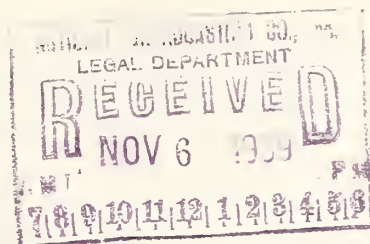


HEINL RADIO BUSINESS LETTER

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NEW RADIO CHAIN FORMED WITH ELLIOTT ROOSEVELT

Broadcasters and members of the Federal Communications Commission were awaiting with keen interest this week complete details of the organization of a new national network in which Elliott Roosevelt, son of the President, was reported to have a major role.

Conflicting versions of the developments at a conference in Chicago left officials and broadcasters a bit confused as early reports that young Roosevelt would head the network were denied subsequently. The last report was that he would not be a member of the Board of Directors.

Nevertheless, it appeared that the Texas Radio Network, which he does head, would be a part of the new network, and the President's son was quoted by United Press as saying that he is one of the stockholders.

Officials of the National Association of Broadcasters were particularly interested in the Chicago activities because of Elliott Roosevelt's withdrawal from the NAB on account of the Code ban on paid controversial broadcasts.

A stormy petrel in the broadcasting industry from the time of his entry via Hearst Radio, Inc., Elliott Roosevelt appears determined to become a dominant figure in the industry. Meanwhile, FCC officials are looking on in embarrassed silence although Chairman James L. Fly, apparently after consultation at the White House, indirectly criticized him for refusing to abide by the Code.

The new network took the name of the Transcontinental Broadcasting System and boasted that it might include as many as 100 stations with key outlets in New York, Chicago and Hollywood.

John T. Adams, of Fort Worth, Vice President of the Texas Network, which Elliott Roosevelt heads, was elected President of the organization. This election was interpreted by broadcasters that the President's son preferred not to be the nominal head of the network because of possible embarrassment to his father but nevertheless would be "the power behind the throne".

William A. Porter, of Washington, a Director and Vice-President of the chain, said that young Roosevelt had been "active in organizing the Transcontinental System but would not serve on the Board of Directors or as an officer".

Previously Roosevelt was quoted as saying that he was one of seven stockholders engaged in organizing the network.

He said the new chain would operate in competition with the Columbia Broadcasting System, the National Broadcasting Company and the Mutual Network.

The network was incorporated in Wilmington, Del., he added, as the Transcontinental Broadcasting Company, with seven stockholder-directors were holding their first meeting in Chicago. The stockholders, he said, were himself, H. J. Brennan of Pittsburgh, John Roberts and Clarence Crosby, both of St. Louis; Jack Stewart and Thomas Evans, both of Kansas City, and Lester E. Cox, of Springfield, Mo.

Mr. Roosevelt explained that all the stockholders except himself were Directors of the new corporation and that he was represented on the Board by John T. Adams, with whom he was associated in the Texas Network.

"The Texas Network is a part of the new chain, but I do not want to give the impression that I am the organizer of the chain", he stated. "I am, as operator of radio stations, only a one-hundredth part of it."

Mr. Roosevelt said the chain would include a few stations of 50,000 watt power, but the majority would be of 5,000 watts.

Earlier young Roosevelt was reported to have broken with the Mutual Broadcasting System, with which his Texas Network is affiliated and over which he broadcasts his own comments, although the regional's contract was said to have a year and a half more to run.

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CIVIL LIBERTIES EXECUTIVE DEFENDS NAB CODE

While Directors of the National Association of Broadcasters were meeting in Chicago to consider developments in the row over the NAB Code, Quincy Howe, an executive editor of Simon & Shuster, New York publishers, and Chairman of the National Council for Freedom from Censorship, an affiliate of the American Civil Liberties Union, spoke in defense of the Code over an NBC-Red hookup.

Asserting that neither the union nor the council ever advocated "complete, unrestricted, absolute freedom of speech", Mr. Howe said that the NAB action was the alternative to governmental censorship and "cannot fail to meet the full approval of all Americans who dislike censorship".

