

HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.

BROADCASTING COMPANY, INC.
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No. 1284

November 26, 1940

INDUSTRY PREPARES FOR MONOPOLY BATTLE

Following a barrage of brickbats hurled at the 1800 page Federal Communications Commission Committee's chain broadcasting report, oral arguments will be heard Monday, December 2, subsequent to the filing of the final briefs. Among the Committee's conclusions tardily submitted last June when it was openly charged by Congress that it was stalling, were that networks be licensed, that exclusive network affiliate contracts be banned and that the FCC, in effect, supervise the dealings of the stations and networks. It was largely because of the displeasure of Congress in the way that the FCC handled this report that the Senate refused to confirm Col. Thad Brown, one of the signers of the report, for reappointment to the Commission.

Vigorous objections to the report were voiced by all the networks except Mutual but the one that really got the Commission's goat was submitted by Paul Segal on behalf of the Independent Radio Network Affiliates. Chairman James L. Fly apparently went into a tantrum on this and ordered T. J. Slowie, Secretary, to wire each of the IRNA members as to whether Segal's brief was authorized by them and whether it reflected the position of their station.

In response to this, Mark Ethridge, of Station WHAS, Louisville, and former President of the National Association of Broadcasters, banged back with the hottest telegram anybody ever sent to Chairman Fly. In further defiance, Mr. Ethridge added that he was sending a carbon of the telegram to President Roosevelt. It read:

"Dear Mr. Fly:

"I have sent the following wire to Mr. Slowie, in response to his wire of yesterday:

"'WHAS was represented at the San Francisco Convention, which instructed the officers and directors of IRNA to file a brief setting out the attitude of stations toward the Monopoly Committee's report. The brief was submitted to us for approval and we approve.'

"I do want to protest to you, however, as Chairman of the Commission, what I consider to be intimidation. Whether the wire had that purpose, its wording and its preemptory nature will certainly have that effect. I do not know any reason why the stations affiliated with the networks should not make their position known to the full Commission, particularly when a report of a committee of the Commission charges, in effect, that the stations are not fulfilling their public duty.

"The full Commission, you told me, has not had the opportunity to study the question and has set oral arguments for the purpose of receiving further information and views. It seems to me that the Commission would welcome a statement of the position of affiliates, no matter whether it embraced that position or not.

"If the Commission was interested in knowing whom Mr. Segal represented, it could have required from him written authorization of signatures to the brief; or when he appeared to argue it, could have required him to make a showing of representation; or could have denied him the right to be heard if he could not make a showing. As a lawyer I know you will recognize that as a fair and just and regular procedure.

"I do not believe the Commission as a whole would ever have authorized such a telegram as was sent out. I must say that it strikes me as a violent departure from any procedure of democratic government.

"I cannot refrain from adding a more personal word. As you may know, I was a New Dealer before anybody in the present administration ever said he was, and all my adult life I have fought the same sort of evils you have. Moreover, I have done all I could in the radio industry to bring it to an acceptance of the necessity and desirability of regulation. But this sort of thing seems to me irresponsible regulation and, worse than that, a form of tyranny which I do not like in any form.

"Sincerely yours,

(Signed) Mark Ethridge"

Because of the fact that only oral arguments will be presented and that no witnesses are to be heard, the announcement stipulated only two days for the hearing scheduled to begin next Monday. If, however, especially in view of the storm of protests raised, they finish in that length of time, it will be a world's record for the FCC which has a way of drawing things out. The television hearings were only scheduled to last a couple of days but lasted more nearly a couple of weeks.

Also it was said at the Commission (Nov. 25) that there would be no postponement, as had been rumored, but that the hearings would go ahead as scheduled December 2.

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The N. Y. Consolidated Edison Company keeps hammering away in its advertising at what one cent's worth of electricity will buy, including always a reference to radio, the one recently reading: "One penny's worth of electricity will bring you a whole world of radio entertainment for nearly four hours."

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FCC CONFIRMS GREAT LAKES RADIO RATE CASE RULING

The Lorain County (Ohio) Radio Corporation and Thorne Donnelley, the latter doing business as Donnelley Radio Telephone Company, must refrain from certain illegal rate practices in connection with radiotelephone service between their land stations and ships on the Great Lakes as a result of the Federal Communications Commission making final its proposed report made public October 9th, at which time the FCC found unreasonable the rate schedules of \$25 a month ready-to-serve charge per ship plus charges of 75¢ to \$1.00 for each three minute message, and another rate of \$1.50 per message for occasional users of radiotelephone service between ships on the great Lakes and Lorain Corporation stations at Lorain, Ohio, Duluth, and Port Washington, Wisconsin.

