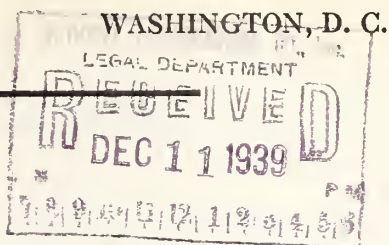


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET



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No. 1191

FCC REORGANIZATION NOT TO BE PRESSED NEXT SESSION

The Administration has scuttled the McNinch proposal to abolish the Federal Communications Commission and substitute a three-man agency with the Chairman clothed with dictatorial powers, it was reported this week on Capitol Hill.

Congressional leaders, it is said, will make no attempt to revive the legislation introduced last session upon suggestion of President Roosevelt.

Internal dissension which marked the regime of the former Chairman, Frank R. McNinch, has disappeared since James L. Fly took office, it was pointed out, and so the need for the reorganization has been eliminated. The FCC, in fact, has been calmer and more united in its policies than at any time in recent years.

The fact that 1940 is an election year doubtless enters into the decision.

President Roosevelt early this year wrote letters to the Chairmen of Senate and House Committees handling radio legislation and suggested a complete reorganization of the FCC and a rewriting of the Communications Act.

Subsequently, Chairman Wheeler, of the Senate Interstate Commerce Committee, introduced a bill providing for a three-man Board in place of the seven-man FCC. It had been drafted under direction of McNinch and with the purpose of ridding the Commission of dissenting members.

The dissenters were Commissioners T.A.M. Craven and George Henry Payne, who had refused to support the FCC "purge" a year ago. Thomas G. Corcoran, New Deal brain truster, was understood to be behind the move to punish the Commissioners.

Such a storm of protest was raised both within the radio industry and political circles that Administration leaders soon pigeon-holed the legislation and never went so far as to schedule hearings.

Senator White (R.), of Maine, countered the Wheeler-McNinch bill with a measure to enlarge the Commission to 11 members.

Cries of "dictatorship" and "government censorship" were raised so loudly that the House Appropriations Committee held up the FCC appropriation until a few days before the end of the fiscal year. Increases asked by the Chairman to expand the staff were denied.

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Demands for a Congressional investigation of the FCC have not died down, however, despite the present calm within the Commission. Representative Wigglesworth (R.), of Massachusetts, one of the chief Capitol Hill critics of the FCC, said he will again press for enactment of one of the several resolutions calling for a House probe.

Democratic leaders, however, said there is little likelihood of such an inquiry being ordered unless new dissension breaks out within the Commission.

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FTC CURBS CLAIMS OF TELEVISION SCHOOL

Midland Television, Inc., Kansas City, Mo., conducting residence and correspondence courses in radio, television and airline radio operation, entered into a stipulation with the Federal Trade Commission to discontinue misleading representations.

In its advertising matter, according to the stipulation, the respondent corporation published composite illustrations of the Kansas City Power and Light Building, in which the school occupies several of the upper floors, and the KMBC broadcasting tower, so arranged in some instances as to create the illusion that the buildings are contiguous to each other, when in fact they are some five miles apart; and letterheads featured a similar picture with the conspicuously printed corporate name "Midland Television, Inc."

This illustrated matter was misleading insofar as it tended to convey the impression to prospective pupils that the entire building was occupied by the respondent corporation and that the tower belonged to the school, according to the stipulation.

The respondent corporation agreed to cease making such representations and to discontinue disseminating advertising matter which tends to convey the impression that students are virtually assured of employment upon completing their radio work at the school. The respondent also stipulated that it would desist from the representation that any person connected with the school's "technical staff" is a "member of the Institute of Radio Engineers", when such is not a fact, and from representing that the sole purpose of "Midland Training" is to help students make more money.

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U.S. S-W RADIO FREE, BUT HAMPERED BY DIFFICULTIES

Some of the difficulties of international broadcasting by U.S. stations to Latin American countries were discussed by Guy C. Hickok, Director of Short-Wave Broadcasting for the National Broadcasting Company, this week at a conference on inter-American affairs at George Washington University, Washington.

Mr. Hickok prefaced his remarks with the observation that American radio is free to broadcast the truth as it sees it and is not hampered by censorship as are European stations in countries at war.

