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May 7, 1940

## LUNDEEN RENEWS FCC ATTACK; FLY PROMISES QUICK ACTION

Senator Lundeen (Farmer-Labor), of Minnesota, renewed an attack on the Federal Communications Commission in the Senate Monday for delaying a decision in the television controversy as the Commission prepared to take up the matter the latter part of this week.

Chairman James L. Fly, just returned from Texas, stated at a press conference on Saturday that the FCC will adopt a policy with regard to the future operation of television within two weeks and will act on frequency modulation not later than a week afterward.

The Commission was said to be awaiting the return to Washington of Commissioner Frederick I. Thompson, who has been on a vacation.

Senator Lundeen told the Senate he wanted "to protest in a very few words against the delay in the matter of the FCC decision on television".

"We have read much in the press in these last days on that subject", he said. "There is much unemployment in the television industry and much idle capital. I do not see why there should be long extensions of time for filing briefs, and why officials who have the power to decide should be absent. Great Britain is progressing after nearly 4 years of television. Germany is in the front ranks of television. We have made considerable progress in this country, and I think we should go ahead with it.

"Mr. President, may I at this time draw attention of the Senate and the people of the United States to the apparent unconcern of certain people to the deplorable unemployment situation in this country today. I know there is considerable controversy over just how many unemployed people we have, but the fact that the President asks a tremendous sum for relief is ample evidence that the situation is deplorable. You cannot laugh off 12,000,000 unemployed.

"Late in March I was astounded to read that the Federal Communications Commission had far exceeded its authority in arbitrarily stopping the development of the television industry, because some members of the Commission did not like certain advertising copy placed in New York newspapers. I thought it was a very flimsy excuse, and when I read a score or more of editorials condemning this bureaucratic seizure of power, I thought the best way to secure intelligent action was to have the Senate look



into the matter. Accordingly, I introduced a resolution April 1 asking that the Senate Committee on Interstate Commerce investigate the actions of the Federal Communications Commission in connection with the development of television and, in particular, to ascertain whether the Commission exceeded its authority and whether it had interfered with the freedom of the public and of private enterprise.

"That same day I learned in the press that the Chairman of the Federal Communications Commission, James Lawrence Fly, was to deliver an address the next night over the National Broadcasting Co. red network and the Mutual Broadcasting System. I listened to that address and, frankly, it did not give me adequate reason for this unusual action by the Commission. I had read in the newspapers where one of the Commissioners, the Hon. T.A.M. Craven, had dissented from this action by the Commission, and so I addressed a letter to him and asked him if he would give me his reasons. I considered it an official communication from a United States Senator to a member of a Commission the Congress had created.

"Commissioner Craven replied to me, and from his communication I was more than ever convinced that the action of the Commission, in stopping the development of television was entirely unjustified.

"On Monday, April 8, the Interstate Commerce Committee met and spent an entire day considering the resolution. At that hearing the president of one of the manufacturers of television sets said that television would surpass sound broadcasting with a billion-dollar turnover, as compared to \$600,000,000 in present-day radio. He said that television would pave the way for more than 500,000 jobs. A small manufacturer approached me after the hearing and told me that in his case he would put 60 men to work at once if the Commission lifted its ban.

"The hearing was adjourned the next day when Commissioner Craven was unable to attend because the Commission had reopened hearings on the television situation, and that afternoon President Roosevelt stated in a press conference, according to the newspapers, that the situation would be adjusted later this Spring, or this Summer. I have since learned that when the hearings before the Federal Communications Commission were adjourned on Friday, April 12, some of the interested parties asked permission to file briefs and the Commission granted them 2 weeks for this purpose.

"Now here was the situation in brief -

"Thousands of men could be taken into private employment at once and eventually a half million men could be given jobs if a bureau here in Washington would abandon an entirely illegal and arbitrary position. So far as legality is concerned, the F.T.C. has the authority to supervise advertising and not the F.C.C. The chairman of the Interstate Commerce Committee said publicly that

the various factions involved could get together and give this promising industry the green light.

"Now, everyone at all connected with television was here in Washington. They could have prepared their briefs in 48 hours and had intelligent action by the Commission immediately. Instead of that, so as to accommodate a few attorneys and perhaps because the chairman of the Commission was leaving on a vacation trip, all these jobs in private industry were held up for weeks. I think it was ridiculous, for I believe Chairman Fly should have stayed on the job, ordered the attorneys to get their briefs in by the following Monday morning, and have a decision out of the Commission that very day.

