

HEINL RADIO BUSINESS LETTER

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CONGRESS TALKS RADIO, BUT DOES NOTHING ABOUT IT

The first session of the Seventy-sixth Congress heard a lot of talking about radio and the Federal Communications Commission, but did nothing about it. All pending legislation, however, including the McNinch-Wheeler Bill to reduce the FCC to three members, goes over until the 1940 session.

Similarly, there were several preliminary moves toward a solution of the copyright problems, but no definite action was taken, and the Senate finally decided this week not to ratify the long pending International Copyright Convention before next year.

Congressional leaders on radio legislation expected that the fate of the Wheeler Bill and suggested amendments to the Communications Act will depend upon the success of the new FCC Chairman, James Lawrence Fly, and the recommendations he may have to make to the Administration and Congress next session.

Relations between Chairman Frank R. McNinch and Committees handling radio legislation were never cordial, and the House Appropriations Committee was outright hostile toward him this year.

The immediate future of the FCC, it is believed, will depend upon the ability of young Fly to win over these Congressional leaders if he is appointed Chairman of the FCC as rumored. As 1940 is an election year, however, any further move to reduce the membership of the Commission is likely to prove too hot to handle even by a Democratic majority.

The session opened with the eyes of Congress on the FCC because of the wide publicity given to the McNinch "purge". President Roosevelt's message to the Capitol, urging that the old Commission be scrapped and a new agency be set up started a display of fireworks that occupied public attention for weeks.

Senator Wheeler, while the sponsor of the McNinch bill, was never enthusiastic over it, and as soon as the cries of "dictatorship" were raised, he quietly shelved the legislation. He is not likely to revive it next year on his own initiative.

House critics of the FCC, principally Representatives Connery (D.), and Wigglesworth (R.), both of Massachusetts, introduced resolutions demanding an investigation of the FCC and the radio industry, but they were pigeon-holed by a Rules Committee obedient to the Administration.

Rumors that the Administration wished to revive the Pan American short-wave station project were met with the adamant refusal of the House Naval Affairs Committee to consider further the legislation feared by the broadcasting industry.

Mr. McNinch's plans for enlarging the FCC staff came to naught when the House Appropriations Committee held up the Commission's appropriation until almost the end of the fiscal year and then recommended an amount approximately equal to the previous year's expenditures.

Proponents of a modern copyright law are planning to force action at the next session after public hearings early in the year.

Last-minute objections of the National Association of Broadcasters to compromise copyright legislation were blamed for the postponement. Most parties concerned, including members of the radio industry, were said to be satisfied with the revised legislation and willing to see it enacted at this session of Congress.

The measure will be studied by the Library of Congress, the Justice Department, and the State Department during the recess, and reports will be made to the Patents Committees of both houses when the next session opens.

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FCC DENIED TELEPHONE FUNDS; WALKER ON CARPET

The House Appropriations Committee for the second time this session cracked down on the Federal Communications Commission this week by denying a budgetary request for an additional \$210,000 to broaden the regulation of the telephone industry.

After a severe grilling of Commissioner Paul A. Walker, who conducted the telephone inquiry, the Committee revealed its dissatisfaction with the report filed by the FCC, the length of time consumed by the investigation, and its results.

Nineteen additional attorneys and other employees would have been employed by the FCC to carry out some of the recommendations in the telephone report had the appropriation been carried in the Third Deficiency Bill as recommended by President Roosevelt.

Commissioner Walker, who was the only Commissioner heard on the estimate, sought to defend the telephone inquiry and stated that many rate reductions over the country were traceable to the findings of the FCC.

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FUNDS FOR RADIO CONFERENCES REFUSED BY HOUSE

The House this week refused to appropriate \$30,000 to pay the expenses of American delegates to radio conferences in Santiago, Chile, and Stockholm, Sweden, next year, but it is probable that it will do so early in the next session.