"The struggle in Europe has reached a pitch of bitterness in which not one of the nations locked in conflict can afford to broadcast honestly, if it would. In this bitter battle of the air waves, American short-wave broadcasters are not involved. Aloof from the melee, they can still tell the nations to the south the truth, or all of the truth they can discover. . .

"But to really reach the ears of the greatest numbers of our neighbors to the south, short-wave broadcasters must do more than merely increase the distances at which American programs can be heard. They must 'process' American programs before Latin-Americans or Ibero Americans will accept them.

"We like to tell ourselves that English is becoming a universal language; but we know that it is not a universal language now.

"Ask a typewriter manufacturer. He will tell you soon enough that to sell American typewriters in Brazil he must provide them with Portuguese keyboards; and to sell them in the rest of the Americas he must give them Spanish keyboards.

"He would not get far if he insisted on shipping to the other Americas only machines with standard American keys.

"In radio, as in typewriters, North America is competing in Latin America against other nations which will, and which do, modify the product they use at home to adapt it to the export market.

"No American exporter would print his promotion or advertising matter for Latin America in English. Everyone interested in increasing commercial relations with Latin America knows that he must use the languages of his markets; and he must use these languages as well or better than any foreign competitor uses them; as well as the educated class of the population uses them.

"Therefore North American radio, to be really effective in the other Americas, must

- 1: Broadcast in their own languages, perfectly spoken.
- 2: Broadcast programs adapted to their tastes, their susceptibilities, their customs.
- 3: Time its programs to the convenience of its audiences.

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4: Key its programs in a tone which will wear away, little by little, antipathies and suspicions which have grown up - not totally without cause - against us.

"North Americans must do this if they wish to be heard. For the listener by a gesture so slight that a fly would not be disturbed, tunes out to another station.

"None of us here need be told that the languages of the republics to the south of us are Spanish and Portuguese. But perhaps some of us do need to be told that the Portuguese of Brazil is not that of Lisbon any more than the English of Kansas is the English of Oxford.

"And as for Spanish, the language of none of the nineteen Spanish-speaking republics is the language of Castille. They all speak Spanish it is true, but that does not mean that any kind of Spanish broadcast by short-wave from North America is acceptable to all of them; on the contrary.

"The Spanish of at least four of the Spanish republics has grown and evolved until many of the other republics do not care for it; and these four regional or national types of Spanish are not for the North American broadcaster to use if he hopes to make friends all the way from the Rio Grande to Terra del Fuego. He must find speakers who use what, for want of a better name, is called 'neutral Spanish', which, though it may not be loved, is at least accepted by all Spanish-speaking peoples.

"The language problem solved the North American broadcasters must solve the no less important problem of program preferences, one that presents itself every minute of every hour the station is on the air. And the only practical way to solve it is to have the broadcasting done by men and women who have grown up under, or who have lived for many years under, the influence of the cultures to which they are trying to appeal.

"News happens to be one radio offering in which North America excels over all other countries. We have the most complete, the most rapid, the most truthful and impartial news gathering organizations in the world. We are now the only great country which can put such a service on the air without first having to strain it through a war-time censorship. A news service, swiftly delivered, objectively written and edited, accurately translated and well spoken in the languages of the listeners, and done without propaganda coloring, is perhaps the most valuable offering North American short wave stations can make to Latin America or to any other part of the world."

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DID GEORGE HENRY SEE THEM FIRST?

A humorous mixup, one good for a real laugh in the radio industry, at the National Press Club dinner to President Roosevelt last night (Thursday) was the accidental seating of Commissioner George Henry Payne, of the FCC, next to Martin Codel, publisher of Broadcasting Magazine, and just across the table from Sol Taishoff, editor of that magazine. Had these men actually had to sit together, it might have been very embarrassing because a year or so ago Commissioner Payne sued Codel and Taishoff and Broadcasting for \$100,000 libel, and while the suit was settled out of court, it is not to be imagined that these gentlemen would be the most congenial companions.

