Adamson, Chairman of the Museum's Committee on Public Press Information, acting as co-leader. Headquarters for the Museum's explorers were established at the Baldwin (L.I.) plant of Press Wireless, Inc., operated by WOR, where a group of radio engineers gathered last night for the most ambitious radio program in history.

"The first part of the expedition's program consisted in listening for signals that might possibly come from Mars. Forty men sat listening tensely to powerful short-wave receivers tuned in to different frequencies, ranging from 16 to 300 kilocycles. Many strange sounds came to their ears, leading some to believe that Mars might be populated largely by a species of cats. Others, more skeptical, ascribed the sounds to terrestrial atmospherics.

"At 11:22, when Mars was at a 30-degree angle to the Baldwin position on the earth, the signal was given for the second phase of the evening's adventure. At a signal from Mr. Adamson, radio engineers threw into operation a high-frequency radio transmitter, operating on 20,000,000 cycles, with a power of 20,000 watts. A long dash was aimed straight at Mars, a tiny dot in the heavens more than 36,000,000 miles away, which, to make matters a little more difficult, was at that time completely hidden by thick dark clouds.

"If that signal should break through the ionized layer', Mr. Adamson informed the curious by-standers, mostly newspaper men, 'and if it should hit Mars squarely, it should be reflected directly back at the earth by the mineral substance of Mars. The round-trip of the signal should take approximately six and a half minutes.'

"The forty powerful short-wave receivers tuned in once again and the radio engineers sat listening for the signal's return. Once again there were those who insisted they heard something. But the skeptics in the gathering spoiled it all by pointing out that the same sounds could be heard several minutes before the expected time. To relieve the tension some one offered the explanation that the Martians had bounced the signal back before it reached them."

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FCC ACTS ON 290 OF 325 HEARING DOCKET CASES

The Federal Communications Commission this week announced that since November 15, 1938, it had disposed of 290 of a total of 325 broadcast hearing docket cases. Of the 35 not disposed of by the Commission, 12 cannot be acted upon by reason of contingencies beyond the control of the Commission, such as possible conflict with Havana Radio Broadcast Treaty and pending litigation. Of the remaining 23 docket cases decisions are in the course of preparation for early action by the Commission.

In addition to the foregoing 325 cases, there are 19 cases recently heard which are not available to the Commission for action because of lack of completion of the cases by litigant parties to the proceedings.

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LOHR TO THE RESCUE?

Quoting an International News story, Earl Godwin, NBC commentator in Washington, said that it had been reported that some exhibitors at the New York World's Fair were starting a movement to try to get Maj. Lennox Lohr, President of the National Broadcasting Company, to pull the New York Fair out of the red. According to the New York Times, the Fair is 100,000 persons a day behind in attendance necessary to make it a financial success.

Major Lohr, along with Mr. Rufus Dawes, is credited with the success of the Chicago World's Fair.

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BRITISH RADIO LICENSES INCREASE 5 PERCENT

The British Post Office issued 455,174 radio receiving licenses during May, representing a net increase of 21,544, or 5 percent, in the number of license holders during the month after making allowance for expired licenses and renewals, according to the American Commercial Attache at London.

The approximate total number of licenses in force at the end of May was 8,984,250, compared with 8,627,860 at the end of May 1938, an increase during the year of 356,390 or 4.1 percent.

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::: TRADE NOTES :::
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The Federal Communications Commission has adopted Standards of Good Engineering Practice for Ship Stations, to become effective immediately. These Standards will be printed in a later issue of the Federal Register. Copies are now available for inspection in the office of the Commission.

Station KWFT, Wichita Falls, Texas, is now available to CBS clients as a member of Columbia's Southwestern Group. This latest addition to CBS facilities operates on 620 kilocycles, with power of 250 watts nighttime, and 1,000 watts daytime.

