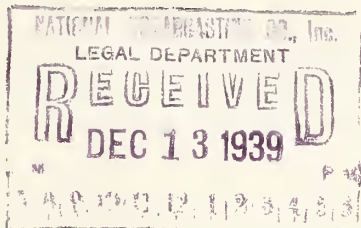


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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December 12, 1939

MILD HOUSE INQUIRY SEEN DURING BUDGET HEARING

The Federal Communications Commission on Wednesday of this week will go before a Sub-Committee of the House Appropriations Committee for its annual grilling as to its past year's record.

Ostensibly, the inquiry is for the purpose of determining how much money the FCC needs to operate for the next fiscal year, but it has been the custom for several years to put the Commissioners, especially the Chairman, on the grill with regard to matters only indirectly connected with expenditures.

This year the inquiry is expected to be comparatively mild, however, because of the change within the Commission since the resignation of former Chairman Frank R. McNinch. The present harmony within the Commission appears to have silenced FCC critics even on Capitol Hill.

Republican members of the Sub-Committee, particularly Representatives Wigglesworth, of Massachusetts, and Dirksen, of Illinois, are prepared to cross-examine Chairman James L. Fly and perhaps other members of the Commission, but it is doubtful that their attitude will be as severe as it was last year when McNinch was in the midst of an FCC "purge".

The FCC is asking for additional funds this year to finance expanded activities, and Commissioners are afraid that the general national economy move may block the appropriations.

The FCC encountered the first disappointment along this line this week when the Budget Bureau cut out of the Commission's estimates a request for \$329,000 to set up a staff for stricter regulation of the telephone industry. Officials of the FCC are afraid that the Budget Bureau's action, unless reversed by Congress, may result in another year's delay in effecting some of the reforms recommended in the telephone report.

Officials are pondering the latest act of the Budget Bureau in rejecting the current request, in the fact of the fact that the President toward the end of the last session of Congress approved a request of the Communications body for a similar amount. However, Congress did not provide it, although that body is said to be fully cognizant with the lack of regulation, not only as a result of its own investigation, which resulted in including regulatory provisions in the Communications Act, but was again fully informed in the Commission's report on its investigation, which it conducted for Congress at a cost of more than a million dollars.

The Commission informed Congress that it has become apparent as a result of the telephone investigation that the issues involved in the regulation of interstate telephone rates are broad and intricate, and that highly organized effort will be essential to any adequate or effective permanent regulatory procedure. It was asserted that efficient machinery for the gathering, digesting and presentation of all necessary facts must be devised and brought into continuous operation, and a carefully developed administration must be set up in order to perform these specialized functions.

Without the necessary funds to carry out the mandates of its organic act, the Commission's functions so far as telephone regulation is concerned, is largely that of providing a place where its tariffs may be filed. Although the small force which it uses for this purpose is able to detect inconsistencies in tariffs from time to time, and has made efforts to regulate same, the force is not large enough for the necessary research whereby the tariffs and their background may be thoroughly examined, to determine the fairness of the various charges.

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BBC HIRES FIRST WOMAN RADIO ANNOUNCER

Elizabeth Cowell, former television announcer, has returned to the British Broadcasting Corporation, by arrangement with the Air Ministry, as the first regular woman announcer in the British Home Service programs.

"Elizabeth Cowell fully deserves the honor of breaking into this hitherto forbidden ground", says the Radio Times. "Her television announcing, of course, established her claim, and television announcing is in many ways a harder job. There was in the early days the constant apprehension that something would go wrong, and all through a program the announcer would have to be ready to leap into the breach if it did."

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RADIO WAR NEWS COVERAGE PRAISED BY SARNOFF

David Sarnoff, President of the Radio Corporation of America, who attended the Gridiron Club dinner in Washington last Saturday night, said the radio has done a good job in covering the war.

"I think the radio has done a standout job in presenting facts about the European crisis and the war to American listeners", he said. "I think it has lived up to its best traditions of freedom of speech and equal opportunity for all to be heard. I think the radio has had an important part in making the American people the best informed people in the world. Americans know more about what's going on in Europe today than the Europeans."