Embarrassment, however, was saved either by Mr. Payne not being able to attend the dinner or, according to one guess made, arriving first and seeing who his seat-mates were, found himself a place at another table. Anyway, Mr. Payne's place was vacant. Some think there might have had to be a riot call for some of the Secret Service men, police, plain clothesmen and firemen in attendance on President Roosevelt which, by the way, was the heaviest guard ever to be accorded to a President in the history of the Press Club.

Another amusing incident to the radio industry was when Lew Lehr, of "monkeys is the kwasiest peoples" fame told about a German refugee landing in this country speaking a side-splitting gibberish nobody could understand. Nevertheless to encourage the fellow, Lehr said to him, "Where in the world did you learn such good English?" "From the American short-wave broadcasts" was the reply.

Gene Buck, President of ASCAP, was in charge of the entertainment and among the out-of-town guests was Alfred J. McCosker, President of the Mutual Broadcasting System.

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FCC DELEGATES TO CHILE CONFERENCE NAMED

The Federal Communications Commission has designated Chief Engineer E. K. Jett and Gerald C. Gross, Chief of the International Section, to represent the Commission at the Inter-American Radio Conference to be held in Santiago, Chile, beginning January 17, 1940.

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LOWER PROGRAM COSTS SEEN IN RCA TELEVISION PICK-UP

Members of the Federal Communications Commission are showing interest in the possibilities of cheaper television programs and its effect on television transmission development in the United States after witnessing the RCA-NBC demonstration in Washington last week.

Developed by RCA engineers, the field pick-up equipment is intended for use in picking up pictures of events taking place outside television studios for transmission back to the station for visual broadcasting.

As summarized by RCA, the equipment has the following advantages:

"Enables television stations to tap interesting and timely program events.

"Helps reduce high cost of television programming.

"Provides pictures comparable in definition with those produced by standard station apparatus.

"The cost of the new RCA apparatus is about one-sixth of the cost of the present mobile television equipment carried in two large vans. The new units can be transported in a station wagon or light delivery truck.

"The power consumed by the new equipment is about one-fifth of that used by the previous apparatus. This enables power connections to be obtained more readily in the field.

"The weight of the new equipment is about one-tenth of that of the former mobile apparatus.

"The power of the new transmitter is considerably less than the unit which has been used in New York for field pickups of television, but it operates on a wave length of about one meter and may be used with small but highly efficient antennas which multiply the effective power several times.

"On these wavelengths, electrical disturbances are not a serious factor nor is static produced by lightning.

"The reduced cost of the new apparatus should put it well within reach of television stations in locations other than New York and should encourage the development of program service in other cities. It costs less than a medium power broadcast transmitter.

"The apparatus may be used with one to three cameras to present varying points of view or to alternate scenes.

"Television audiences in New York and Los Angeles will soon have an opportunity to see pictures produced over sets of this new equipment."

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COUGHLIN UNCURBED BY NAB RADIO CODE

As noted a fortnight ago in the Heintz News Letter, the Rev. Charles E. Coughlin, Detroit radio priest, has not been restricted in his broadcasting activities despite the NAB code and the great to-do made over the "capitulation" of John Shepard and the Yankee Network.

The Detroit correspondent of Variety reports that Father Coughlin still has 47 of his 49 stations and is not threatened with the immediate loss of any others. Stations which failed to renew contracts are WGBI, of Scranton, Pa., and WTMJ, of Milwaukee.

Meanwhile, the NAB has lost seven members because of the Code and apparently is willing to let the Coughlin matter rest for the time being with no punishments to be inflicted on stations who took advantage of legal loopholes to evade the Code.

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FCC SURVEY OF AMATEUR RADIO SERVICE PROPOSED

Additional information which will permit the Federal Communications Commission to meet any amateur problems which may arise in connection with neutrality and national defense and other emergencies, as well as with normal regulation, is the basis of a survey proposed by the Commission.

In striking contrast to the 2,137 amateurs in the United States at the outbreak of the World War of 1914, there are now 53,500 licensed amateur operators and the same number of amateur stations. This includes about 300 amateurs in Hawaii, 200 in Alaska, 50 in Puerto Rico, and a scattered few in American Samoa, Wake Island, and Guam.