"I know that in trying to get away from the barrage of criticism for its arbitrary action, the administration dragged in a red herring by talking about the delay being necessary to prevent monopoly. . . .

"I take the time of the Senate today to demonstrate such tactics, and I do so in behalf of the unemployed men and women who could be working at jobs in private industry today if Chairman Fly had stayed on the job and the wishes of a few attorneys were not respected when it comes to the matter of filing briefs. I am frank to confess that it is very confusing to me that this administration can ask for such a tremendous relief appropriation, while at the same time bureaucrats keep people out of work. I think the unemployed throughout the land should know this, and I am sure that I am speaking for the men and women of America who want jobs, not charity, when I demonstrate it and demand that President Roosevelt communicate with Chairman Fly, get him back on the job where he belongs in this crucial period, and insist that the throttling burden of bureaucratic pettiness be lifted from the back of private industry. Half a million jobs are involved, and it is time for action."

Senator Lundeen placed in the record the report of the FCC of February 29, 1940, the order of March 23, 1940, reopening the inquiry, together with editorials attacking the FCC's action.

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#### NBC TELEVISION FLASHES FROM N.Y.C. TO CHICAGO

A new American record for long-distance television reception was announced last week by the National Broadcasting Co. Images flashed from the top of the Empire State Building, New York City, by Station W2XBS were picked up in Chicago, 717 air miles distant. After 16 minutes the sound and image disappeared although the program continued in New York City for 11 additional minutes.

Reception normally is limited to within 90 miles of the Empire State transmitter, NBC said. Engineers said the phenomenon was due to a "sporadic layer" in the upper atmosphere which "bounced" the waves back.

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## TELFORD TAYLOR APPOINTED GENERAL COUNSEL OF FCC

The Federal Communications Commission on Monday announced the appointment of Telford Taylor as General Counsel, to succeed William J. Dempsey upon the latter's entering private practice. Mr. Taylor, who is a Special Assistant to the Attorney General, will join the Commission's legal staff immediately as Special Counsel. Mr. Dempsey will remain with the Commission for several weeks.

Born at Schenectady, N.Y., on February 24, 1908, Mr. Taylor attended local schools and was graduated from Williams College in 1928 with an A.B. degree. He taught history and political science at Williams for two years, receiving his M.A. degree in 1932. In that year he was graduated from Harvard Law School with the degree of LL.B. cum laude, having served on the editorial board of the Harvard Law Review. He was appointed law secretary to Judge Augustus N. Hand of the Circuit Court of Appeals, New York, from 1932 to 1933, when he became Assistant Solicitor of the Department of the Interior.

From 1934 to 1935 he was senior attorney of the Agricultural Adjustment Administration and handled much of its legislative work. For four years he served as associate counsel of the sub-committee of the Senate Committee on Interstate Commerce, investigating railroads and railroad finances. Since October, 1939, Mr. Taylor has been head of the Court of Claims section of the Claims Division of the Department of Justice.

Mr. Taylor has appeared in cases in the District of Columbia Court of Appeals and also in the United States Supreme Court. He is married.

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## SUPREME COURT TO REVIEW CBS-KSFO LEASE CASE

The U. S. Supreme Court on Monday granted the Federal Communications Commission's petition for a writ of certiorari to review the decision of the U.S. Court of Appeals for the District of Columbia in reversing the FCC ruling barring the lease of Station KSFO, San Francisco, by the Columbia Broadcasting System.

Involved in the litigation is the extent of the power of the FCC to govern the terms of the lease of a broadcasting station to a network. The FCC held that the terms of the lease were in conflict with the Communications Act, whereas the Appellate Court found otherwise.

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## U. S. ELECTRICAL EXPORTS ADVANCE 22.4 PERCENT IN MARCH

With radio apparatus in the advance ranks, the largest monthly volume of electrical equipment exports in many years was shipped abroad from the United States in March. It was valued at \$12,971,734, an increase of \$2,374,391, or 22.4 percent, over the February total of \$10,597,343. A still greater advance was evident in a comparison of the trade during March of this year and the corresponding month of 1939, the increase amounting to \$2,964,765, or 29.6 percent.

