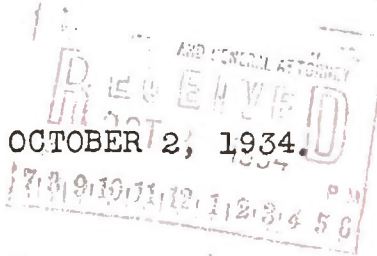
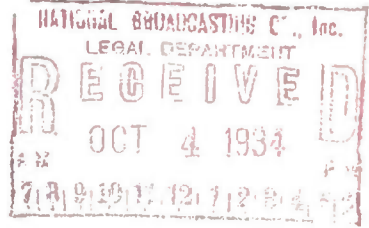


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF OCTOBER 2, 1934.

Educators Argue For More Evening Hours.....	2
High Fidelity Receivers Impose New Responsibilities.....	5
Opposition To Sykes Confirmation Foreseen.....	6
Dill Communications Commission Appointment Discounted.....	7
Additional Communications Officials Appointed.....	8
Broadcasting Code Meeting October 18.....	8
Short Wave Sets In Autos Opposed At Police Session.....	9
Reporters Use Radio.....	9
Telephone Depreciation Rate Hearing November 16.....	10
More Than 175,000 Attend N. Y. Radio Show.....	10
A. T. & T. Executive Dies.....	11
Western Electric Speaker Can Be Heard For Miles.....	11
Decisions Of Broadcast Division, FCC.....	11

No. 762

Handwritten notes and signatures at the bottom of the page.

October 2, 1934.

EDUCATORS ARGUE FOR MORE EVENING HOURS

Although the educators who appeared at the first day's hearings of the Federal Communications Commission, which is to determine whether or not it shall recommend to Congress that more radio facilities shall be allocated to educational, religious and other non-profit programs, were severe in their criticism of commercial broadcasters, they did not advocate the scrapping of the so-called American system of broadcasting, i.e. one supported by advertising. Rather, the arguments seemed to be that the educators be given more time on the air and that more of this time be in the desirable evening hours.

It was definitely stated by Joy Elmer Morgan, Chairman of the National Committee on Education by Radio that the Committee has never contended for changing broadcasting in the United States to a completely government-owned system, "contrary to statements often made by commercial interests."

"The National Committee on Education by Radio recommended", Mr. Morgan declared, "to the Federal Communications Commission, in supporting its contentions, that existing educational public welfare stations be protected in their present privileges, that provisions be made for the improvement of the existing facilities of these educational public welfare stations and for the establishment of additional stations of like character, as need for such stations appears, by allocating for non-commercial broadcasting a reasonable and adequate percentage of desirable channels and privileges, and that in determining 'public interest, convenience, and necessity', public welfare as a primary purpose of educational stations should be given due and favorable weight."

Commissioner Hampson Gary, in charge of the Broadcasting Division, presided at the hearings and with him sat Col. Thad Brown, Vice-Chairman of the Division, and Judge E. O. Sykes, Chairman of the Commission. The presentation of the educators' case was in charge of Dr. Tracy F. Tyler, Secretary of the National Committee on Education by Radio and the first witnesses were Mr. Morgan, Dr. Henry Lee Eubank, who appeared in behalf of Dr. Glenn Frank, President of the University of Wisconsin, representing the Association of College and University Broadcasting Stations, Joseph Wright, University of Illinois, in behalf of the National Association of Educational Broadcasters; Dr. Owen C. Brown, of the International Council of Religious Education; Dr. Arthur G. Crane, President of the University of Wyoming, representing the National Association of State Universities and Dean H. J. Umberger, representing the Land-Grant Colleges and Universities. The commercial broadcasters are to have their inning later as the hearings are expected to last two weeks.

10/2/34

Mr. Morgan was the most caustic critic of the commercial broadcasters.

"It is apparent that there is great and growing dissatisfaction with American broadcasting", the educator told the Communications Commission. "The type of programs now being broadcast in many instances degrades and debauches our children. I shudder for the future of the nation unless someone in authority corrects this intolerable situation. Many families are having great trouble with children over radio programs. Numerous parents feel that certain programs are offensive and objectionable and refuse to allow their children to listen to them."

Mr. Morgan read a letter from Upton Sinclair, Democratic nominee for Governor of California, who wrote:

"The character of radio programs today constitute a national scandal and disgrace. They are making our people the most depraved and vulgar in the world. I have given my set away and have refused to accept a new set offered to me."

Dr. Lee DeForest wrote to Mr. Morgan that radio programs were "mediocre and moronic and all sales talks should be prohibited."

Dr. Frank suggested that the Communications Commission instruct its technical staff to draw up a plan that would constitute a goal towards which the educational forces of the States and nation may work. This plan should be based on the principle that the public interest will best be served by a system of nations serving States, or areas of considerable size, and closely integrated with the educational program for the State. He advocated a nation-wide network of State controlled educational stations.

"We in the United States have been slow to conserve the interests of the public in what was once public property", he concluded. "We have squandered our oil, our coal, our forests . . . We have here the opportunity to conserve the public interest in what is right a public agency."

Mr. Wright said that in 1926 there were 537 broadcasting stations in this country of which 105, or 19½ percent were educational but that in 1934 of the 602 stations, only 38, or 6.3 percent were educational.

"I don't contend that the commercial system is all wrong", Mr. Wright continued. "I feel there is a place for commercial stations, but I believe that educational stations should have a place on the air. Many educational stations are in a position to increase their power if permission can be secured from the Commission."

10/2/34

Mr. Wright said the most aggravating thing was the way educational programs were frequently displaced by advertising programs. He said complete freedom could never be enjoyed as long as educational programs were broadcast over commercial stations. A grievance, he felt, was that desirable night time was not given to the educators.

Dr. Crane admonished commercial broadcasters not to overlook the fact that they had a potential audience of 30,000,000 public school children. It was his opinion that schools receiving broadcasts by master teachers showed improvement over those which did not receive such broadcasts. He related that the City of Cleveland had picked out the hardest subject, the least presentable, to try out over the radio - arithmetic - and that it was such a success that they are continuing it.

The speaker said that it had even been demonstrated that some subjects could be taught over the radio without a teacher. He believed that the radio stimulated interest. Broadcasts, he said, "vivified" the lessons. Teachers too often dealt with things in the past but that radio brought instruction apace with the times. He calculated that if the efficiency of education could be increased 5% by broadcasts, it would give an added value of \$150,000,000 to the sum spent on education in American schools. He said the eye and ear impulses were greater than those of the printed page.