Radio industry payments of the Federal 5 percent excise taxes were 23 percent larger in the first six months, ending June 30, 1939, than in the similar half-year period of 1938, although the fiscal year radio tax collections were 17.3 percent below 1938. Radio tax collections in June, largely covering industry operations for last May, however, showed a sharp reduction of 42.4 percent from June 1938. The June radio tax collections were \$258,438.23 compared with June 1938 collections of \$448,882.61.

John Joseph Gilbert, Vice-President and a Director of the International Standard Electric Corporation and Export Manager of the International Telephone and Telegraph Corporation, died at his home in Brooklyn Wednesday at the age of 67. Among his business associates Mr. Gilbert was credited with being one of the pioneers in extending the sale and use of the telephone in foreign countries. Over a period of years, beginning shortly after the Spanish-American War, he was described as having played a conspicuous part in the sales of equipment made in the United States to South America and Europe.

The Federal Communications Commission this week announced the adoption of its final order granting the application of Mutual Broadcasting System, Inc., Chicago, Ill., for authority to transmit programs to broadcast stations in Canada.

The Federal Communications Commission tentatively rejected this week a proposal to set up a radio paging service for physicians and surgeons in the New York City area. Sherman C. Amsden, who operates a doctors' telephone service in that city, asked the Commission for a construction permit to erect a special emergency radio station.

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RADIO AN INSTRUMENT OF PEACE, SAYS BBC CHIEF

Addressing his remarks in German to listeners in Germany, F. W. Ogilvie, Director General of the British Broadcasting Corporation, recently spoke on the influence of broadcasting in promoting peace over BBC international transmitters. His remarks follow, in part:

"What can broadcasting do for peace? Well, some fifteen years ago perhaps the answer might have been: Not much. Broadcasting was then fundamentally a regional matter only: you would have been lucky if, in Bremen, say, you could hear the broadcast of the launching of a ship at Hamburg only eighty km. away; and it would have been quite unthinkable that listeners in the north of Germany should hear, say, the chug of that lovely little train from Partenkirchen up the Zugspitz in the south, or the clanking of textile machinery at Breslau in the east. Then broadcasting became national, covering pretty well the whole of a country; and now, quite fairly quickly, it has become international. Broadcasting across national frontiers - on short waves principally, but also to a large extent on medium and long waves - is now a regular feature of most broadcasting organizations; and it is obviously something which has not merely come to stay, but is likely to develop much farther, both technically and in other ways.

"The BBC was comparatively late in entering this field of international broadcasting. It was only eighteen months ago - in January of last year - that our first service in a foreign language began: we now have eight such services, including this one in which I have the honor to be speaking to you tonight. You also, of course, like other countries, do a great deal of broadcasting in foreign languages.

"Well, what are we to think of it all? Each one of us, of course, is entitled to his own opinion. My own personal opinion, for what it is worth, is that this world-wide development of international broadcasting has in it, perhaps, greater and more far-reaching possibilities of good than almost any other movement of our time. Have not the troubles of the world throughout history - troubles within a country, and troubles internationally - been due very often and very largely to misunderstanding; to ignorance of facts and ignorance of other people's ways of life and their points of view - which also are facts, and facts of a very important kind? For in the last analysis people act in such-and-such a way because they think in such-and-such a way; and I suppose we should all agree that wrong thinking has led most of us, at one time or another, both privately and publicly, into needless difficulties.

"To help us to know one another in things big and little: that surely is what international broadcasting can do as perhaps nothing else can, and is not that one of the surest ways to peace? In our BBC foreign language services, as in our home services, we try to give listeners what we think will interest them, and we are always very glad to know what listeners, at home or abroad, think about our broadcasts."

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HENYAN MANAGER OF G-E RADIO TRANSMITTER AND TUBE SALES

George W. Henyan, for the last nine years Sales Manager of the Radio Department of the General Electric Company at Schenectady, has been named Manager of the Transmitter and Tube Sales Divisions of the Company's recently organized Radio and Television Department. The appointment, announced by Dr. W. R. G. Baker, Department Manager, is effective at once. Mr. Henyan will continue to make his headquarters in Schenectady.