The State Department asked \$16,000 to send ten persons to the second Inter-American Radio Conference at Santiago and \$14,000 for the expenses of nine persons to the International Radio Consulting Committee on Radio parley in Stockholm on June 25, 1940.

Members of the Committee, by their questions, indicated they are disturbed by the frequency and variety of international radio conferences.

Chairman Woodrum, of the Deficiency Sub-Committee, commented on the fact that the same countries participate in all of the conferences.

"You have six or eight meetings scattered all over the country", he commented, "and the same countries participate, and it seems to me you could divide up the subject matter and have the meeting at one place."

Harvey B. Otterman, Chief of the Division of International Communications, replied that this is not possible.

"They tried to do that at Cairo", he said, "and came to the conclusion that all of the problems could not be satisfactorily handled. For example, aeronautical radio is just one field. There are so many phases entering into these world conferences that to undertake to pin them down to all details of any one particular phase or for restricted areas is usually difficult."

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RADIO SET EXPORTS SET NEW HIGH FOR JUNE

Exports of radio receiving sets components by this country rose to a new high of \$466,591 for the month of June, Secretary of Commerce Harry L. Hopkins announced this week. This compares with the May figure of \$368,913.

The export of radio receiving set tubes rose from \$237,465 to \$277,170 during the same period.

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NAB AND ASCAP FAIL TO COME TO TERMS AT PARLEY

Another long-drawn-out battle of words between the National Association of Broadcasters and the American Society of Authors, Composers and Publishers was foreshadowed this week after an NAB-ASCAP conference in New York failed to bring about an accord on the terms broadcasters propose for copyright music.

Neville Miller, President of the NAB and Chairman of the Copyright Committee, stated after the conference that the organized broadcasters immediately will begin to develop other sources of music to free the radio industry of dependence upon the ASCAP.

The NAB Copyright Committee will meet in New York again next Wednesday to consider means of setting up the copyright music source. A similar undertaking was attempted several years ago and an independent music bureau was set up, but the project never proved successful and the material later was sold.

As the present ASCAP contracts with radio stations do not expire until December 31, 1940, no crisis is at hand, and the broadcasters and copyright owners have a year and a quarter to shadow box before a new contract is drawn up.

The NAB wants a uniform contract calling for clearance of the copyright fees at the source, with royalties to be paid only on programs using ASCAP music. Under the present contract the stations pay 5 percent of net receipts to ASCAP.

Explaining that the broadcasters now pay the Society about \$4,000,000 annually and the figure is rapidly rising, Mr. Miller told New York newspaper men that the broadcasters had paid the Society about \$20,000,000 for the right to use its music in the past six years. He added that while the broadcasters expect to continue to pay substantial sums for the use of music, he believed they could no longer remain so largely dependent upon a single source.

The main objectives of the broadcasters, he said, are:

To defend themselves against the Society's requirement that they pay percentage-wise on all programs regardless of whether or not they use ASCAP music.

To reduce the Society's toll of \$4,000,000 a year.

To bring about a more equitable distribution of the charges among the broadcasters themselves.

To foster, encourage and promote the writing of new music and lyrics by giving opportunities to be heard to new composers and authors.

To arm themselves with such supplies of, or access to, music to enable them to conduct future negotiations with the Society on terms of some equality.

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FLY CONFIRMED WITHOUT DEBATE BY SENATE

The nomination of James Lawrence Fly as a member of the Federal Communications Commission was confirmed by the Senate late Tuesday. His designation as Chairman by President Roosevelt is expected before he takes office on September 1st.

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CARRIER POWER OF G.E. S-W STATIONS DOUBLED

Equipment, which will have the effect of doubling the carrier power of General Electric's short-wave stations W2XAD and W2XAF, Schenectady, as well as result in a more faithful reproduction of programs, is now in operation, it has been announced by C. H. Lang, manager of broadcasting.

The increased carrier power effect is brought about by the use of equipment, known as peak limiting amplifiers, which allows the two stations to transmit their programs at a higher power level.