"Insofar as the Code bears upon the issues of free speech and censorship", he said, "it is one of the most welcome developments we have seen in the United States in a long time."

"Theoretically", he added, "any private self-regulation is to be preferred to government regulation since government regulation is censorship. I can, of course, imagine circumstances under which a government censored radio might be preferable to self-regulated radio, but those circumstances would arise only if the radio industry became not only utterly corrupt, but utterly blind to its own interests. As long as the radio industry remains as honest and competent as it is today, there can be no doubt that the present system of self-regulation, especially if the principles of the present Code are maintained, will be infinitely preferable to a radio industry censored and perhaps finally controlled by the government.

But censorship is only half the story, and the negative half at that. The radio industry in the United States - like all other industries charged with the communication of ideas - cannot rest content merely because it is not censored. Indeed, the radio industry - and I think this applies just as much to other industries - cannot continue to prosper, cannot continue to enjoy its present freedom from censorship, cannot go further along the path of self-regulation unless it rises to its responsibilities and opportunities. The new Code of the National Association of Broadcasters gives the radio industry exactly such an opportunity. There are a few minor points that might, I think, be improved and perhaps they will be in time, but by and large there is no excuse under the Code why the radio industry cannot contribute even more than it has in the past to the free exchange of ideas among a free people.

"Let me be specific. There is one feature of the Code which has stimulated a lot of controversy and which bears directly on this question of free speech. It is the provision that no time shall be sold for the discussion of controversial issues except for the sale of time to political parties during election campaigns. There are two reasons for this provision in the Code - time and money. As I pointed out before, there are only twenty-four hours in the day. A newspaper can always publish an extra, a publisher can issue as many books as he pleases, magazines frequently contain supplements. The radio, on the other hand, works within the iron framework of twenty-four hours a day - and actually considerably less than that since some hours are much more popular with listeners than others. Furthermore, if all this limited amount of time were for sale, it could all be bought up by anyone who had the money to do so and who wanted to use that time to set forth his ideas to the exclusion of all other ideas.

"To prevent such a state of affairs from arising, the Code forbids any discussion of controversial issues on paid time and confines these issues entirely to the time that every station must grant, under the law, to sustaining programs. Furthermore, the Code provides that these sustaining programs shall give a fair hearing to more than one side of all controversial issues. To call this procedure censorship is to show one's ignorance of what censorship means. Furthermore, to advocate the sale of time to discussions of controversial issues is to run the risk of turning

over all the commercially sponsored programs to those aspects of controversial subjects that the people with the most money want us to hear. And if there is one thing worse than government censorship, it is censorship by a small wealthy class."

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PUBLIC SERVICE HELD BASIC FACTOR BY FCC

Public service is the basic consideration in licensing broadcast stations, the Federal Communications Commission declared this week in adopting its Findings of Fact, Conclusions and Order, denying without prejudice to the filing of a new application for appropriate facilities, the application of Wendell Mayes, Joe N. Weatherby and William J. Lawson, doing business as Brown County Broadcasting Co., for authority to construct a new radiobroadcast station in Brownwood, Texas, to use the frequency 990 kc., with power of 1 KW, daytime only.

"The Commission's allocation plan", it explained, "is not an attempt arbitrarily to limit the broadcasting facilities of any community. It is a carefully devised plan, based on experience, to attain the best and most comprehensive service possible for the greatest number of listeners.

"The applicant proposes a station to provide regional service and to be located in a comparatively small community to serve that community and its trade area. If the application is granted Commission Rule 3.25(a) precludes a later expansion of service to include nighttime operations. Under the allocation plan a community of the size here involved is normally provided with a local or regional station assignment. Such an assignment here, if feasible, could provide primary service to Brownwood and to contiguous rural areas both day and night. It may be pointed out that while a local station or a regional station of one kilowatt would not provide a primary signal throughout the trade area, neither would the assignment here requested serve that entire area.