Dr. Crane also spoke of the possibilities of radio in adult education.

"We are not asking for exclusive rights", the Wyoming College President went on, "but a respectable group of adults like to have programs of an educational nature at a convenient time in the evening without having them larded with advertisements."

Dean Umberger declared that surveys showed that radio exceeded correspondence and posters and that broadcasts were at least one-half as effective as meetings. In one community of which he spoke, he said that 69 percent of the farmers had radios, that 90 percent used them and that 13 percent of these adopted practices as a result of what they heard over the radio.

The Kansas professor said that it was imperative, if the efficiency of educational stations was to be increased, that they would have to have evening hours.

"Unless the utmost facilities are afforded educational institutions", Dean Umberger concluded, "education will lag behind exploitation."

X X X X X X X X

HIGH FIDELITY RECEIVERS IMPOSE NEW RESPONSIBILITIES

The development of the so-called high fidelity receiver, and the responsibilities which the advent of such a receiver would impose upon the broadcaster, is explained by J. A. Chambers, of Cincinnati, Chairman of the Engineering Committee of the National Association of Broadcasters.

"The term 'high fidelity' is relative, and must not be confused with perfect fidelity", Mr. Chambers, who is Chief Engineer of Station WTW, said. "The improved receivers falling within this category are capable of reproducing a wider range of frequencies than receivers heretofore commercially obtainable. Because of this, they will much more readily show up any defects and deficiencies in the broadcast transmission system. This imposes upon the broadcaster the responsibility for, and the necessity of, maintaining engineering standards much more rigid than those which, unfortunately, a recent survey of several stations indicated are now being adhered to. The survey disclosed the fact that while a majority of the station installations were capable of picking up and transmitting a signal at least equal to the reproducing ability of the most modern receiver, as operated, they fall short of their capabilities.

"Of those stations surveyed, 52% are deficient in the transmission of low audio frequencies and 66% of them are deficient in the highs. Some of the deficiencies discovered in our survey included excessive and extraneous noises, limited and irregular frequency range, poor studio acoustics and pickup technic. Neglecting to correct these conditions will result in a gradual but steadily increasing unfavorable reaction on the part of those listeners who invest in the newer receivers."

In view of the conditions as they exist, Mr. Chambers said it was believed desirable by the Engineering Committee to issue a "Handbook of Broadcast Stations Operating Practices." The "Handbook" will be designed to assist engineering personnel of stations in attaining the maximum capabilities of their station installations. It will recommend operating standards and will standardize and give information regarding the methods of determining and improving operating conditions and characteristics.

"It is too frequently assumed that because a transmitter is purchased, possessing the latest engineering design and development, it will continuously function as originally designed", Mr. Chambers concluded. "Unfortunately, such is not the case, and the complicated and highly developed station installation of today requires constant and regular checking and measuring through the use of precision measuring equipment.

"Therefore the Engineering Committee recommends that all stations place in the hands of their operating personnel the necessary testing and measuring equipment of the latest type, to assure the maximum operating capabilities of the station equipment; that there be further study and analyses of technical practices and standards with a view toward improving the use of the facilities of member stations to attain a higher standard; and furtherance of the cooperative action by the Radio Manufacturers' Association, the Institute of Radio Engineers and the National Association of Broadcasters to improve the results of the entire radio broadcast system from microphone to loud speaker."

X X X X X X X X

OPPOSITION TO SYKES CONFIRMATION FORESEEN

Since in that State the Democratic nomination is equivalent to election, there is every indication that former Governor Bilbo, of Mississippi, will succeed Senator Stephens in the United States Senate next January. If so, Mr. Bilbo will be certain to oppose the confirmation of Judge E. O. Sykes, of Mississippi, as Chairman of the Federal Radio Commission, and to do anything he can to make it equally warm for Paul Spearman, General Counsel of the Commission, also from Mississippi.

The reason for this is that both the Judge and Mr. Spearman supported Senator Stephens and returned to their native State at primary time in the hope of defeating Governor Bilbo. The situation was particularly difficult for Judge Sykes as Bilbo, when Governor, appointed him to the Mississippi Supreme Court and Senator Stephens was responsible for his appointment to the Radio Commission and had much to do with his reappointment to the Communications Commission.

Governor Bilbo, in the meantime, came to Washington where he secured a \$6,000 job in the Agricultural Department, the principal function of which, apparently, was to clip newspapers. Tiring of this, he resigned and went back to Mississippi to make the race against Senator Stephens for the Senatorial nomination.

The vote was so close that a second run-off primary had to be held and in this Governor Bilbo won. There apparently is not any apprehension among the friends of Judge Sykes that Governor Bilbo, if elected to the Senate, will give him any real trouble. Nevertheless, as one of them remarked, "You never can tell."

In the old days, a single Senator was able to block a nomination if he declared the candidate was personally offensive to him, but of late years that hasn't held. Only recently Senator Huey Long tried it and failed. If a single Senator were to succeed in blocking a nomination, a good deal would depend upon the standing of the Senator. If he had been in the Senate for some time, was strongly entrenched as chairman of an important

committee where he had some vote trading value, or had a large political or personal following in the Senate, he might get away with it.

Such would not be the case with Governor Bilbo, Judge Sykes' friends argue, who would be new to the Senate and simply a "noisy minority." It is their contention that if objection was raised to Judge Sykes' confirmation, President Roosevelt would really be the one to decide whether or not it should prevail. If the opposition assumed serious proportions, it would then only be a question as to whether or not Mr. Roosevelt cared "to crack the whip." However, since the entire Commission must be confirmed in January and there is yet much water to go over the dam, it seems a trifle early to speculate.

If the Commission's report on the educational-religious program situation should prove objectionable to one side or the other, or if their telephone or telegraph activities should get them into deep water, the chances of confirmation for one or all the Commissioners might be jeopardized. Only the happenings in the next three months can tell the story.

X X X X X X X X

DILL COMMUNICATIONS COMMISSION APPOINTMENT DISCOUNTED

The charge by Senator Schall, of Minnesota, that President Roosevelt intends to make Senator C. C. Dill Chairman of the Federal Communications Commission seems to be taken lightly in Washington. Senator Dill has time and again said that he would not take a place on the Communications Commission if it were offered to him.

"All poppycock", the Senator said to this writer before leaving Washington. "If I wanted to remain in public life, do you think I would give up a Senatorship to serve in a relatively subordinate position as a Communications Commissioner or Chairman? I am leaving the Senate because I am fed up on public life.