The Lorain Corporation is further required to cancel its tariff schedules providing for the ready-to-serve charge of \$25 a month, on or before February 1, upon notice to the Commission and to the general public by not less than 30 days' filing and posting in the manner prescribed by the Communications Act and Commission rules and regulations.

No party to the proceedings having filed exceptions to the proposed report, the final order is made effective December 23.

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NATIONAL FREQUENCY BROADCASTS RESUMED AFTER FIRE

Following the destruction by fire of the standard frequency station WWV of the National Bureau of Standards, a temporary transmitter was established in another building which Dr. J. H. Dellinger now advises has begun a reduced service. It broadcasts the frequency five megacycles (= 5000 kilocycles) per second, every day (except Sunday) from 10 A.M. to midnight. This is continuous-wave only, with telegraphic code announcements of the call letters WWV every 20 minutes. The accuracy of the frequency is the same as in the past, viz, better than a part in ten million.

The broadcast is from a 1-kilowatt transmitter. Generally speaking, it is most useful for moderate distances in the daytime and long distances at night. More precisely: for reception in locations reasonably free from interference, it is receivable at all distances up to 1000 miles from Washington in the middle of the day. The distance range increases after about 4 P.M. (EST) until at night the broadcast is receivable throughout the United States; sometimes at night it may be difficult to receive it at distances between 50 and 500 miles while it is easy to receive it beyond 500 miles. In the spring the daytime distance range will decrease, dropping to about 500 miles in the summer.

This restricted service will continue for some months. As rapidly as possible the Bureau will establish a new station to provide more fully than in the past standard frequencies receivable at all times throughout the country. These will include standard radio frequencies, standard seconds pulses, and the standard of musical pitch, 440 cycles per second, which will unfortunately not be available during the period in which the temporary transmitter is used.

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FCC GRANTS POWER INCREASES; OTHER APPLICANTS

The following stations have been granted power increases by the Federal Communications Commission:

Station WTSP, Pinellas Broadcasting Co., increased to 1 KW LS, 500 watts night; Station WJBO, Baton Rouge Broadcasting Co., Inc., Baton Rouge, La., to 5 KW; Station WISN, Hearst Radio, Inc., Milwaukee, Wis., increased to 5 KW; Station WORL, Broadcasting Service Organization, Inc., Boston, Mass., increased to 1 KW daytime only; WDEL, WDEL, Inc., Wilmington, Del., increased to 5 KW; WAPO, W. A. Patterson, Chattanooga, Tenn., to 1 KW night, 5 KW LS.

The Commission also granted a construction permit for a new station to the Kokomo Broadcasting Corp., Kokomo, Ind., on 1420 kc., 250 watts, unlimited time.

Two more stations - WINS, Hearst Radio, Inc., New York City, and KQW, Pacific Agricultural Foundation, Ltd., San Jose, Calif., desire to increase their power to 50 KW. Station WRCA, the NBC international broadcasting station at Bound Brook, N. J., has asked for an additional 35 kilowatts, making an effective operating power of 70 kilowatts, using 9670 kc., for its short-wave service throughout the world.

Other applicants for higher power are WMBR, Florida Broadcasting Co., Jacksonville, Fla., seeking 10 KW; Station WCAO, Monumental Radio Co., Baltimore, Md., seeking 5 KW; Station WTAG, Worcester Telegram Publishing Co., Worcester, Mass., the same; Station WSOY, Commodore Broadcasting, Inc., Decatur, Ill., 1 KW night.

Arthur Lucas and William K. Jenkins, doing business as the Chattahoochee Broadcasting Co., Columbus, Ga., have applied for a new station on 1420 kc., 250 watts, unlimited time.

The Travelers Broadcasting Service Corp., Hartford, Conn., was granted construction permit for new high frequency (FM) broadcast station to operate on frequency 45,300 kc., with coverage of 6,100 square miles; General Electric Co., Schenectady, N.Y., was granted the same to operate on frequency to be specified to serve area of 6,600 square miles.

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GERMANY INTENSIFIES S-W PROPAGANDA TO U. S.