"It is recognized that under some circumstances it may be necessary to depart from the allocation plan in order to provide primary service to some communities. Class I stations are designed for use in rendering service to large numbers of people over extensive areas. The record is inadequate here as to the propriety or need for operation on a channel occupied by Class I stations. The record fails to show the facts regarding interference of any nighttime service with the present secondary service of Station WBZ, Class I station on the frequency requested. The record also lacks evidence that an assignment is not feasible to a regional frequency which might offer a possibility of night service at a later date to the inhabitants of Brownwood and its environs. Applicants possibly could have established the feasibility of a station on a regional frequency. The ultimate and basic criterion of a decision is neither the desire of the applicant nor the provisions of the

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Commission's allocation plan, but is rather the benefit to the public to be served and the public generally. If some license is to be issued, there is no apparent reason why Brownwood should be deprived of the possibility of local full time service. Such deprivation would be contrary to the interests of Brownwood. No factors are shown in the record here which indicate that a departure from the plan is either necessary, or justified or in the interest of the community. On the record, the Commission cannot find that public interest, convenience and necessity will be served by the granting of this application."

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NEW U.S. EDUCATIONAL PROGRAM SCHEDULED

Commissioner of Education J. W. Studebaker last week announced that a new series of dramatized educational radio programs showing the part women have played and are playing in every phase of American life will soon be broadcast under the sponsorship of the U. S. Office of Education. Broadcasts will feature lives of "unsung heroines" as well as contributions of famous women of the Nation.

Titled "Gallant American Women", the half-hour radio dramas will be heard at 2:00 EST every Tuesday afternoon, beginning October 31, over the National Broadcasting Company's Blue Network and affiliated stations. This series will be the twelfth coast-to-coast network program of the Radio Division, U. S. Office of Education, and will be based on 5 years' experience of the Division. The broadcasts will be a continuation of 13 programs aired this Summer under the name "Women in the Making of America".

"Gallant American Women" will be sponsored by the Office of Education and the Women's Division of the National Broadcasting Company, in cooperation with the Work Projects Administration. Numerous women's groups are contributing to the development of the series, among them the General Federation of Women's Clubs, National Council of Women, American Association of University Women, National League of Women Voters, Associated Country Women of the World, American Home Economics Association, Women's Trade Union League, and the National Consumer's League.

The first program of the series was entitled "These Freedoms", and dramatized the roles women have played in the struggle for freedom of worship, assembly and speech, and other civil liberties.

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FINCH GETS PATENT ON COLOR TRANSMISSION DEVICE

William G. H. Finch, President of Finch Telecommunications, Inc., received a patent last week on his device for electrical transmission of color picture. Mr. Finch's patent (No. 2,177,247) explains that when color prints are sent separately by wire, any misalignment or inaccuracy occurring during transmission causes color streaks and distortions when they are superimposed to form the final print.

"The color reproductions produced by my present invention bear very fine detail, and substantially all traces of streaks and the scanning lines which make up the picture are toned out so as to be unnoticeable," Mr. Finch explains in his patent claim. "A small three-dimensional effect occurs in the final colored picture, due to some extent to the superposition of the three translucent colored prints to form a substantial thickness. The fine detail of the color facsimile permits enlargement thereof to a much greater extent as compared to ordinary black-white facsimiles, since scanning lines and extraneous marks are rendered unnoticeable."

"Newspaper services are enabled by my present invention to economically transmit to remotely scattered plants of their organization comic strips, colored advertisements and colored feature supplements for newspapers, colored copy for magazines, and for other purposes. The transmission of such pictures may be readily carried out over a telephone line without physical interconnection thereto, and using conventional black-white facsimile systems. The three colored prints composing the colored picture may be received directly upon the sensitive film or may be directly engraved upon printing plates for the presses."

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TELEPHONE TELEVISION COMMERCIAL IN GERMANY

Several television telephone stations have been installed in Germany on a more or less commercial basis, according to the U. S. Bureau of Foreign and Domestic Commerce. In Berlin there are four such stations and from any of these it is possible to connect with either of the other three Berlin stations or by long distance to Leipzig, Nuremberg and Munich, the report stated.