Foreign shipments of electrical equipment totaled \$34,342,876 during the first 3 months of the current year compared with \$24,672,867 during the corresponding period of 1939, an increase of \$9,670,009, or 39.2 percent.

Among the leading items in the March advance were radio, refrigerator and wire products. Exports of radio receiving set exports improved from \$730,417 in February to \$1,073,925 in March; those of transmitting sets and apparatus from \$206,575 to \$243,953; radio receiving tubes from \$240,894 to \$305,925; and receiving set components increased to \$592,832 from the February total of \$509,008.

A considerable advance was made in foreign sales of electric household refrigerators when sales increased from \$681,259 in February to \$1,034,792 in March. Exports of commercial refrigerators, up to 1 ton capacity, registered a smaller increase from \$93,275 to \$137,614, as did shipments of parts for electric refrigerators which improved from \$407,436 to \$433,623.

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## SENATE TO TAKE UP WALTER-LOGAN BILL

Ignoring a plea by Senate Majority Leader Barkley for postponement, the Senate Judiciary Committee on Monday voted unanimously to speed action on the Logan-Walter bill permitting court appeals from rulings of some 130 Federal agencies, including the FCC.

The action was interpreted at once as a major rebuff to Administration efforts to sidetrack the measure, already approved by the House.

The Committee selected a sub-committee to meet Wednesday, draft a few "perfecting" amendments and put the bill in final form for submission to the full Committee.

Senator Ashurst (D.), of Arizona, Chairman of the Committee said Senator Barkley presented "very ably" his arguments for postponement of action.

"But I asked each member of the Committee individually for his judgment on the matter. The Committee was quite militant



that we should not dodge this responsibility which the House, by passing the bill, had laid upon us. We will press forward and if any Senators don't like the bill they can vote against it."

Senator Ashurst expressed belief that many amendments will be offered when the issue reaches the Senate floor.

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# TOBEY ASSAILS FCC FOR DELAY ON MONOPOLY REPORT

The Federal Communications Commission was attacked from a new quarter this week as Senator Charles W. Tobey (R.), of New Hampshire, criticized it for delaying the report on the monopoly investigation.

He released copies of identical letters sent to each member of the Commission and reading as follows:

"In November 1938, Chairman McNinch stated to the House Appropriations Committee that the Radio Monopoly Report of the Commission would be submitted to the Congress within sixty days.

"In June 1939, Commissioner Brown of the Federal Communications Commission appeared for the Commission, before the same Congressional Committee and said that the report would be ready for Congress within sixty days.

"In November 1939, Commissioner Fly of the Federal Communications Commission appeared and stated before the Congressional Committee that the Commission would make its report and recommendations within sixty days.

"It is now eighteen months since Congress was officially told by the Commission that its Radio Monopoly Report and recommendations would be 'ready in about sixty days'.

"I submit to you that, in the light of these facts, these assurances would seem to be nothing but a mockery. As a member of the Senate, interested in this matter, I ask you now as to the reasons for this delay and what you, as a member of the Commission, can do to have the report submitted to the Congress at once. An early reply will be appreciated."

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A Congressional quorum almost could be called in the NBC Radio City studios on Friday, May 23, when the National Broadcasting Company plays host to a party of Congressmen, their wives and children at a special broadcast and television show. The Congressional party, 300 strong, will arrive in New York on May 23rd for a four-day visit to the city and the World's Fair.

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## G.O.P. ORGAN RAPS FCC TELEVISION DELAY

Following is an editorial that appeared in the April issue of "The National Republican, Washington, D.C.:

"Private enterprise gave the United States the locomotive, the telephone, the electric light, the automobile, the aeroplane, the radio. Today it is 'threatening' to give us television. But something has changed in the economic organization of our country since the radio was invented. Our Federal Government has stepped in to check up on all the processes of enterprise within the nation. It has become interested in what goes on everywhere within the industrial field, just as it is interested in everything which goes on within the areas of normal governmental activity. A new set of controls has been added to the tools of our Federal machinery. 'Regulation' of those industries which are connected with the 'public interest' was an invention of the political scientists of the 19th century. But complete 'control' of those industries is an invention of the New Deal.

"No better illustration of this new conception of the role of government with relation to industrial development could be asked than the recent exhibition of the Federal Communications Commission in its contest with the Radio Corporation of America. Every student of radio engineering is aware of the fact that RCA has spent more than \$10,000,000 since its organization in developing and perfecting television devices and equipment. Its energy and resourcefulness are reflected in the tremendous number of television patents which have been recorded in its name. Between 65% and 75% of the basic television inventions have been developed in the laboratories of RCA.