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RCA SAYS WAVES NEEDED AS U.S. DEFENSE MEASURE

Retention of radio point-to-point telegraph frequencies by licensees who have held them for a period of years without making commercial use of them is most important in the national defense, Maj. Gen. James G. Harbord, former head of the service of supply in the American Expeditionary Force and Chairman of the Board of the Radio Corporation of America, told the Federal Communications Commission last week.

General Harbord testified RCA radio stations had been located with national defense in mind, and that it was for that purpose that he was originally selected to supervise the RCA program.

At the same time, the Commission was informed by William A. Winterbottom, Vice-President in charge of R.C.A. Communications, Inc., that British domination has prevented his corporation from gaining a contact point in Australia for use of the frequencies allocated to the organization in 1931. The hearing was before Commissioner Frederick I. Thompson on the matter of renewal of licenses for the three frequencies for use in point-to-point telegraph between the United States and Australia.

At present, it was said, there is no direct communication between the United States and Melbourne and Sydney. Messages to and from this country to Australia have to go by way of Montreal or British Columbia. As a consequence they are subject to all the delays involved in relays and to scrutiny during periods of conflict.

Soon after the licenses were granted to R.C.A. Communications, the American corporation entered into a contract with the Consolidated Wireless of Australia, Ltd., for contact stations at Sydney and Melbourne. The service was not established, however, because about a month after the contract was signed, a new Committee was formed, which set up a communications policy for the Empire.

The general purpose of this was to direct traffic over British systems. But it appears that within a short time steps will be taken which will permit the Australian company to establish contact with the American stations.

It was pointed out that if the frequencies were withdrawn from the company now, the impression would be gained that the United States was turning its back on its nationals in the matter of communications.

Col. Manton Davis, Vice-President in Charge of the Legal Division of R.C.A., told the Commission he had been authorized by the Secretary of State to inform it the State Department was deeply interested in this service. He suggested that it might serve a useful purpose if the Commission before acting on the matter would contact the State Department.

RADIO CELEBS DINE IN STATE

Two of the major national political dinners of the year, held within a few days of each other - the Gridiron and the National Press Club - brought many notables to Washington last week. President Roosevelt attended both dinners.

Among those identified with the radio industry at the Gridiron Dinner were:

E. F. McDonald, Jr., President, Zenith Radio Corporation; David Sarnoff, President, Radio Corporation of America; Commissioners, Thad H. Brown and T.A.M. Craven, Federal Communications Commission; Edward Klauber, Vice-President, Columbia Broadcasting System; Gene Buck, President, American Society of Composers; Harry C. Butcher, Vice-President, Columbia Broadcasting System, Washington; Senator Burton K. Wheeler, of Montana; and Edgar Morris, Zenith distributor, Washington.

Radio was represented at the Press Club Dinner by Alfred J. McCosker, President, Mutual Broadcasting System; Louis Ruppel, of New York, in charge of press relations for the Columbia Broadcasting System; Frank M. Russell, Vice-President, National Broadcasting Company, Washington; Oswald F. Schuette, short-wave coordinator for the Radio Corporation of America; Paul M. Segal, radio counselor; Kurt Sell, German Broadcasting Company; Sol Taishoff, editor, Broadcasting magazine; Kenneth Berkeley, Washington Manager of NBC; Gene Buck, President, American Society of Composers; Martin Codel, publisher, Broadcasting magazine; Earl Godwin, radio commentator; F. P. Guthrie, Washington Manager, R.C.A. Communications, Inc.; and Ben S. Fisher, radio counselor.

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DUTCH COLONY BANS USE OF RADIO NEWS

A recently published "Radio Publication Ordinance" prohibits the publication in the Netherlands Indies of radio news without the permission of the Director of the Department of Traffic and Communications, according to the American Trade Commissioner at Batavia, Java. The object of the ordinance is to prevent the spread of news, received via radio, which might be injurious to the national interest and the order and peace of the Netherlands Indies. Under these regulations, only news agencies - in the present case only the Aneta qualifies to the prescribed terms - which can adequately guarantee an expert and critical treatment of the news, are given permission to distribute radio news to others for publication by the latter. Publicists, publishers of periodical and others who are equipped to regularly receive and expertly process radio news may also be granted permits to publish such news in their own publications. Permission to relay foreign radio news is given only to holders of broadcasting permits.