There are progressively more detailed attacks on American institutions, leaders and attitudes on international affairs, in propaganda from Germany directed at the United States through broadcasts of the German short-wave radio stations according to the Princeton Listening Center. The Listening Center is a project of the School of Public and International Affairs of Princeton University, and is financed by the Rockefeller Foundation. It was established to study European international Broadcasting in wartime, with particular reference to broadcasts directed to the United States.

Princeton listeners declare that direct pressure on listener-opinion has been conspicuously increased in German short-wave broadcasts to America. In many respects, they say, these broadcasts are strikingly reminiscent of the first phase in Lord Haw-Haw's campaign against British morale. Approximately 16 commentators and actors on the German short-wave radio, which most any good set is capable of picking up and hearing clearly in the United States, are engaged in trying to arouse American opinion against "the measures short of war" taken by the United States on behalf of the opponents of Germany.

According to the Princeton report, Fred W. Kaltenbach, reputedly in charge of the broadcasts to this country, is a native of Iowa. According to his own testimony, he is the son of a German immigrant and served as a lieutenant in the United States Coast Artillery during the last war. Dr. Otto Koischwitz, another German commentator, was a former member of the faculty of Hunter College in New York City.

The Princeton listeners state that the direct kinds of pressure radiated from Berlin to North America are divided into those -

- "(1) Containing condemnation of Britain in her relations with the United States;
- "(2) Containing praise of America and things American;
- "(3) Containing praise of Germany for her relations with the United States, for her national character or her internal institutions; and
- "(4) Containing criticism of American and things American."

"Although this Report has dealt thus far with German broadcasts to the United States only, certain characteristics have appeared which parallel broadcasts to other countries: France and Britain. Certain characteristics of the German technique may now be set forth:

"1) The basic aim of German broadcasts was to inhibit or paralyze action unfavorable to Germany and to encourage those attitudes and actions which might be turned to German use.

"2) Although provision was made for other audiences, German broadcasts directed their primary efforts toward the masses.

"3) The radio voices of Berlin were those of the country being addressed.

"4) The initial approach of the Berlin radio to its audiences was a friendly one.

"5) Appeals were based on the self-interest of each audience, and so presented as to appear framed out of consideration of what was good for the country of reception.

"6) At times of crisis, the German radio attempted to frighten various countries of reception by exaggerating the crisis beyond its action proportions.

"7) The German radio sought to distract the attention of its audiences from events abroad by the discussion of purely domestic issues.

"8) A constant attempt of German broadcasts was to divide, confuse and atomize the opposition to the Reich.

"9) German broadcasts frequently foreshadowed German action and official statements of policy.

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ONE-MAN PEACE FOUNDATION REQUEST DENIED

Upon basis of unsatisfactory showing that the proposed experimental work would be in the interests of the public or the radio industry, the Federal Communications Commission has denied the amended application of the World Peace Foundation (Abraham Binneweg, Jr.) for a construction permit to erect a new developmental broadcast station at Oakland, Calif., and to operate portable mobile.

The Commission points out that the applicant, World Peace Foundation, is not in fact an existing organization, but is merely a name which Abraham Binneweg, Jr., expects to establish to be used in connection with his future plans in radio.

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CUBA ESTIMATED TO HAVE 200,000 SETS

Although there have been no attempts to make a direct survey or census of radio sets in use in Cuba, a report made to the Bureau of Foreign and Domestic Commerce by Assistant Commercial Attache Charles H. Ducote, at Havana, the conclusion is reached that at the end of 1939, there were in use about 150,000 socket power sets. The estimated number of battery and crystal sets is 50,000.

Annual sales of sets are believed to approximate the importations as dealers make a strong effort to close out their stocks before new models come in. Last year's sales are considered to have approximated 26,000 sets, as compared with about 23,000 in 1938.

Although a larger number of sets were sold in 1939 than in the previous year, the dollar value of sales was lower. General economic conditions on the island during 1939 were less satisfactory than in 1938 and business volume as a whole was less by a small percentage.

Last year imports of radio sets consisted of about 50 brands. Practically all of the import manufacturers in the United States are represented in Cuba, and in consequence competition is active and keen. The two leading brands account for about 46 percent of total sales and the first 6 makes over 70 percent.