"I don't know eventually what my plans will embrace but for the time being I propose to practice law with offices in Spokane and Washington, D. C."

Senator Schall's letter to President Roosevelt read as follows:

"It is in connection with your present plan to make Senator Clarence C. Dill Chairman of the Communications Commission upon his retirement from the Senate on January 1 next, that I address you this letter.

"In taking this liberty of making public your plans, I do so because Senator Dill is engaged at the present moment in organizing a telegraphic news agency, which will be operated under

10/2/34

Government censorship and in competition with the Associated Press, the Hearst News Service and the United Press.

"Of course, you and the public are well aware of the fact that the office of Chairman of the Communications Commission has been left vacant, and I have been advised that Senator Dill is retiring from the Senate only because he is to be appointed to this post by you.

"If this is not true, and you are not backing Senator Dill in the organization of this news service, it seems to me you should make public your opposition to his plan."

Senator Dill's proposal for a radio news gathering organization has been taken under advisement by the National Association of Broadcasters and it is expected that a Committee will be named shortly to study the subject.

X X X X X X X X X X

ADDITIONAL COMMUNICATIONS OFFICIALS APPOINTED

Lieut. Commander E. M. Webster, of the U. S. Coast Guard, was appointed Senior Engineer of the Communications Commission to serve under Dr. C. B. Jolliffe. Commander Webster has for many years been the Communications Engineer of the Coast Guard.

George B. Porter and Frank Roberson were appointed Assistant General Counsels of the Commission. Mr. Porter was Assistant General Counsel of the old Radio Commission. Mr. Roberson hails from Mississippi but has been practicing law at Pelham, N. Y.

Arnold C. Hansen was named Chief Accountant of the Commission.

X X X X X X X X

BROADCASTING CODE MEETING OCTOBER 18

James W. Baldwin, Executive Officer, has called a meeting of the Broadcasting Industry Code Authority to be held in Washington, Thursday, October 18th.

X X X X X X X X

9/28/34

SHORT WAVE SETS IN AUTOS OPPOSED AT POLICE SESSION

The Nation's police officials were urged by Lieut. Donald S. Leonard, Superintendent of the Michigan State Police Department, to take all possible steps to prevent private citizens from installing short wave receiving sets in their automobiles which would enable them to keep in contact with broadcasts from police stations throughout the country.

Discussing the progress of police radio communication at the 41st annual convention of the International Association of Chiefs of Police meeting in Washington this week, Lieut. Leonard declared that reception of police messages by private citizens "could work havoc with polic administration." He declared in one case he knew of a murderer who had been able to escept because he overheard plans for his capture which were broadcast over a police radio system and were picked up by a private set.

Lieut. Leonard also said ambulance-chasing lawyers are using short wave sets in order to more quickly learn of bad accidents. At present he estimated there are 5,000 radio-equipped police cars in daily operation in 128 cities.

X X X X X X X X X

REPORTERS USE RADIO

The reporter with a radio transmitter strapped to his back is getting to be more and more a commonplace sight, especially when he has to get quick flashes to his editorial office from a remote place not easily reached by wire lines.

Using short wave apparatus of only a half watt power, both the Associated Press and the United Press, leading press associations, secured from the Federal Communications Commission authority to "cover" the national amateur golf championships at Brookline recently via radio. The light-weight portable apparatus is effective primarily over short distances, and the sports reporters telegraph their running stories via the short and ultra-short waves to the nearby club house whence they are sent forth to the country's newspapers via the wire telegraphs.

X X X X X X X X X

TELEPHONE DEPRECIATION RATE HEARING NOVEMBER 16

The Telephone Division having under consideration the orders issued by the Interstate Commerce Commission in its Docket No. 14700, Depreciation Charges of Telephone Companies, effective January 1, 1935, and also having under consideration a communication from Andrew R. McDonald, Chairman of the Executive Committee of the National Association of Railroad and Utilities Commissioners dated September 14, 1934, requesting until May 1, 1935, for presenting to this Commission by the State Commissions recommendations as to depreciation rates, and being advised in the premises:

Ordered (Order No. 10), that parties to this proceeding and other interested persons be notified that on November 16, 1934, following the hearing and argument on the Report of the Interstate Commerce Commission in Docket No. 25705, the Commission will hear, briefly, arguments on:

- (1) The effective date of depreciation rate order in Interstate Commerce Commission Docket No. 14700, and,
- (2) the time and manner of receiving recommendations from State Commissioners in reference to depreciation rates.

X X X X X X X X

MORE THAN 175,000 ATTEND N. Y. RADIO SHOW

Although not quite up to the attendance of last year, 209,000 persons, the 1934 Radio-Electrical Show at Madison Square Garden was attended by 175,000 and was a big success. There were more exhibitors this year.

On the basis of a survey among the exhibitors, it was announced, however, that more business had been transacted this year than last season. More than \$1,500,000 business was done in 1933 as a direct result of the show. ~~There were also more~~

"Crowds were more serious in their study of the exhibits this year than last", said Joseph Bernhart, manager.

Ralph Neumuller, managing director of the Electrical Association of New York, which sponsored the show which lasted eleven days, said that "every indication of marked confidence in the possibilities of a considerably increased volume of business during the coming Fall and Winter months in electrical and radio merchandise" had been given by the exposition.

Plans for another radio-electrical show next September are already under way; several exhibitors have signed up for the same space occupied this year, while others have announced they intend to rent larger space, the Garden management said.

X X X X X X X

A. T. & T. EXECUTIVE DIES

Charles H. Wilson, 73, for 19 years an Executive of the American Telephone & Telegraph Company, died yesterday (Monday) of heart disease at his home at Mountain Lakes, N. J.

His work with telephone companies covered 38 years, beginning in 1881, five years after Alexander Graham Bell invented the telephone. His most notable work was in connection with the development of long-distance lines and with the laying of underground telephone cables. He retired in 1919, after heading the American Telephone & Telegraph Co.'s long lines department since 1900.

X X X X X X X X

WESTERN ELECTRIC SPEAKER CAN BE HEARD FOR MILES

A new developed loudspeaker manufactured by the Western Electric Company, so powerful that it can magnify the human voice 1,000,000 times, was in operation for the first time at the International Yacht Races where it was used aboard the Coast Guard Cutter "Tampa" to warn shipping off the course and issue instructions to spectator craft. It can be made 500 times more powerful than the ordinary loudspeaker. At full power it hurls sound into the air with the force of a 50-pound hammer blow. Over flat terrain, in still air, it can project intelligible speech a distance of several miles.