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ZENITH DESIGNED RAILWAY RADIO SYSTEM IN 1926

News reports of the installation of a two-way radio communication system between the engineer's cab and the caboose recalls to Commdr. Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, that Zenith designed a similar outfit as early as 1926.

The development was described by Henry C. Forbes, formerly of the Zenith Corporation, in the October, 1927, issue of "Proceedings of the Institute of Radio Engineers".

Explaining the workings of the system, Mr. Forbes wrote:

"Duplicate two-way telephonic transmitter-receivers were mounted (for the purposes of demonstration) in an iron box 30 in. long, 6 in. deep, and 10 in. high, the receiving apparatus occupying a left-hand compartment and the oscillator circuits a right-hand compartment, with the modulator, speech amplifier and switching relay circuits in the center. A simple regenerative receiving circuit was employed having a detector and three stages of audio-frequency amplification. A power tube was used in the third stage. A single tuning control, with fixed regeneration is thereby possible, and has been found adequate.

"The transmitter employed two tubes of 50-watt rated plate dissipation, one as oscillator and the other as modulator, with a $7\frac{1}{2}$ -watt tube as a speech amplifier. Power for the plate circuits of the transmitting tubes was obtained from an Electric Specialty Company dynamotor of 200-watt capacity mounted in a totally enclosed frame, and provided with ball bearings. This dynamotor starts and stops very quickly. The dynamotor is driven by a twelve-volt Exide storage battery of the heavy-duty vehicle type, although the system is readily adaptable to any battery voltage. Power for lighting all filaments is obtained directly from this same battery."

"In practice, the receiving sets are left in operation at all times when the train is under way, a switch being provided for the purpose. When communication is desired, the button on the handle of the microphone is pressed, thereby actuating the relays which make the necessary switching connections for operating the transmitter. The button is released to restore the receiver to operation. The switching, including the starting of the dynamotor, takes only about one second, and very rapid two-way conversation is possible.

"The functioning of the apparatus is indicated to the operator by the flashing of colored pilot lights. One light indicates that the receiver is in operation. A second flashes when the 'talk' button is pressed, and indicates that the transmitter is ready for operation. A third pilot light is operated directly from the antenna current, and the flashing of this light indicates to the operator that the transmitter is function-

ing properly. This third light also flickers with the modulation, giving a direct indication that modulation is taking place. The meters shown in the photographs are not to be used on permanent apparatus.

"A signaling system has also been provided which may be used to attract the attention of the crew at either end of the train. This signal is operated by pressing a second 'signal' button which is mounted either on the microphone handle or on the set proper, and, when operated, produces a shrill note of about 800 cycles in the loudspeaker at the opposite end of the train. This frequency was selected for this purpose after some experiment, and is readily discernible in the locomotive through the noises encountered in running. This signal may also be used to pass code signals in case of failure of the telephonic system.

"Special microphones were used in order to avoid the introduction of the terrific road noises into the communicating system. An aircraft type of anti-noise microphone, originally developed for war service, was found to be very satisfactory."

"With the application of radio communication to rail-road freight service comes also the application of a similar service to passenger train operation, not only for the purpose of train handling, but also for the purpose of intercommunication between trains, and between a train and a way-station. A further application which has been given some consideration is that to large freight yards where one towerman controls all of the locomotives working in a yard perhaps five miles in length. Much time is now lost because of the lack of prompt communication between the tower and the individual locomotives."

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BBC LIKES NEW SIGNAL BETTER THAN MUSIC

"Our more ingenious readers might like to consider an alternative to the BBC interval signal", the British Broadcasting Corporation comments. "A well-known wireless journalist in India has been drawing attention to it. He does not like the 'tick-tock', and says that it reminds him of a firing party taking a prisoner out to be shot. The present metronome signal is really a reversion to an old practice; and was re-introduced because the sound of Bow Bells was inclined to be too loud for listening in certain quarters where it is a serious offence to listen to a foreign station. One difficulty in devising a really good interval signal is that music is not distinct enough and mere noise might be mistaken for distortion."