No separate statistics as to the proportion of imports of sets or of automobiles represented by separate or installed automobile sets are available. Automobile registrations numbered 27,679 at the end of 1939, including public vehicles. Dealers are of the opinion that the number of cars equipped with radio has steadily increased; current estimates are that about 10 percent now have sets installed. Distributors consider that the potential demand is very large.

One of the important afternoon daily newspapers in Havana has given some consideration to facsimile broadcasting, but radio distributors do not expect a sufficient public interest to be optimistic about a market for receivers. Frequent news broadcasts, together with newspapers in the Spanish and English languages, contribute to the limitations on interest.

There is no domestic radio industry, and imports of parts are confined to servicing requirements. Imports of parts total \$50,000 to \$60,000 annually. Those most required are transformers, fixed condensers, variable condensers, fixed resistances, and similar items.

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TRADE NOTES

The Federal Communications Commission has scheduled a conference of engineers for Monday, December 9, at the Commission in Washington to discuss power range of FM transmitters, performance of audio amplification equipment and other high frequency problems having to do with FM.

Gross factory sales of Philco Corp., exclusive of its Canadian subsidiary, amounted to \$40,933,890 in the first 10 months of 1940, as compared with \$32,888,700 in the corresponding period of last year, an increase of 24 percent, it was announced by Larry E. Gubb, Executive Vice President of the Philco Corp.

Harris E. Yarbrough, Jr., an amateur operating Station W5IPC at Dallas, Texas, has had his license suspended for three months for re-transmitting programs from Station KRLD at Dallas, and causing interference to the reception of certain radio broadcast programs.

The Bureau of Foreign and Domestic Commerce has issued "Radio, Telephone, Telegraph" bulletins (formerly "World Radio Markets") on the British Cable System, Bolivia, Liberia and Afghanistan.

Equipment of autos with radios by manufacturers on cars for the American market totalled 1,359,876 sets in 1939, the Census Bureau reports.

R.C.A. Communications, Inc., at Bolinas, Calif., has been granted temporary authority by the Federal Communications Commission to communicate with the Radio Administration of the USSR at Khabarovsk, Russia, for the purpose of determining the effectiveness of available communicating facilities between Khabarovsk and San Francisco.

United Airlines are all set to relay to Station WLS, the broadcast of the "Flight of Santa Claus into Chicago" on 22790 kc.

Applications for the following attorneys to practice before the Federal Communications Commission were approved: Franklin Cary Salsbury, Cleveland, Ohio, and Victor R. Wolder, New York City.

Ten new stations will join the NBC Blue Network in the South December 15. They are: WGAC, Augusta, Ga., WCBT, Roanoke Rapids, N.C., WEED, Rocky Mount, N. C.; WMFD, Wilmington, N.C.; WMFR, High Point, N.C., WGNC, Gastonia, N.C., WHKY, Hickory, N.C.; WCOS, Columbia, S. C., WJHL, Johnson City, Tenn., and WHIS, Bluefield, W. Va.

The General Electric Company at New Scotland, N. Y., has been authorized to change the channel of its relay television station to 162,000-168,000 kc.

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MCDONALD ADVOCATES GLIDERS FOR AIR TRAINING

A cure for a possible future shortage of pilots to fly the thousands of bombers, pursuit ships, fighters and reconnaissance planes to result from the workings of the defense program, is proposed by Commander E. F. McDonald, Jr., well-known radio manufacturer of Chicago, in an article entitled "Silent Wings" appearing in the November 30th issue of Colliers now on the news-stands.

America may well take a lesson from the Nazis and train hundreds of thousands of young pilots in inexpensive motorless gliders, states Commander McDonald. The ink was hardly dry on the Versailles Treaty before Germany started encouraging her boys to soar. "The defense of America is guaranteed", says Commander McDonald, "if over the plains of New York and Jersey and Iowa and Texas American boys learn to soar the air."

He claims beginners can start their training more safely and with less expense in gliders than in motor-driven planes, and that glider trained pilots are eventually more at home in the air when they graduate to motorized ships because they know their air currents more intimately. To support these statements he quotes from well-known airmen, among them Captain Eddie Rickenbacker; Maj. R. W. Schroeder, Vice President of United Airlines; Maj. Al Williams, well-known aeronautical writer, and others.