The use of the new line equalizers between the studios of the stations and the transmitter, which is located at South Schenectady, will result in the listener receiving programs superior in quality to those previously received, by extending the upper limit of the audio range of the program from 5,000 to 8,000 cycles. To the listener this will mean that the high pitched notes of the human voice and of musical instruments will be as distinct as those of the lower register, by allowing the transmission of the overtones of speech and music, giving a more natural quality to the programs.

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LOGAN BILL GOES OVER UNTIL NEXT YEAR

Senate Leader Barkley this week said that the Logan Bill to restrict the administrative freedom of scores of Federal agencies, recently passed by the Senate, would be shelved for this session.

Senator Barkley told reporters he had obtained an agreement with proponents of the measure, including Senator Logan (D.), of Kentucky, its author, to defer further action until next year.

The day after the Senate approved the Bill, Senator Minton, (D.), of Indiana, filed a motion to reconsider, protesting that it had gone through by unanimous consent when he was out of the chamber.

The Senate agreed unanimously to his motion, thus automatically blocking House consideration and causing the bill to go over to next session.

Under the bill, regulations and court appeals from bureaus such as the Federal Communications Commission, Interstate Commerce Commission, Federal Trade Commission, Wage and Hour Administration, National Labor Board and others would be standardized.

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BAIRD DEMONSTRATES TELEVISION IN COLOR

The first demonstration ever to be given of television in natural colors was held in the experimental laboratories of the Baird Television Corporation at Sydenham, England, before an invited audience of the daily and technical press, according to I. C. Javal, Commercial Director of the company in New York.

The cable stated that a color photograph of King George was received on a large screen in full color and perfect definition. Press comments following the demonstration were enthusiastic. The London Times said: "King George's photograph televised in natural colors by cathode tube for the first time putting the Baird system in the forefront of world television." The Morning Telegraph commented: "Greatest progress since pictures have been transmitted through the ether."

John L. Baird has been conducting experiments in natural colors for the past year. Some months ago he predicted that this next step in television would be available to the public sooner than at first anticipated.

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RADIO CALLED "ENEMY OF CORRECT SPEECH"

New South Wales school inspectors blame the influence of radio serials for the deliberate dropping of "h's" and "g's" by many school-children.

"An insidious enemy of correct speech", the inspectors say, "is the alleged Australian speech of some of the radio serials. It is not uncommon to hear children in the playground purposely dropping the aspirates and carefully avoiding the final 'g' in such words as 'coming' and 'going'. The effect of this potential educational agency - wireless - is directly responsible for more bad speech than even the pictures." Wide reading is advocated as a corrective.

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FLY AND McNINCH CONFER WITH ROOSEVELT

James L. Fly and Frank R. McNinch conferred with President Roosevelt at the White House Thursday after Federal Communications Commission matters shortly after Mr. Fly had been confirmed as a member of the FCC by the Senate.

While the details of the parley were not divulged, it is expected that Mr. Fly will attempt to put over the "house cleaning" that Mr. McNinch failed to accomplish.

Mr. McNinch told newspapermen upon leaving the conference that the FCC chain-monopoly report will not be completed for six months.

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ELLIOTT ROOSEVELT'S RADIO TALKS HIT IN HOUSE

The radio commentaries of Elliott Roosevelt, son of the President, were denounced on the House floor this week by Representative Shafer (R.), of Michigan, before inserting in the appendix of the Record an editorial from the Detroit Free Press.

"Were it not for the prestige of his father, few people would be aware of the existence of Elliott Roosevelt, and his radio mouthings would attract no more attention than a ham sandwich at a family picnic", he said.

"But because his father is President of the United States, son Elliott has suddenly discovered his place in the sun and has blossomed out as No. 2 critic of the Seventy-sixth Congress. His blatherings, which ordinarily would be consigned to the wastebaskets of most radio stations, are broadcast over a self-controlled network of the Southwest, and New Deal press agents, whose salaries are paid by the taxpayers of the United States, are now making his broadcasts big news.