The Commission receives more than 100 amateur applications a day. About one-third of these are for new licenses for operators and stations. The license term of amateurs is three years. As in the case of other licensees, amateurs must be citizens. About 7,500 amateurs are members of the Naval Communication Reserve and Army Amateur Radio System and use their stations at regular periods for training purposes.

It is estimated that probably not more than 15,000 amateurs are active in the United States during any month of the year.

The majority of licensed amateur stations use radio-telegraphy exclusively and are entitled to use all of the amateur frequencies. The "phone" amateurs are allocated the shared use of certain amateur frequencies within the general bands assigned to the amateur service. The only radio-telegraphic code per-

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mitted amateurs is the International Morse Code. All amateurs have passed a test of their ability to transmit and receive messages in this standard code at the rate of at least 10 words a minute. Present examinations have raised this requirement to 13 words a minute.

Under the provisions of the Cairo radio regulations and the Inter-American radiocommunication agreement, the only countries which have authorized amateurs to engage in third-party international communication are, in addition to the United States, Chile, Peru and Canada. Because of the war, Canada and several other countries have closed amateur stations for the duration of the war. All countries which permit amateur radio restrict such service to communication between the operators themselves.

At the present time, amateurs in this country are permitted to operate portable-mobile stations without separate license. Portable stations can be moved about from place to place but must not be operated while in motion. Portable-mobile stations are those which may conveniently be transferred to or from a mobile unit or from one unit to another, and ordinarily operate while the mobile unit is in motion.

Monitoring stations of the Commission - which are located in Boston, Baltimore, Atlanta, Grand Island (Nebr.), Great Lakes (Ill.), Portland (Ore.), and San Pedro (Calif.), - observe the amateur bands daily. In addition, field inspectors listen to amateur operation. The amateurs, for their part, have established their own neutrality patrol during the period of the present emergency.

This Government has long recognized the necessity of providing for the development of amateur radio, and has encouraged the use of such stations in many important fields of communication. Their wide distribution not only creates a most important resource in connection with regional disasters, but also contributes a great body of experiments, making contributions to the radio art and serving as a valuable reserve for the national defense.

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World radio market reports recently issued by the Department of Commerce include: Cuba, Turkey, Nigeria, Mexico, Algeria, French Oceania, Burma, New Zealand (supplement), and Panama.

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 ::: TRADE NOTES :::
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Negotiations are in progress with several major universities of the nation with a view to the adoption of CBS educational broadcasts as accredited work to supplement classroom study, according to Sterling Fisher, Columbia's Director of Education. Mr. Fisher told of the negotiations at a meeting in New York City of the educational directors of Columbia's Eastern stations - a session also attended by representatives from Southern and Mid-Western stations.

The Mutual network's cumulative billings for the 11 months of 1939 totaled \$3,012,083, representing an increase of 16.6 percent over a similar period in 1938 when the figures totaled \$2,582,955. Billings for November, 1939, added up to \$327,045. November, 1938, came to \$360,929, indicating a decrease of 10.4 percent.

Herbert Elliston of the Christian Science Monitor has been added to the Columbia European staff as correspondent on the Russo-Finnish Front. In Helsinki when the war broke out November 30, Elliston was immediately assigned to bring American listeners eye-witness details of the war. His broadcast on December 2 was the first account of the war from the Finnish capital by a radio staff correspondent.

Several members of Capital society were startled to receive in the mail this week a large, typewritten piece of paper which looked like a summons to court. However, on closer examination, the missive turned out to be an amusing invitation from Louis G. Caldwell, radio attorney, who had couched it in legal language to a party on Sunday, December 17, in honor of Philip J. Hennessey, Jr., newly elected President of the Federal Communications Bar Association, and Mrs. Hennessey.

"In the Matter of Philip J. Hennessey, jr., et uxor," reads the invitation, "you are ordered to show up at 200 Cleveland Avenue from 5 P.M. until the second hour after sunset. Purpose: To explore Mr. Hennessey's legal, technical and other qualifications for his special temporary experimental modification of status. Social and economic factors: cocktails and/or tea."

Hailed as a masterpiece of radio anthology by educators and experts in radio - they have had an opportunity to study its text prior to publication - Max Wylie's "Best Broadcasts of 1938-39" is to be placed on sale, Monday, Dec. 18. (Whittlesey House, \$3.50). The volume covers outstanding radio broadcasts which were heard in America between Jan. 1, 1938, and July 1, 1939.