The author calls attention to the fact that America has 54,000 radio amateurs, an abundance of born radio operators for our Signal Corps who can service and operate radio transmitters and receivers without any training except in the technique of war communications, and points out that this is a fact because these "hams" were permitted to tinker with coils of wire, tubes and condensers at will. He pleads that American youth be given a chance to emerge from the "rubber band" stage of model airplane building and be allowed to fly real planes, inexpensive motorless planes, which he says are well within the means of many individuals. For those who cannot afford an individual glider, his solution is the formation of thousands of glider clubs, either under government or community subsidy. Much informative material is given showing how such groups can be quickly organized at little expense.

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MANUFACTURERS TO SCRUTINIZE OWN ADS

A Committee on Advertising, composed of leading advertising and sales promotion managers, appointed by the Radio Manufacturers and headed by John S. Garceau of the Farnsworth Radio Corporation, Fort Wayne, Ind., will act to survey industry advertising and establish desirable, ethical and technically correct advertising standards and practices.

The broad objective is to have the industry itself develop proper advertising practices, to avoid possible criticism of the public, Better Business Bureaus and government agencies. The work of the Committee on Advertising, which will hold an initial meeting early in December, will be entirely on a voluntary and cooperative basis, without conflict with any other agency or action of any individual company.

Besides Mr. Garceau, the following are the members of the new committee:

Clifford C. Dewees, Advertising and Sales Promotion Manager, Stewart-Warner Corp., Chicago; P. G. Gillig, Sales Promotion Manager, Emerson Radio & Phonograph Corp., New York; P. F. Hadlock, Manager, Receiver Sales Division, General Electric Co., Bridgeport, Conn.; Victor A. Irvine, Sales Promotion Manager, Galvin Manufacturing Corp., Chicago; Thomas F. Joyce, Advertising and Sales Promotion Manager, RCA Manufacturing Co., Inc., Camden, N. J.; L. Martin Krautter, Advertising and Sales Promotion Manager, The Crosley Corp., Cincinnati, Ohio; Lee McCanne, Assistant General Manager, Stromberg-Carlson Telephone Mfg. Co., Rochester, N.Y., and Sayre M. Ramsdell, Advertising and Sales Promotion Manager, Philco Corp., Philadelphia, Pa.

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PITTSBURGH TO HAVE RADIO WEEKLY

Darrell V. Martin, pioneer Pittsburgh radio editor, announces that he will publish a new weekly devoted to radio programs that will have over 3,000 paid subscribers before the first copy goes to press December 21. Among those who have already subscribed are Niles Trammell, President of the National Broadcasting Company; Frank Mullen, General Manager of NBC, Ted Weber of the Columbia Broadcasting System; Lester Gottlieb and Jerry Danzig of the Mutual network. Also Kay Kyser, Amos 'n' Andy, Hal Kemp and numerous other radio stars. The price is \$2.00 a year and the address P. O. Box 111, Pittsburgh, Pa.

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TRANSRADIO ACCUSED IN DIES REPORT

Correspondence which the Dies Committee said was exchanged by Dr. Manfred Zapp, head of the German Transocean News Service and the American Transradio Press, was included in the Dies "White Paper" report.

"In the event that the South American reception was faulty", the report said, "Berlin immediately advised Zapp in New York. Thereupon Dr. Japp took this matter up with the Transradio Press Service which service appears to be not only the receiving agency for Transocean, but also the transmitting agency.

"This fact is further substantiated from an examination of the Transocean financial records in which it is disclosed that for the period from Jan. 1, 1939, to Aug. 1, 1940, Transocean News Service paid Transradio Press Service the sum of \$44,387.91."

Herbert Moore, President of Transradio News Service, replied that the Dies Committee, "in its zeal to combat subversive influences, has made public certain disclosures which have the unfortunate effect of misrepresenting the entirely legitimate connections which have existed between American press services and German news organizations.

"It is well known that Transradio and other American news services have scrupulously guarded against all kinds of totalitarian propaganda although they have, by necessity maintained working press agreements with German and other foreign news agencies."

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G. E. SHOWS ITS TELEVISION COLORS

Dr. E. F. W. Alexanderson demonstrated his color television system to members of the National Television Systems Committee and George Henry Payne of the Federal Communications Commission in Schenectady last week. It was a special broadcast from the General Electric television transmitter to a standard receiver in his home.

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An Ohio letter-writer to the Federal Communications Commission objects to certain Berlin broadcasts. The programs in question are not rebroadcast but are received from Berlin direct. The Commission does not, of course, have jurisdiction over alien stations.

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