Town calls in Berlin can be made for 0.50 marks (pre-war value of mark about (US \$0.40)), while calls to Leipzig are 3 marks, Berlin to Nuremberg 4.20 marks, and Berlin to Munich 4.80 marks. If the party called has to be notified to report to the television telephone station by the post office, there is an additional charge of 0.40 marks for calls within Berlin, and 0.50, 0.70 and 0.80 marks, respectively, for long distance calls. Hours of service are from 8 A.M. to 8 P.M. daily.

While this system is still operating on an experimental basis only, a demonstration was sufficient to prove that wonderful progress has been made along this line, the American Commercial Attache at Berlin stated.

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RADIO TELEGRAPH REGULATIONS STREAMLINED

Simplification of rules and regulations governing the licensing of radio companies handling public messages was announced by the Federal Communications Commission this week. Under the new streamlined system of licensing, effective December 1, 1939, less than 100 licenses will be able to take care of the public service now performed by nearly 500 licensees.

Heretofore, it has been the policy to issue a separate license for each frequency used in international service and regard each such license as a separate station. This necessitated the issuance of as many as sixty separate licenses for one transmitting location.

Under the new rules, only one license will be issued for any given transmitting location of this type of common carrier. This license will specify all of the frequencies and transmitters heretofore authorized on a number of licenses, and will permit communication to any point now designated in outstanding licenses.

The new system of licensing will give flexibility of operation and handling of such messages. The carriers will no longer be required to submit routine applications which are necessitated by seasonal changes and vagaries of radio-transmission which occur during the normal license period.

Other changes in the rules include the deletion of those rules defining primary and secondary communication which become obsolete under the improved system of licensing, submission of a quarterly report of the volume of traffic transmitted and received from any point of communication, and hours of use of all frequencies.

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FCC WATCHING AMATEURS, F.D.R. SAYS

President Roosevelt disclosed this week that he has discussed with Chairman James L. Fly, of the Federal Communications Commission, plans for preventing belligerent nations from using short-wave radio stations in this country to disseminate secret information.

The FCC, he told his press conference, is checking amateur stations to prevent this country being used as a base of operations by any nation at war. This, he said, is as important an activity as any other phase of a strict neutrality program.

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TRAVELERS CORPORATE TRANSFER AGAIN DENIED

The Travelers Broadcasting Service Corp., of Hartford, Conn., was denied this week permission to effect an intercorporate transfer involving its radio holdings. The action, which was a reaffirmation of a previous denial, was taken by the Federal Communications Commission after a rehearing.

The Travelers Broadcasting Service Corporation and the Travelers Broadcasting Company had jointly requested the Commission's consent to assignment of license of radiobroadcast station WTIC, the short-wave stations WIXEH, WIXLU, WIXO, WLXT, from The Travelers Broadcasting Service Corporation to the Travelers Broadcasting Company.

After hearing before an Examiner and oral argument before the Commission, on November 1, 1938, the Commission denied the application. A petition for rehearing was filed requesting the Commission to set aside its decision and to reconsider and grant the application on the basis of arguments set forth in the petition.

Applicants contended that the benefits to be derived from the transfer are summarized somewhat as follows:

1. All physical properties connected with broadcasting will be owned by the same company which holds the license.
2. The proposed licensee will have a larger and stronger capitalization.
3. The proposed licensee will have broader corporate powers with which to develop the radio art.

Taking up the foregoing in order, the Commission finds:

The first purpose can be accomplished by a simple form of conveyance to the present licensee.

The second point is not persuasive since the present licensee will surrender its present cash balance of \$100,000 to the Insurance Company as a "liquidating dividend". The total authorized capital stock of the new corporation is the same amount, as shown by the charter, while the application itself and the affidavit of C. W. Baker (Treasurer of the companies) attached to the charter states that only \$50,000 in amount is planned to be issued. Were it to be assumed in any case that the cash position of the licensee would be improved by the assignment, this again could be accomplished by a simple arrangement with the present licensee.