"Son Elliott's recent tirade, in which he declared Congress may have 'outlived its usefulness', definitely marked him a New Deal propagandist of the first order. The Detroit Free Press, in an editorial headed 'Question of Usefulness', expresses the reaction of many to son Elliott's sad attempt to criticize the Seventy-sixth Congress."

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SENATOR JOHNSON DEFENDS PROPOSED LIQUOR BAN

A spirited defense of his bill to prohibit radio advertising of liquor was made on the Senate floor this week by Senator Johnson (D.), of Colorado. While admitting that the legislation could not be passed at this session, Senator Johnson said he wanted to answer statements that the bill was sponsored by Senator Johnson (D.), of Colorado. While admitting that the legislation could not be passed at this session, Senator Johnson said he wanted to answer statements that the bill was sponsored by fanatics.

The Colorado Senator said the purpose of the measure is to protect the American home against the intrusion of liquor salesmen. He cited the intimacy of the radio, the fact that children listen to programs, and the public investment in radio sets.

He quoted statements from retiring Chairman Frank R. McNinch, who, he said, "is certainly not a professional reformer", Herbert Hoover, W. S. Alexander, Administrator of the Federal Alcohol Administration and others.

The NAB has placed liquor advertising on the list of outlawed radio trade practices under its code.

"The radio renders a private service and it renders a public service", he said. "The private service is rendered to its commercial customers, for which it is paid; the public service is rendered to the listening public, for which it is not paid. The radio is a public utility and, while advertising is incidental and necessary under our system to its operation, the real purpose for which the radio has been licensed by the Congress is service to the public and not service to the advertisers. Broadcasting stations are not given the privilege of a monopolized opportunity to occupy certain wave lengths by the Congress for the private benefit of radio advertisers. Even though the advertisers support the radio, the public interest which manifestly is not in advertising remains paramount.

"Congress in its wisdom has delegated broad powers to the Communications Commission, but Congress has relinquished none of its prerogatives over policies of radio utterances. It has already prohibited by law the utterance of any obscene, indecent, or profane language by means of radio communication, and it should obviously add liquor advertising to this very short list of banned subjects.

"Congress must recognize that liberty of expression is one of man's most precious heritages, but Congress must also remember that the exercise of free speech has never meant and never can mean 'the unrestricted right to say what one pleases at all times and under all circumstances.' There must be moderation

and common sense in the exercise of free speech, otherwise a great human blessing eventually deteriorates into a positive oppression. Unwholesome advertising poured out from radio stations to be received in the privacy of the various homes of this land becomes the instrument of injury to unprotected children if care is not manifested. When the spoken word does that it destroys by its very nature the social principles involved in the guarantee of free speech. There is a freedom of listening which is just as important as the freedom of speaking, for the listener to such a public utility, as the radio has just as much right to the consideration of Congress as has the speaker.

"S. 517 is not in any sense fanatical legislation. It has nothing whatever to do with the eighteenth amendment or with a return to prohibition. Its only purpose is to protect the American home against offensive and unwholesome liquor advertising. That home has petitioned Congress to bar the invisible but attractive vocal liquor salesman from entry into its sacred inner chamber. I am standing on this floor advocating the adoption of S. 517 because 379,000 parents living in every State in the Union have been so outraged that they have asked Congress to protect them and to guard them against the violation of their firesides by the unscrupulous voice of this unwelcome invader. The Constitution has as much to say about the sanctity of the home as it does about freedom of speech. It does not permit a police officer, for instance, to enter that privileged sanctum without a warrant, yet the impudent liquor salesman demands constitutional rights which have never existed to enter that home, violate its sanctity, and make repulsive sales talks to persons who do not want to listen."

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THREE NETWORKS REPORT GAINS FOR JULY

The three major broadcasting networks had substantial increases over 1938 in billings in July, it was disclosed this week.