Use is foreseen for the new speaker in directing throngs of people either too vast or in the presence of too much noise for the ordinary loudspeaker to be heard. Fire fighters within burning buildings, deafened by the crackle of flames, could be directed by the giant voice. A rescuing vessel at sea could bellow instructions to a distressed crew or to persons in life-boats. In place of the fog horn's simple warning the loudspeaker could give spoken directions.

X X X X X X X X

DECISIONS OF BROADCAST DIVISION, FCC

Applications Granted
October 2, 1934

WHDL, Tupper Lake Broadcasting Co., Inc., Tupper Lake, N. Y., C.P. to move transmitter and studio from Tupper Lake to Olean, N. Y.; KHJ, Don Lee Broadcasting System, Los Angeles, Cal., modification of C.P. to make changes in authorized equipment, extend commencement date to Oct. 12, 1934 and completion date to

90 days thereafter; KGB, Don Lee Broadcasting System, San Diego, Cal., modification of C.P. to make changes in authorized equipment, extend commencement date to Oct. 12, 1934 and completion date to 90 days thereafter; KFRC, Don Lee Broadcasting System, San Francisco, Cal., modification of C.P. to make changes in authorized equipment, extend commencement date to Oct. 12, 1934 and completion date to 90 days thereafter; WATR, Harold Thomas, Waterbury, Conn., consent to voluntary assignment of license to WATR Co., Inc.; WDBJ, Times-World Corp., Roanoke, Va., license to cover C.P., 930 kc., 1 KW, unlimited time; WGAL, WGAL, Inc., Lancaster, Pa., license to cover C.P., 1500 kc., 100 w. night, 250 w. daytime, unlimited; WKBF, Indianapolis Broadcasting, Inc., Indianapolis, Ind., license to cover C.P., 1400 kc., 500 w., night, 1 KW day, specified hours; WTOC, Savannah Broadcasting Co., Inc., Savannah, Ga., license to cover C.P., 1260 kc., 1 KW, unlimited time.

Also, WIND, Johnson-Kennedy Radio Corp., Gary, Ind., license to cover C.P., 560 kc., 1 KW night, 2½ KW day, unlimited; WCBD, WCBD, Inc., Zion, Ill., modification of license to change studio location from Zion to Waukegan, Ill.; WOWO, Main Auto Supply Co., Fort Wayne, Ind., authority to determine operating power by direct measurement; WSGN, Broyles Furniture Co., Birmingham, Ala., modification of C.P. extending completion date to Oct. 10, 1934; KMLB, Liner's Broadcasting Station, Inc., Monroe, La., modification of C.P. extending completion date to Dec. 1, 1934; KGW, Oregonian Publishing Co., Portland, Ore., modification of C.P. to make changes in equipment and extend commencement date to Oct. 15, 1934 and completion date to 180 days thereafter; KSD, The Pulitzer Publishing Co., St. Louis, Mo., modification of C.P. extending commencement date to Oct. 30, 1934 and completion date to Dec. 29, 1934; WHA, University of Wisconsin, Madison, Wisconsin, license to cover C.P., 940 kc., 2½ KW, daytime; KALE, Kale, Inc., Portland, Ore., authority to install automatic frequency control equipment; WTRC, Truth Radio Corp., Elkhart, Ind., C.P. to make changes in equipment.

Also, W9XAL, The First National Television Corp., Kansas City, Mo., C.P. (Exp. Visual) for additional transmitter of 150 watts, and additional frequencies 42000-56000, 60000-86000 kcs.; New, National Broadcasting Co., Inc., Portable-Mobile, C.P. (Exp. Gen. Exp.), frequencies 17310, 25700, 26000, 27100, 31100, 34600, 37600, 40600, 86000 to 400000 kc., 1 watt (this covers 5 applications for C.P. and licenses for same); Same Co., New York, C.P. (Exp. Gen. Exp.); frequencies 25700, 26000, 27100, 31100, 31600, 34600, 35600, 37600, 38600, 40600, 41000, 86000-400000 kc., 150 watts; Robert J. Woolsey, Chicago, Ill., C.P. (Exp. Gen. Exp.), 31600, 35600, 38600 and 41000 kc., 25 watts; W10XDD, Evansville on the air, Inc., Portable-Mobile, license to cover C.P. (Exp. Gen. Exp.), 31100, 34600, 37600, 40600 kc., 2.4 watts.

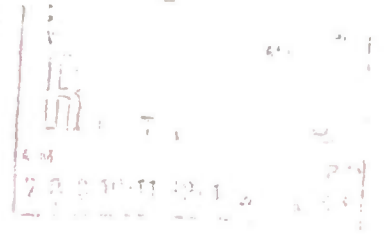
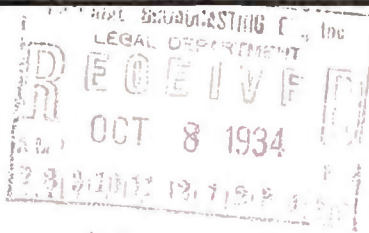
X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF OCTOBER 5, 1934.

FCC Rapidly Grows Into Political Plum Tree.....	2
Griffith Heads College Broadcasters.....	3
Caldwell Predicts 1934 Production Will Exceed 4,000,000 Sets.....	4
Educator Says 15% Radio Facilities More Than Needed Now.....	5
Service Exchange Wire Agreements Under Scrutiny.....	8
Rotterdam Telephone Company Carries Radio Programs.....	10
Industry Notes.....	11
ASCAP To Move To Radio City.....	11
Applications Granted By Telegraph Division, FCC.....	12

No. 763

Handwritten signatures and initials at the bottom left of the page.

FCC RAPIDLY GROWS INTO POLITICAL PLUM TREE

Great oaks from little acorns grow, especially if the acorns happen to be political plums. When the Federal Radio Commission was created seven years ago, the first year's budget was approximately \$100,000 and it had 57 employees.

It has just been revealed that the present set-up of the Radio Commission's successor, the Federal Communications Commission, provides for an organization of 595 persons. No cost figures were given but an estimate made by one usually well-informed person was that the annual budget of the wire and radio commission would probably exceed \$1,000,000 and might go up to \$1,500,000. The last appropriation for the Radio Commission was \$660,000, which the Communications Commission will use as a starter.