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CIO LEADER HITS FCC; VIEWS DIFFER ON WIRE MERGER

The Federal Communications Commission last week was charged with ignoring the rights of labor in perfecting plans to ask Congress to authorize the merger of Western Union and the Postal Telegraph Company as rumors were circulated that the members of the FCC are not in entire accord on the proposition.

A lengthy forecast in the New York Times of what the FCC report will contain was called "premature" by an FCC official, who pointed out that the Commission had just received a copy of the findings of its investigating staff and had reached no decision.

Joseph Selly, Vice President of the CIO American Communications Association, assailed the FCC in a statement based on the New York Times' report (see December 8 issue of Heintz Letter).

Mr. Selly said that the FCC was concealing plans to permit the discharge of "thousands of workers" without really investigating the labor situation involved, and is hiding this alleged attitude behind the assertion that one of the chief obstacles to be overcome in the merger is a jurisdictional dispute between the C.I.O. and the American Federation of Labor with regard to which workers are to be employed.

"The main question is not what union, A. F. of L. or C.I.O., shall have jurisdiction over the workers in the merged company", Mr. Selly asserted. "The main question is whether the companies should be permitted to merge at the expense of their employees or whether a merger should mean better and more secure jobs for these employees.

"The American Communications Association (C.I.O.) has taken a very clear position on this question. We believe, on the basis of our intimate knowledge and evidence of conditions in the industry, that any merged company which would give efficient service to the public, meet the needs of the national defense and provide really national telegraph service, would require the services of all those presently employed and many more besides. We believe that any merged company which eliminated the bad working conditions now prevailing in Western Union would require many more employees in order to provide adequate service.

"This position was set forth in the hearings on Senate Resolution 95, which provided for an investigation of the telegraph industry. Our organization actively supported S.R. 95 because we believed that an investigation of the facts by a governmental agency would support our contentions.

"But the Federal Communications Commission has not bothered to investigate the facts before it blithely proposes to eliminate the jobs of thousands of workers. The FCC held meetings with the A.C.A. on its proposed merger plan after it had completed

its plan instead of before. The FCC representatives at a recent meeting with a committee of our union members told us that they were merely 'crystal gazing' as far as labor was concerned. Yet the FCC in the public press claims to have carefully studied this matter. This claim is fraudulent.

"The attempts of the FCC to present the labor side of the merger as a jurisdictional dispute are merely a blind to cover up its own ignorance on the whole question of labor in the communications industry, despite the fact that it is the regulatory agency involved."

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ENGLAND NOT TO GIVE UP ELECTRICAL TRADE DURING WAR

The U. S. Bureau of Foreign & Domestic Commerce, Electrical Division, last week published an article taken from "The Electrical Review" of London, with the observation that it "indicates England does not intend to relinquish the export trade built up in Latin America or other countries and will do all possible to maintain exports as well as to cultivate export trade formerly enjoyed by Germany."

The "Electrical Review" article follows, in part:

"Modern warfare demands for its successful prosecution the concentration of the whole of the resources of a nation upon that one aim. But this does not mean that the production of munitions of war is the sole consideration. A country like Great Britain has to ensure continuance of essential supplies from overseas, and while payment for these can be made in several ways, one of the most important is by the counterbalancing of imports by exports as far as possible. This need is accentuated by the difficulties of providing the 'invisible' exports (shipping, services, etc.) which help to square the account in peacetime.

"The stoppage of German electrical exports to a number of important markets should not merely be allowed to bring advantage to neutrals. The United States naturally hopes to capture a large share of former German trade, particularly in Latin America and there is no reason why she should not. But the large volume of our imports from South America demands that we should export as much as we can to these countries.

"The importance of maintaining export trade is fully recognized by the Government. In a recent memorandum to trade organizations, the President of the Board of Trade said that it was essential in the national interest that traders should be encouraged to maintain and increase their export trade to the greatest extent, consistent with vital war needs, and the Government was anxious to assist them in every possible way.

"The obtaining of the necessary supplies of materials is naturally the principal obstacle to production at the moment. A substantial proportion of materials used in electrical manufacturing has to be imported, but apart from this much of these materials is of the kind required for munitions of war.