The Columbia Broadcasting System was ahead by 69.1 percent, the National Broadcasting Company by 11.0 percent, and the Mutual Broadcasting System by 29.6 percent. Columbia billings were \$2,311,953, compared with \$1,367,357 a year before. Total for seven months was \$19,264,926, compared with \$16,949,912 in 1938, a gain of 13.7 percent. The number of stations on August 1 was 116, unchanged from 1938.

NBC billings in July were \$3,283,555, compared with \$2,958,710 a year before. For seven months the total was \$25,882,492, compared with \$23,982,384 in 1938, a gain of 7.9 percent. The chain had 171 stations on August 1 against 153 a year before.

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Mutual billings in July were \$216,583, compared with \$167,108 in July, 1938. This was the fifteenth consecutive month in which Mutual billings gained over the year before. For seven months billings were \$1,840,819, compared with \$1,509,287 for the corresponding 1938 period, an increase of 21.9 percent.

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:::: TRADE NOTES ::::
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Arthur Radkey, of the WLW Educational Department, was this week appointed instructor in Radio Continuity Writing at the Evening College of the University of Cincinnati. The course will be new to the University curriculum.

Eddie Cantor was named defendant this week in Hollywood in a \$751,000 personal injury suit filed by a couple who alleged they were called Nazis and beaten up after a radio broadcast. Charles Gollob and his wife, Elsie, filed the action against Cantor, Bert Gordon, also known as the "Mad Russian", the Reynolds Tobacco Co., and the Columbia Broadcasting Co. The Gollobs alleged that when they left the Hollywood broadcasting theater of the radio chain, March 27, they were called Nazis, that a man, alleged to be Gordon, struck Gollob with a blackjack, and that Mrs. Gollob was struck in the face and knocked down.

Keeping pace with world affairs and responding to preferences evinced by listeners, the Columbia Broadcasting System considerably expanded its programs on international and foreign affairs and education in the first six months of 1939, as compared with the same period in 1938. A survey of network programs reveals increases in the time devoted to adult education, religion, international and foreign affairs, agriculture, news and drama.

Harry W. Conn, formerly a gag-writer for Jack Benny, filed suit for \$65,500 against the comedian in Los Angeles this week charging breach of contract. Conn declared he entered an agreement with Benny to write gags for thirty-nine weeks in exchange for 5 percent of the comedian's earnings during the time he used them. But whereas Benny has made \$1,170,000 from radio programs and \$140,000 from film work, using the Conn japeries the while, the writer asserted, he has received nothing.

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MacLAREN, NEW ZENITH PRODUCTION MANAGER

George I. MacLaren has been appointed Production Manager of Manufacturing Operations of the Zenith Radio Corp., Chicago, according to Commander E. F. McDonald, Jr., President.

"This important addition to our staff, one of a number announced during the present year, is made necessary by our continuous increase in sales and the consequent need for expanded manufacturing operations", Commander McDonald said.

"Mr. MacLaren has had 14 years of intensive experience as Production Manager in full charge of manufacturing operations of the Atwater Kent Manufacturing Company of Philadelphia, followed by a term as Factory Manager in charge of production activities with the RCA Manufacturing Company, Camden, N. J.

"Well and favorably known in the radio industry, Mr. MacLaren brings to his new responsibility an unusually well-rounded experience in the manufacture of all types of radio apparatus, including tube and microphone manufacture as well as that of receivers and transmitters."

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CONTRACT LET FOR WJSV 50 KW TRANSMITTER

Contracts for construction of a new transmitter in Wheaton, Md., for Station WJSV, Washington outlet, of the Columbia Broadcasting System, have been awarded, and construction has begun, according to A. D. Willard, General Manager of the station.

The George Martin Construction Company of Washington will build the transmitter building, of modern functional design, at a cost of \$53,600. Three guyed towers, each 340 feet high, will be erected for \$33,657 by the Blaw-Knox Company of Pittsburgh. It is expected construction will be completed in approximately 90 days.

The power of WJSV is to be stepped up from 10,000 to 50,000 watts when it abandons its present transmitter on the Mount Vernon Boulevard near Alexandria, Virginia.

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