Because of the large number of purely political appointments the FCC is rapidly growing into one of the New Deal's promising political plum trees. It is commonly reported that except possibly in the Civil Service appointments that anyone to secure a job at the Federal Communications Commission must have "a clearance" either through Postmaster General Farley or Herbert L. Pettey, Secretary of the FCC, generally understood to be Farley's personal representative on the Commission.

The explanation of the new Commission setup embodies the fact that three divisions of three members each have been created with Chairman E. O. Sykes, serving on each division. The Divisions and personnel follow:

Division #1 - Broadcasting - Commissioner Hampson Gary, Chairman, Commissioner Thad H. Brown, Vice-Chairman.

Division #2 - Telegraph - Commissioner Irvin Stewart, Chairman, Commissioner George Henry Payne, Vice-Chairman.

Division #3 - Telephone - Commissioner Paul A. Walker, Chairman, Commissioner Norman S. Case, Vice-Chairman.

The Secretary of the full Commission, Mr. Pettey, under the new plan has under his jurisdiction the following sections and personnel:

License, which employs 36 persons; Dockets - 4 persons; Minutes - 3; Public Reference, Correspondence and Records - 25; Accounting - 7; Duplicating and Supplies - 9; Press - 3; Sub-clerical section - 5; a total of 92 persons.

The Engineering Department, of which Dr. C. B. Jolliffe is Chief Engineer, will probably be the largest division of the Commission, providing for 174 employees, of whom 110 will be in the field force, checking broadcast stations to see that they keep on their assigned frequency, thus providing good radio reception for listeners.

This department is composed of 5 sections - Telegraph, Broadcast, Telephone, International and Field. The Telegraph section, of which E. K. Jett is Chief, is to be composed of 23 persons; the Broadcast section, Andrew D. Ring, Chief - 18; Telephone, W. G. H. Finch, Chief - 17; International Section, Gerald C. Gross, Chief - 4; and the Field Section, W. D. Terrell, Chief - 112 persons.

The second largest unit will probably be the Accounting, Statistics and Tariff section, to be composed of 160 persons. This section will be charged with the task of analyzing and summarizing the numerous reports filed, and to be filed with the Commission in response to its orders to radio stations, telegraph and telephone companies.

Arnold C. Hansen has just been named Chief Accountant of this Section. He has been Senior Examiner of the Interstate Commerce Commission in the bureau of formal cases for a number of years, and assisted Dr. W. M. W. Splawn in the House Investigation of Communications Holding Companies.

The third largest section will likely be the Valuation Department. The tentative set-up calls for 117 employees by this unit.

The organization of the Law Department, of which Paul D. P. Spearman is General Counsel, has not been completed, nor the Examiners' Unit. Recently the Commission named Frank Roberson, of Pelham, N. Y., and George B. Porter, of Des Moines, Iowa, Assistants to the General Counsel.

X X X X X X X X

GRIFFITH HEADS COLLEGE BROADCASTERS

W. I. Griffith, Director, Station WOI, Iowa State College of Agriculture and Mechanic Arts, Ames, Ia., was elected President of the Association of College and University Broadcasting Stations at the annual meeting held in Kansas City, Mo.

Harold G. Ingham, Director of Extension and of Station KFKU, University of Kansas, was named Vice-President; Dr. B. B. Brackett, Director, Station KUSD, University of South Dakota, and T. M. Beaird, Director, Station WNAD, University of Oklahoma, succeeded themselves as Treasurer and Executive Secretary respectively.

X X X X X X X X

10/5/34

CALDWELL PREDICTS 1934 PRODUCTION WILL EXCEED 4,000,000 SETS

Approximately 790,000 radio sets, representing \$32,000,000 at retail selling prices, were produced and sold to the trade during the second quarter of 1934, O. H. Caldwell, former Federal Radio Commissioner, reports.

"This represents a sharp reduction from the 984,746 sets produced and sold during the first quarter of 1934; also a drop below the corresponding figures for the same period of 1933, 848,302 sets, although an increase above the retail dollar volume for the 1933 second quarter, which was \$24,506,800", Mr. Caldwell explains. "From this it may be concluded that the unit price of radio sets has risen considerably during the past twelve months, the average retail value having gone up from \$33.60 for the 1933 second quarter, to about \$40.50 for the 1934 second quarter, which closed July 1."

An increase in unit set value of 20 per cent, is indicated by these figures, showing that the consoles and higher-priced models are again coming to the fore, and that the recent popularity of the midget and cigar-box models is relatively waning.

"Automobile radio sets have not come up to expectations for 1934, it now is apparent", Mr. Caldwell continued. "Sales of these units for automobile installation have run considerably behind the budgets set up by the makers at the beginning of the year, based on 1933 sales. It is this drop in automobile sets which mainly accounts for the 1934 second quarter falling behind 1933 for the same period."

Total sales of radio sets for the first half of 1934 are still considerably ahead of the first half of 1933. The first six months of 1933 produced 1,436,134 sets; the first six months of 1934, 1,774,746 sets. The corresponding retail dollar volumes rose from \$42,000,000 to \$70,000,000.

"Looking back on preceding years, 46 per cent of the total 1932 output was reported in the first half of that year", Mr. Caldwell concludes, "while 30 per cent of 1933's output came in the first six months.

"Averaging these half-year ratios, and applying them to the figures for the first half of 1934, so far available, indicates the total year's production for 1934 will be about 4,400,000 radio sets."

X X X X X X X X

EDUCATOR SAYS 15% RADIO FACILITIES MORE THAN NEEDED NOW

Judging from the opinion of Armstrong Perry of the National Committee on Education by Radio, setting aside 25 percent of the radio facilities, as Congress attempted to do last session, for educational and religious programs would have been too large a percentage to allocate for this purpose. At the hearing before the Federal Communications Commission, Commissioner Thad Brown asked Mr. Perry if he knew how Congress had arrived at the 25 percent figure? Finally Mr. Brown asked the witness if he knew how Senator Fess arrived at a figure of 15 percent in a bill the latter introduced several years ago?

"From your experience, do you think 15 percent of the radio facilities of this country would be too much or too little to set aside for educational and religious programs?" Commissioner Brown inquired.

"It is not too much for ultimate development", Mr. Perry replied. "It is more than is needed for the immediate future."

Mr. Perry pointed out that the Federal Trade Commission does not scrutinize advertising continuities until after they have been put on the air.

"In the case of objectionable advertising, that leaves the public unable to recover damages without going into a law suit", was Mr. Perry's comment, "and that cannot be financed by the average listener. In Canada they inspect the copy first."