"It will be seen, therefore, that provided the supplies of materials can be maintained, and so far as war demands permit, there is ample scope for holding on to much of our electrical export trade. That trade, built up so laboriously during the past twenty years, must not be allowed to go by default. We are not shutting our eyes to the extremely severe handicaps which have to be surmounted, but we have sufficient faith in the inherent strength of our electrical manufacturing industry to feel sure of the preservation of a substantial proportion of the trade with the assurance that the Government will abide by its declared intention to foster and encourage export business."

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FCC "EMINENTLY FAIR", WLW EXECUTIVE SAYS

James D. Shouse, Vice-President of the Crosley Corporation in charge of broadcasting and General Manager of WLW for the first time made public reference to the Federal Communications Commission last week, when he addressed 500 members of the Cincinnati Electrical Association.

"As most of you know, we at WLW have had in some respects more than our share of contact with this Commission", Mr. Shouse said. "Yet I would like to assure you that while our adherence to the policy of high power as the best means of improving service to small town and rural people seems currently to be at variance with the philosophy of the present Commission, we regard this divergence of views as an honest difference of opinion.

"We have found the Commission", he added, "in our many dealings with them, to be eminently fair and sincerely attempting to keep American broadcasting progressive and honest in its assumption of the obligation it incurs while operating on facilities supplied to it by the people of this country for the use and enjoyment of all Americans."

Mr. Shouse noted that radio is often accused by disgruntled critics of being subservient to pressure from Washington or Wall Street or any other group in particular disfavor with a considerable group.

"But", he said, "nothing could be further from the truth. Broadcasters have made mistakes, they make mistakes now, and I have no doubt but that in the future they will make mistakes, but I think it is extremely unlikely that these mistakes will include, at any time on the part of any thinking broadcaster, any foundation for the charge that radio broadcasting as we have it in the United States is the tool of any group or is influenced by any power other than the best judgment and the conscientious thought of the broadcasters themselves."

Freedom of the air is the fundamental principle of the American system of broadcasting, Mr. Shouse pointed out. "Nobody controls radio programs and nobody censors them except to conform with good taste and public interest. The result is that in the entertainment and educational end of radio there is a free and untrammelled expression of opinion and unlimited scope for ideas."

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RCA TO REDUCE TUBES TO 36

Reduction in the number of receiving tubes in the radio industry from 453 to a total of 36 types, which perform virtually all basic tube functions is the aim of a new program of the RCA Radio Tube Division, it was announced last week. A survey under the supervision of L. W. Teegarden, RCA Tube and Parts Sales Manager, has revealed that although 453 different types are produced by the industry, 90 percent of all sales are centered in only 90 tube types, for which only 20 basic functions exist.

Taking the initial step in the direction of tube standardization, Henry C. Bonfig, Commercial Vice-President of the RCA Manufacturing Company, announced that all new RCA Victor radio receivers and Victrolas now contemplated for future production will be designed to include the radio tube types on the "preference" list of thirty-six basic types. It was pointed out that standardization would not only help tube and radio manufacturers but wholesalers, dealers and service men as well.

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PRESS MUST CHECK RADIO PROPAGANDA, SAYS WRITER

The short-wave broadcasts of propaganda from abroad have saddled the American press with a new and serious duty, according to B. E. Lucas, author of a daily column, "We're Listening" in the Chicago Times, and veteran correspondent.

Writing in the December 9th issue of Editor & Publisher, Mr. Lucas said he had become convinced from listening daily to these broadcasts that "our newspapers have to be - for the duration of the war at least - the watchdog of radio.

"To consider the radio merely a competitor in the business of news dispensation is no longer possible. Long before the war started radio had become, to put it mildly, a force laying foundations for the molding of public opinion. The government shortwave stations London-Daventry, Paris-Mondial, and Berlin-Zeesen are the outspoken proof for this.

"It is these millions of Americans on which foreign radio propaganda is focused. They form the nucleus on which foreign propaganda is working with all its might to mold foundations for coming national and international events. And how many of these listeners conform with the outpourings of the people who run England, France and Germany, also Italy, Spain and Russia, becomes instantly evident if one listens to the letter box editors of the foreign stations. . . . It would be ridiculous to assume that American shortwave listeners fall for foreign propaganda 100%."

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