"From its work, the Radio Corporation of America has produced television equipment which offers practical usefulness. It now proposes to market these devices, but there is clearly no intention on the part of RCA to pretend that it has written the last word in the development of television receiving and sending sets. It is certainly clear to everyone who might purchase one of these sets that the work is still in the experimental stage. No buyer of this equipment would assert for a moment that he was deceived into purchasing a relatively inadequate machine in the mistaken notion that he was buying a television model of 1960.

"But there is something wrong with RCA's methods, according to the standards of FCC. They object to the advertising and merchandising of RCA's television equipment on the ground that somehow, RCA is freezing television development at the present point of development to the detriment of the future. No more fantastic argument than this could be devised. So long as there is a vast market of purchasers untapped, just so long will television continue to grow. Radio, more than twenty years ago, produced the first simple receiving sets for home use. Yet radio did not stop developing because sets and parts were sold commercially. In fact, its tremendous improvements since that time may in all likelihood be traced directly to the impetus given by commercialization.



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"If we had known an FCC in the days of Henry Ford's first models, and if we had given it power to control merchandising, we might not have our stream-lined motor cars of today. Can we argue for a moment that the sales of the early 1900 automobiles in any way impeded the development of later cars? Did they tend to 'freeze' the designing of engines and bodies at the 1900 level? Or did the demonstration of commercial practicability stimulate a tremendous increase in production, creating new rivalries in manufacture, producing an endless variety of engineering achievements?

"There is much to say in opposition to the wisdom of the FCC's stand. There is equally much to say of its right to adopt such opposition. Are the powers of the Federal Communications Commission so broad as to permit the check of advertising and merchandising practices? What are the functions of the Federal Trade Commission? Or is this only one new illustration of the New Deal's incessant over-lapping of functions, its duplication of effort, its readiness to interfere in legitimate business for no visible reason?"

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#### 17 NEWSPAPERS APPLICANTS FOR FM PERMITS

Seventeen newspapers have made application to the Federal Communications Commission for license to operate a broadcasting station under the new frequency modulation system. One newspaper, the Milwaukee Journal, is already operating a station with this system.

The Radio Committee of the American Newspaper Publishers' Association, in its report to the convention recently, said:

"A feature of newspaper interest in connection with the claims made for frequency modulation is that the new system offers particularly favorable factors for the establishment of stations in the smaller communities. The relative low cost of transmitters and of maintenance costs, and freedom of the medium from other station interference are points emphasized in this connection."

The FCC reports the 17 newspaper applications to date. Not included in the list, but mentioned by the Radio Committee as having applied, is the Worcester (Mass.) Telegram.

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## PRESS WIRELESS IMPROVES PHOTO TRANSMISSIONS

A new and improved method of transmitting photographs by radio will be put into operation at the Paris office of Press Wireless, Inc., the radio communications subsidiary of a group of leading American newspapers, within the next three weeks, according to announcement in Chicago by Joseph B. Pierson, president of the organization..

Equipment perfected in the United States by Press Wireless and WGN engineers after more than a year of experimentation had arrived in France, Mr. Pierson said. It was now being set up, and as soon as it was in operation it would be possible, he said, to send high-class reproductions of photographs from Paris to the Press Wireless station, Baldwin, L. I.

In the past all photographs transmitted by wireless have been more or less streaked with white or black lines and other blemishes. The striae and loss of detail, engineers long have known, are caused by three sources of radio phenomena, namely: selective fading, echo and natural static.

The effect of the "sweep circuit", as the new device is called, he said, was to make the transmission immune to such obstacles.

Experiments have been carried out between Baldwin and W9XDH at the WGN transmitter station near Itasca, Ill. Several hundred photographs were transmitted during the test period.

A sheaf of photographs showing the gradual improvement in the photographs were submitted by Mr. Pierson.

"Our work has been watched by wirephoto experts", said Mr. Pierson. "We've finally reached the place where we believe the quality of reproduction is superior to that obtained over present-day telephone wire circuits."