"Would you recommend such a procedure in this country?" Mr. Perry was asked.

"I would", he replied.

Mr. Perry said that he had been informed by a lawyer that bills for radio litigation in this country amounted to from \$600,000 to \$1,000,000 a year.

"One of my deepest regrets", he observed, "is that at least a quarter of a million dollars of philanthropic money that was intended for the development of the educational broadcasting stations has had to go for the protection of the rights of these stations."

Indicating that educational people had been encouraged by the Government interest in their problem, was a letter from Arnold R. Barr, Vice-President of the Chicago City Club, in which he said the City Club in Chicago is ready to apply for a broadcasting license which it proposes to use in presenting educational programs and discussion of political, civic and other public affairs. This station, he explained, would be financed by the revenues obtained from the commercial use of a portion of the

broadcasting privilege. Mr. Barr said that the Chicago City Club has also endeavored to persuade other institutions in Chicago to make similar applications for licenses and has prompted the organization of the Chicago Civic Broadcast Bureau to assist such agencies in such matters as the purchase of transmitting service, the sale of time for commercial broadcasting, the maintenance of studios, the production of programs, etc.

Harris K. Randall, of the Chicago City Club, who is to head the Chicago Civic Broadcast Bureau, told the Communications Commission that he saw no reason why a church or university should not have a channel on which it could sell time, the same as a commercial station.

There is a widespread trend toward Government ownership of broadcasting stations, James A. Moyer, State Director of University Extension of Massachusetts, testified.

"It might be checked here by change of attitude on the part of our Government and of the commercial broadcasters toward educational stations", Mr. Moyer said. "More than 30,000,000 people in the United States are giving their entire time to education as pupils, teachers, administrators and executives, but only 2.5 percent of radio time is under their control."

Eighteen educational stations reported to Dr. Tracy F. Tyler, of the National Committee on Education by Radio, with regard to the cost of their operations. Exclusive of talent, their budget averaged \$9,878 per station for 1934-5.

Dr. James N. Rule, Superintendent of Public Schools of Pennsylvania, said that for some years they had had a State broadcasting station WBAK.

"It was a tremendous advantage to us in developing our educational program on the air and we were rapidly building up a school of the air in Pennsylvania", Dr. Rule testified. "But on the complaint of the local broadcasting commercial station, our channel was taken away from us."

Dr. Rule presented an affidavit from R. D. Hetzel, President of the Pennsylvania State College, to the effect that WPSC, its station, was forced off the air because of restrictions of the Radio Commission with regard to daytime hours which prevented a sufficient budget being secured to maintain it.

"The increasing requirements and the attitude of the Radio Commission over a considerable period of time gave us the very definite impression that the Commission did not favor educational stations and was disposed to make it difficult for them to continue", Dr. Hetzel set forth in the affidavit. "Because of increasing restrictions by the Commission. when it was estimated that \$20,000 additional would be necessary, the station was closed down as our Board had no assurance that it would be continued in the future without the expenditure of larger and larger sums."

10/5/34

Dr. Rule said that if Pennsylvania could establish a chain of State educational broadcasting stations, the possibilities would be tremendous in the field of developing popular education, not only in the case of boys and girls of school age, but also would make for a better life for our whole population.

The hope was expressed by Father Cornelius Deeny, who appeared in behalf of the Jesuit Educational Association of Santa Clara, Cal., that "even in radio broadcasting there would be a New Deal."

"The object of educational broadcasts is the dissemination of the truth; the object of commercial broadcasting is to sell something, to make profits", Father Deeny submitted to the Commission. "The two, it seems to me, cannot help but be in inharmonious conflict.

"And what I think is to be deplored most about all these 90 broadcasting channels, is that they are controlled almost entirely by commercial interests so that the most powerful gift God has given the world for the dissemination of knowledge and of truth is not and cannot be used in the United States for that purpose for which it seems to be and is so fit.

"In asking that fixed percentages of broadcasting facilities be allocated to educational and other non-profit making institutions, we are not asking for anything so very new or unheard of. We have something of a precedent in American history. I allude, in this country, to the land grants, where land was set aside by the United States exclusively for the uses of educational institutions. I allude also to the practices of many nations today wherein radio broadcasting education certainly is honored and the profit motive is kept in abeyance.

"We are told that all, or almost all, nations give an abundance of time to cultural and educational broadcasts and only in two - Mexico and the United States - is radio broadcasting on a profit-making basis", Father Deeny said further.

Today radio station licensing in this country is sort of a grab-bag procedure, S. Howard Evans, of the Ventura Free Press, of Ventura, Cal., asserted to the Communications Commission.

"Everyone is trying to get all he can from the Commission", Mr. Evans concluded. "Anyone is free to file application for the facilities of anyone else, thus starting costly litigation and increasing the expense of station operation."

X X X X X X X X X

SERVICE EXCHANGE WIRE AGREEMENTS UNDER SCRUTINY

Telegraph companies having exclusive contracts with railroads, terminals and bus lines based upon agreements for the exchange of service have been ordered by the Telegraph Division of the Federal Communications Commission to show cause why an order should not be entered against them. Also they have been asked to fill out a questionnaire and notified that a hearing on the subject of their contracts has been set for November 5th.

All this is embodied in Order No. 10 issued by the Division, which follows:

"The Telegraph Division, having under consideration the provisions of section 201 (b) of the Communications Act of 1934, and being informed that certain telegraph carriers have entered into contracts with other common carriers not subject to the Act, doing business within the United States, and which are based in whole or in part upon agreements for the exchange of services, and verified copies of said contracts having been furnished to and filed with the Commission, pursuant to the provisions and requirements of Telegraph Division Orders Nos. 1 and 4; and it appearing to said Telegraph Division that a full inquiry should be made with respect to said contracts, and that if said contracts are violative of law or adversely affect the public interest the Telegraph Division should promulgate an order, rule or regulation to prevent any telegraph carrier subject to the Act from entering into any or further like contracts, or operating under any existing contract with any other common carrier not subject to this Act, for the exchange of their services, if it is found that operation thereunder by the carrier subject to this Act is violative of law or contrary to the public interest:

"It is ordered, that a hearing shall be held in the offices of the Commission in Washington beginning Monday, November 5, 1934, at 10:00 A.M., for the purpose of inquiring into the provisions and effect of said contracts between telegraph carriers subject to the jurisdiction of this Commission and the common carriers aforesaid not subject to the Act;

"It is further ordered that each and every telegraph carrier subject to the jurisdiction of this Commission which has entered into any contract for the exchange of services between it and any common carrier not subject to the Act, and under which any such telegraph carrier has or claims any exclusive right, benefit, or privilege, shall appear before the Telegraph Division of the Federal Communications Commission at said hearing, to show cause why said Telegraph Division should not enter an order:

"(1) Declaring that the provisions of all contracts, agreements or arrangements for the exchange of their services between the respondent and common carriers not subject to the Act, doing business within the United States, which create or permit the existence of any exclusive right, benefit or

10/5/34

privilege in favor of the respondent, or which restrain or lessen or purport to restrain or lessen competition by any other telegraph carrier within the United States to be contrary to and against public interest; and

"(2) Prohibiting the respondent from claiming, relying upon, enforcing or attempting to enforce any such exclusive right, benefit, or privilege.