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TELETYPE SERVICE INVOLVED IN WIRE MERGER PLAN

The coming report of the Federal Communications Commission recommendation of the unification of the Western Union and the Postal Telegraph companies will propose in addition that the new concern be permitted to take over the leased wire and teletype services of the American Telephone and Telegraph Company so as to bolster the revenues of the consolidated organization, according to the New York Times' financial page.

"The Commission's report to Congress, expected within the next week or ten days, will for the first time inject the national defense factor into the long-standing argument for merging the two major telegraph companies", the Times said. "Such is the degree of obsolescence in equipment of both companies as to constitute a threat to national security in time of war, according to a resume of the report.

"It is the Commission's conclusion, after an extended investigation, that the financial disorganization of the two companies due to lack of business, is sufficient to warrant its recommendation that Congress authorize their consolidation. To this has now been added the important factor of national defense.

"Viewed from the standpoint of wartime requirements, the Commission finds, the combined facilities of both companies is considerably below par, notwithstanding the relatively superior equipment of the Western Union which undertook an extensive replacement program in 1929.

"It is the Commission's thought that both revenue and equipment deficiencies of the two companies can easily be remedied through a consolidation of the two properties and the turning over to the unified company under lease the so-called leased wire and TWX or teletype facilities of the A. T. & T. Considered 'the cream of the telegraph business' these two services would produce more than enough revenues to place the new company on a sound financial footing, in the Commission's opinion.

"It is the understanding of some Commission officials, moreover, that the A. T. & T. would have no serious objection to the surrender of its leased wire and TWX facilities to the new telegraph company provided lease terms satisfactory to the former organization can be arrived at. Officials anticipate no insurmountable obstacles to such an arrangement.

"The A. T. & T. offered to lease its teletype service to the Western Union after perfecting it, but the offer was rejected on the ground that the lease terms were too high, it is understood. For the A. T. & T. it is said, however, that the proposed terms were computed to cover the expense of developing the teletype device and some reduction of the original figure now would be expected."

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GOVERNMENT WIRE RATES RAISED BY FCC

The Federal Communications Commission this week ordered, effective January 1 next, Government rates on official domestic telegraph messages increased from the present 40 percent of the charges applicable to commercial communications to 60 percent of such charges.

The new rates, subject to the same minimum charges as are now effective, will continue in effect until June 30, 1940. In all other respects the charges, terms, and conditions as provided in Commission Order No. 41 and extended by Commission Order No. 58 remain unchanged.

This final action on the Commission's proposal of November 3 last, is based on petitions by the Western Union Telegraph Company, Postal Telegraph-Cable Company, Mackay Radio and Telegraph Co., Inc., of Delaware, and Mackay Radio and Telegraph Co., of California, for increased Government rates. The time for filing exceptions expired November 27. No exceptions were filed by any of the parties to the proceeding.

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RADIO CHIEF AMUSEMENT OF CHILDREN, SAYS PROF.

Instead of playing "cops and robbers" and other kid games in their spare time, youngsters of today are planting themselves beside a radio, according to Dr. John P. McKay, Principal of a suburban St. Louis School. He said a survey showed 11-year-old children spend about one-half as much time listening to the radio each week as they spend in school, the Associated Press reported. And 83 percent of the programs they hear haven't been prepared for them.

They like dramas with plenty of action, variety shows, including comedy, music and drama and audience-participation programs - all types which also are favorites with adults.

Dr. McKay based his conclusions from the answers given by 1,909 sixth-grade pupils in record books which they kept themselves. Ninety-one radio programs were listed and children were asked to jot down the broadcasts heard over a two-week period. The boys liked crime stories best while the girls preferred a drama featuring a Hollywood star. The children tuned in programs planned for them only 17 percent of the time. The first of the so-called children's serials was ranked ninth.

An average of 14 hours a week was spent by the children at the radio, with almost twice as much time being given to listening from Monday through Thursday as over the week-end. One-fifth of the youngsters had their own radio sets.

Dr. McKay said he believed that radio is a leading, if not the major, leisure-time activity of children.

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