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## BYRD EXPEDITION TO USE RADIOPHOTOGRAPH SERVICE

Pioneer use of radiophotograph transmission from the Antarctic, to relay pictures from Little America to the United States, is involved in the special temporary authorization granted Press Wireless, Inc., to communicate with the Byrd Antarctic expedition. A1 (continuous wave telegraphy) and A2 (modulated continuous wave telegraphy) type emission will be used to control the pictures by air from the expedition base radio station, KTRK, to the Press Wireless point-to-point station at Hicksville, N.Y. The experiment is authorized for one month.

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TRADE NOTES

Owners of frequency modulation receivers in the New York are still have a demonstration of FM's tonal possibilities on Wednesday (May 8) when a special program is aired over W2XMN, inventor Edwin H. Armstrong's FM station at Alpine, N.J., from 8:30 to 9 P.M. EST.

Hygrade Sylvania Corporation reports for the March quarter: Net income \$267,290, equal, after preferred dividend requirements, to \$1.13 each, on 207,184 shares of common stock.

A contest, for three titles of "Miss RCA Television", is to be telecast Thursday, May 9, beginning at 8:30 P.M., by the National Broadcasting Company over Station W2XBS. Popular vote of television receiver owners will decide which three girls will preside over the Radio Corporation of America's television demonstrations this Summer at the New York World's Fair of 1940.

James L. Fly, Chairman of the Federal Communications Commission, will pay tribute to the Susquehanna Emergency Network in a brief talk during a special CBS broadcast at 8 P.M., EST, May 12. The program will originate from 4401 Leland Street, Chevy Chase, Maryland, where the transmitter and station of Roy C. Corderman eastern division coordinator of the S.E.N., are located.

Mutual Broadcasting System billings for April, 1940, totalled \$359,947, representing an increase of 37.1 percent over a similar period in 1939, when billings reached \$262,626. This is the highest Mutual billings for April in the history of the network.

Mutual's cumulative billings for the first four months of 1940 also was the largest in the network's history. 1940's figure totalled \$1,406,138, an increase of 21.1 percent over 1939's first four months, when the figure of \$1,161,285 was reached.

Station WKBB, Dubuque, Iowa, will join the National Broadcasting Company networks on Wednesday, May 8, bringing the total number of affiliated stations at that time to 187, it was announced today by William S. Hedges, Vice President in Charge of Stations. Licensed to the Sanders Brothers Radio Station, WKBB operates full-time on 1500 k.c. with power of 250 watts. It will be a supplementary outlet to the basic NBC-Blue Network.

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## NEW LOUDSPEAKER CONE DEVELOPED BY RCA

Held to be one of the most important basic improvements in loud-speaker design in a number of years, a new type of "accordion edge" loudspeaker has been perfected by the RCA Manufacturing Company to reproduce low frequencies with a fidelity never before possible with a small speaker in a small cabinet. Although only seven inches in diameter, the new instrument has a frequency response of from 80 to 7,000 cycles.

The new loudspeaker makes effective use of a folded or "accordion edge" cone support principle which permits the cone to move more freely when driven by the permanent magnet speaker mechanism. The cone was developed by Dr. H. F. Olsen in the RCA Radio Research Laboratories at Camden.

"The new loudspeaker opens up many possibilities", George Ewald, Manager of the Commercial Sound Division, said. "It is certain to establish new standards of performance hitherto deemed impossible with a single small speaker. Schools, churches, hotels, clubs, and other places which require small but high quality loud-speakers will find this new instrument meets a long felt need."

Designated as Model MI-6233, the loudspeaker includes an attractive walnut wall housing with sloping baffle. The speaker mechanism is also available separately. It measures 7" in diameter, 4" deep and weighs 3 pounds.

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## WOR TO MAKE CHANGES IN ANTENNA AT CARTERET, N. J.

Following authorization granted last week by the Federal Communications Commission, WOR will shortly make alterations in its antenna system at the Carteret, N.J., transmitting plant which houses WOR's giant 50,000-watt transmitter.

The alterations call for the elimination of the catenary, or third quarter wave radiator in the antenna set-up, which currently is supported by a wire between the two 385-foot antenna towers. The pattern of WOR's signal will not be materially changed by this new arrangement, except for a slight strengthening of east-west radiation. Using only the two regular towers will permit installation of separate feed lines to the base of each, with phasing equipment in the transmitter building.

The failure of either line will result only in continued operation at reduced signal coverage, as contrasted with the current arrangement whereby only a single feedline is employed. Its failure at present would put WOR off the air, although this has never occurred.

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