"And it is further ordered that each and every telegraph carrier subject to the jurisdiction of the Federal Communications Commission which has any contract, agreement, or arrangement with any common carrier not subject to the Act, for the exchange of their services, and which is required by any provision of this Order to appear before said Telegraph Division as hereinbefore provided for, shall, not later than October 29, 1934, file with the Telegraph Division of the Federal Communications Commission a brief including (1) a complete statement of facts, and (2) a citation of authorities and any and all decisions, orders, or opinions of any courts or commissions upon which such telegraph carrier may rely in opposition to the making or enforcing by the Telegraph Division of an Order affecting the contracts aforesaid as hereinbefore set out."

Commissioner Stewart, Chairman of the Telegraph Division, made the following statement:

"The second proviso of Section 201 (b) of the Communications Act of 1934 is as follows: 'Provided further, That nothing in this Act or in any other provision of law shall be construed to prevent a common carrier subject to this Act from entering into or operating under any contract with any common carrier not subject to this Act, for the exchange of their services, if the Commission is of the opinion that such contract is not contrary to the public interest.'

"In adopting its Order No. 10, the Telegraph Division is not passing judgment upon these contracts. The Division will make its decision as to whether particular contracts are in the public interest only after hearing the statements of the interested companies. That portion of Order No. 10 indicating provisions which the Division might incorporate in a ruling, is intended to give the companies notice of the type of action which the Division might take with respect to any of the contracts found to be contrary to the public interest. This procedure will give the companies the opportunity to express themselves, first, as to whether the contracts are in the public interest, and, second, as to the type of ruling to be issued by the Commission where particular contracts are found to be contrary to the public interest."

X X X X X X X X X

10/5/34

ROTTERDAM TELEPHONE COMPANY CARRIES RADIO PROGRAMS

In addition to its telephone service, the Rotterdam Telephone Company also operates a radio distributing system, which was started in October 1931, and counted 7,526 subscribers on January 1, 1933, and 11,244 on January 1, 1934.

The entrance fee, which amounted during 1933 to 15 florins, was reduced to 10 florins in March, 1934. Monthly subscriptions amounted to 2.50 florins (A florin is about 68 cents).

The telephone service makes the connection from the street cable to an amplifier in the house of the subscriber which brings the programs at loudspeaker strength. The amplifier remains the property of the service. The subscriber buys a loudspeaker for his own account.

A small isolated wireless receiving station has been built outside the town, where 15 receiving sets have been installed. All sets are permanently tuned in, but only two foreign programs at a time are relayed to subscribers along two wires of the telephone distributing cables. Several times a day two other foreign stations are tuned in instead, according to the desirability of the programs. Publicity is given every day in the local newspapers regarding the stations that will be relayed at different hours of the next day. Besides two foreign stations, the subscriber has the permanent choice between the two domestic broadcasting stations, programs of which are relayed direct from the studios of these broadcasting stations via the central telephone station at Rotterdam along two telephone cables hired from the Government Telephone Service. The entire service is operated from the central telephone station at Rotterdam, and no permanent staff is in attendance at the receiving station, which, therefore, is operated under the remote-control system.

The radio exploitation account over 1933 shows a profit of 28,515 florins, while a total amount of 278,177 florins was received for subscriptions.

The original value of the entire system (receiving station, cables, connections and amplifiers) amounts to 396,400 florins, while in addition 199,000 florins was spent in 1933 for expansion.

X X X X X X X X

INDUSTRY NOTES

Defending the action of Nate C. Lord, manager of Station WAVE, of Louisville, for cutting Maj. Gen. Smedley Butler off the air, John F. Royal, Vice-President of National Broadcasting Company, said this was done because General Butler's "remarks offended against the standards of good taste maintained by the NBC and its affiliated stations in the interests of the radio audience.

"The National Broadcasting Company indorses the action of our affiliated station, WAVE, in exercising its editorial prerogative in protecting the listening audience against what they felt was not in good taste", he added.

Five new announcers were recently added to the New York staff of the American Broadcasting System-WMCA network. They were Frank Knight, who will be heard on all ABS feature programs, Jerry Mohr, Mark Cassidy, George Hogan, and Edward Krug.

Details of the revised form of application for import permits for radio materials into China have been translated and issued by Andrew W. Cruse, Chief, Electrical Division, Department of Commerce, Washington, D. C.

Hoyt S. Haddock, President of the American Radio Telegraphists Association, asserted yesterday (Oct. 4), according to an A.P. report, that 2,000 wireless operators on American ships would go on strike Tuesday next.

Five years ago a lady in Manhattan wrote to WOR, New York, asking for the advertised pamphlet on foot troubles. The card, postmarked 10 P.M., Station H, October 13, 1929, was delivered to WOR postmarked 7:30 P.M., September 28, 1934, just fifteen days short of a fourth of a generation after it was sent. Efforts are being made by the station management to dig up the ancient booklet or to make amends for the delay.

X X X X X X X X X X

ASCAP TO MOVE TO RADIO CITY

The American Society of Composers has signed a lease for over 12,000 sq. ft. of space in the RCA Building in Rockefeller Center and expects to take possession within a very short time, according to a New York disptach. The lease runs for 10 years and the space is on the 45th floor.