Mr. Henyan graduated from the University of Texas in 1916 and entered the Test Department of General Electric in October of the same year. Except for a period from 1917 to 1919, when he enlisted for military service, he has been continually associated with the company. From the test he was transferred to the Central Station Department as a commercial engineer in 1919, and in 1921 entered the Radio Department and has since been associated in this line of work.

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RCA WINS DISK RIGHT IN COURT DECISION

RCA Manufacturing Company, Inc., complainant in an action against Paul Whiteman, W.B.O. Broadcasting Corporation and Elin, Inc., has established its right to control the use by radio broadcasters of phonograph records of its manufacture, according to a recent decision of Judge Vincent L. Leibell of the United States District Court for the Southern District of New York.

Although not a party, National Association of Broadcasters appeared in the action by its counsel and was permitted by the Court to argue the position of the broadcasting industry against that of the record manufacturer. Its counsel also filed extensive briefs which were carefully studied by the Court.

The Court has directed that an injunction be issued in favor of RCA Manufacturing Company and against W.B.O. Broadcasting Corporation, operator of Station WNEW, permanently restraining the further unauthorized broadcasts of Victor and Bluebird records. Injunctive relief is also directed in favor of RCA Manufacturing Company and against Paul Whiteman from further asserting, either directly or through National Association of Performing Artists, or otherwise, that he has the right to prevent or permit radio broadcasts of Victor and Bluebird phonograph records embodying his performances unless an express reservation of this right was made in his contract of employment. NAPA is an association recently organized to assert the claims of certain performing artists that they have the right to control the commercial use of records of their performances. Even where a reservation was made by Whiteman with respect to radio broadcasts of his records, injunctive relief was directed in favor of RCA Manufacturing Company against Whiteman

from further asserting that he has the sole and exclusive right to prevent or permit radio broadcasts of RCA Manufacturing Company's records embodying his performances.

The decision establishes that both the record manufacturer and the performing artist are possessed of rights. The RCA Manufacturing Company rights, it was found, arise out of its manufacture of the records and their marketing with notices appearing on the labels and envelopes restricting their use to the home. The Court further found that use of phonograph records by broadcasters without the manufacturer's permission constitutes unfair competition with the manufacturer.

Officers of RCA Manufacturing Company stated that its counsel are carefully considering the legal effect of the decision. The Company plans to adopt a policy under which it will make many Victor and Bluebird records available for broadcasting purposes upon payment by broadcasters of a reasonable fee; also, it is contemplated that such fees will be equitably divided between the recording artist, the copyright proprietor and the record manufacturer so that reasonable compensation may be derived for groups which have heretofore complained of uncontrolled broadcasts of records, and full justice done to the artist, the copyright proprietor and the record manufacturer, as well as to radio broadcasters themselves.

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KSTP ARRANGES TO BUY RCA TELEVISION UNIT

Arrangements for the immediate installation of a television picture system for demonstrating television to the public of St. Paul and of the surrounding territory, have been completed by Stanley Hubbard, President of Station KSTP, with the Engineering Products Division of the RCA Manufacturing Company.

The television equipment is similar to that now in use at the New York World's Fair and at the Golden Gate Exposition, where the public has an opportunity to be televised and to see others televised. It consists of an electronic camera, with the famed Iconoscope television "eye", which picks up the images and carries them by special cable to a number of standard home television receivers.

Mr. Hubbard plans first to install the equipment, which is being shipped from the RCA Manufacturing Company's Camden, New Jersey plant, in the KSTP studios, at St. Paul. Later, he expects to set the equipment up in outlying districts which are not likely to have television service for some time yet, so that they too will have an opportunity to see the excellent pictures that are now possible with the type of high-definition television system that is now servicing the New York metropolitan area with regular television programs.

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