The third point, the need for broader corporate powers is not readily apparent in the light of the broad experimental activities of the station heretofore. Assuming this as a major purpose, however, it can readily be accomplished by an amendment of the charter of the present licensee.

Chairman Fly and Commissioner Payne did not participate; Commissioner Craven dissented.

RADIO MAY MOVE TO FRONT LINE TRENCHES

Diplomatic negotiations now under way in Paris may result in the placement of radio commentators at the Maginot Line alongside the newspaper men, according to the State Department.

Ambassador William C. Bullitt has informed Secretary Hull that the French Ministry of Information is considering a proposal that radio be placed on a par with the press in covering the western front. All indications, he said, are that the request will be granted.

The only fly in the ointment, it now appears, is that the western front appears to be quieter than a side street in the National Capital and may stay that way all Winter.

Harry C. Butcher, CBS Vice-President, originally took the matter up with Mr. Bullitt via the State Department and authority was forthcoming for only NBC and CBS to dispatch correspondents to the front. This was with the understanding that MBS also would be protected. Secretary Hull, however, pursued the matter with the result that dispensation is now considered virtually assured for all three networks.

While details have not yet been forthcoming, it is hardly expected that actual pickups will be made from the front but that the network commentators will wire their dispatches to Paris and London from the Maginot Line.

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PATENT GRANTED FOR RADIO-CONTROLLED BOMBER

A remote-control system for guiding airplanes and releasing their bombs by radio was patented this week in Washington. The patent was awarded to Joseph B. Walker of Hollywood, and it reveals that one-third is assigned to Frank Capra, movie producer, and another third to Sheldon K. Johnson, both of Los Angeles County.

With the invention, "pilots" on the ground behind their own lines could steer the radio-controlled planes by playing on a "typewriter", and also release its cargo of bombs when it had reached its objective. A feature of the invention is that garbled or scrambled radio impulses are used to control the craft. By garbling the impulses, interference by enemy radios is overcome, according to the inventor.

At the ground station is a radio transmitter. Included in the transmitter is a bank of keys corresponding to the letters of the alphabet. By striking various keys different types of impulses are set up. The impulses go to a radio transmitter. Here they are garbled and then broadcast. On the radio-controlled planes is a receiving set. It picks up the garbled impulses, unscrambles them so that the impulse which, for example, controls the motor for operating the rudder and ailerons, goes to the motor, and the impulse for controlling the catch that releases the bombs goes to the magnet that opens the catch.

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ZENITH PASSES 12,500 SET DAILY OUTPUT

Zenith Radio Corporation has passed a production of 12,500 radio receivers per day, according to Commdr. E. F. McDonald, Jr., President.

"This is a mass production record which we have been gradually building up to and has never before been equalled in the history of radio manufacturing", he said. "October just finished represented the largest number of radio receivers ever shipped by Zenith in a single month. Even with this enormous production we will be unable to fill our back orders by December 1st. Because of the European situation the interest in and demand for short-wave receivers to listen to Europe direct is increasing daily."

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"CITY OF FLINT" CARRIED WINCHARGERS, CLAIM SHOWS

Composition of part of the cargo carried by the "City of Flint" was disclosed by Commander E. F. McDonald, Jr., President of Wincharger Corporation, Sioux City, Iowa, that a claim for insurance on a large consignment of winchargers to the Irish Free State had just been received. This claim came in the form of a cable from Kelly & Shield, Dublin, Irish Free State representative.

The winchargers aboard the "City of Flint", which are electric generators equipped with wind propellers used to make electricity from the wind where power lines are not available, were destined for installation in air raid shelters throughout the neutral country of Eire, in order to assure a local source of electric light in case power stations are put out of commission. This type of illumination is imperative in air raid shelters because candles, gas, and open flame lamps consume valuable oxygen which is not the case with electricity.

These wind driven electric generators are extensively used by the United States Forestry Division, the United States Lighthouse Service, the Indian Service - Department of Interior, Civilian Conservation Corps and farmers generally in unelectrified areas where power lines have not penetrated. Their use in air raid shelter illumination is a new development.

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