X X X X X X

APPLICATIONS GRANTED BY TELEGRAPH DIVISION, FCC

New - City of Cleveland, Ohio, Dept. of Police, Exp. Gen. Exp. C.P. 30100, 33100, 37100, 40100 kc., 100 watts; New - City of Alhambra, Cal., C.P. 30100, 33100, 37100, 40100 kc., 50 watts; New - City of Kansas City, Kans., Portable-Mobile, 3 applications, C.P. 30100, 33100, 37100, 40100, 86000-400000. 401000 kc. and above, power 9 watts; W6XCD, W6XCE, W6XCF, City of Los Angeles, Dept. of Police, Portable-Mobile, modification of C.P. extending commencement date to Sept. 12, 1934 and completion date to December 12, 1934; W5XM, Durward J. Tucker, Dallas, Texas, modification of C.P. extending completion date from Oct. 19 to Nov. 19, 1934; W9XCA, City of Kansas City, Kans., license to cover C.P., frequencies 30100, 33100, 37100, 40100 kc., 100 watts (Gen. Exp. service); W9XCB-W9XCR respectively (17 applications) City of Kansas City, Kans., Portable-Mobile, licenses to cover C.P., frequencies 30100, 33100, 37100, 40100 kc., 4.5 watts.

Also, W8XBB, City of Detroit, Mich., Police Dept., license to cover C.P. 30100, 33100, 37100. 40100 kc., 150 watts; W8XBO, Same applicant, Portable-Mobile, same as above, except power 25 watts; W2XGH, Borough of Roselle Park, N. J., Portable-Mobile, license to cover C.P. 30100, 33100, 37100, 40100 kc., 0.5 watts; W2XGI, Same applicant, granted same except power 20 watts; W2XGJ, same granted except power 0.5 watts; W6XER, City of Long Beach, Cal., Portable-Mobile, license to cover C.P. frequencies 30100, 33100, 37100, 40100 kc., 4.5 watts; W2XAU, Lawrence C. F. Horle, Newark, N. J., ren. and mod. of license, frequencies 41000-55000, 60000-200000 kc., 2 watts, A1, A2 and A3 and special for high quality telephony, frequency band of emission: 16000 cycles; New - Interstate Geophysical Exploration Co., Portable - St. Louis, Mo. (for use in Texas and Louisiana), 2 applications, C.P., geophysical serv., 1600, 1652 and 1700 kc., 15 watts; KIKP, Ruby Community Radio Committee, Ruby, Alaska, C.P. public pt. to pt. tel. and tel. 1606 kc., 50 watts.

Also, WMED, Mackay Radio & Telg. Co., Inc., near Atlanta, Ga., modification of C.P. approving exact site of transm. at Covington, Ga. and delete freq. 7670 kc. licensed freqs. 4655, 8960 kc.; WKD, RCA Communications, Inc., Rocky Point, N. Y., mod. of C.P. extending completion date to Nov. 6, 1934; WBL, Radiomarine Corp. of America, Buffalo, N. Y., mod. of lic. to change hours of operation from "continuous during season of Great Lakes navigation" to unlimited during season of Great Lakes navigation"; Same for WGO, Chicago, Ill.; W2XM, W2XGO, Bell Tel. Labs., Inc., Holmdel, N. J., modification of license to change location from fixed to Portable-Mobile; KIDM, Teller Radio Board, Teller, Alaska, C.P. for new pt. to pt. telg. and coastal telg. station in Alaska, 246, 460 and 500 kc., 50 watts; WPDY, City of Atlanta, Ga., Dept. of Police, C.P. to move transmitter approximately 100 ft.; WPGO, Town of Huntington, N.Y., C.P. to change transm. site locally, also auth. for operator on duty at control point only; KNFF, City of Leavenworth, Kans., license to cover C.P. 2422 kc., 50 watts; KVP, City of Dallas, Tex., license to cover C.P. 1712 kc.; WPFY, City of Yonkers, N.Y. license to cover C.P. 2442 kc., 400 watts.

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF OCTOBER 9, 1934.

Public Affairs Radio's Greatest Use, Ickes Opinion.....	2
Ceylon Broadcasting Trucks Give Natives Free Sample.....	3
New National Government Educational Network Proposed.....	4
Merchandising Help On Radio Rate Cards.....	6
New Commission's Chief Accountant Has Held Many Positions.....	7
Zenith Radio Tries New Copy Appeal.....	8
DeForest Wins Supreme Court Test.....	9
A.B.S. Begins Operation Sunday With 21 Stations.....	10
Commercial Organization Praised In Balbo Communications.....	11
Mutual Broadcasting System Organizes; Macfarlane, President.....	12

No. 764

File

hm
o G. H. ...

October 9, 1934.

PUBLIC AFFAIRS RADIO'S GREATEST USE, ICKES OPINION

As important as are the uses and as great as are the values of the radio along other lines, its greatest good lies in the opportunity that it offers for the enlightenment and education of the people in public affairs, Secretary of the Interior Ickes told the National Advisory Council on Radio in Education last Monday at their convention in Chicago. It is having a profound effect upon the mobilization of public opinion.

"The radio has opened up a new, broad avenue to an intelligent comprehension of public affairs which never existed before. While it has only scratched the surface, it has tremendous possibilities as a means of political education", Secretary Ickes argued. "The ability to reach people in greater numbers and reach them more directly and quickly than it has ever been possible heretofore to do is of untold importance in our national life today. The radio has never been used so much by any Administration as it has by the one now in power as a means of acquainting the people with the policies of the Federal Government.

"Not only have the President and other members of the government taken their case to the people by means of the radio on many occasions, but those who are opposed to and criticize the policies of the Administration have done likewise. And this is entirely proper. It is as it ought to be. I believe in opposition frankly and honestly expressed. It would be bad for the country as well as for the Administration if there were no opposition able to express itself forcibly. We believe in freedom of speech by means of the radio as implicitly as we do in freedom of the press."

The Cabinet officer believed that radio can be particularly influential in making the Nation feel and act as a unit.

"All parts of this great country, and even its outlying possessions, can be reached simultaneously and directly", he continued. "Those who live in rural communities can be shown the nature of the problems confronting all of us as quickly and as vividly as can those whose homes are in the great cities. Thus every section of our people, many of whom have had little, or at best, tardy news by previous means of communication, are given the opportunity actively to participate in the discussion of questions which vitally concern all of us."

Secretary Ickes emphasized the fact that the man who wishes to do so can get in full the speeches of those in public life.

10/9/34

"He has the opportunity of hearing speeches actually delivered", the Secretary of the Interior elaborated. "He can judge of the sincerity of the speaker and he can weigh his arguments as his theme unfolds. Not only he and his neighbors, but his fellow citizens in the furthestmost corner of the country, can hear the same speech at the same time. Nor do they have to confine their attention to a discussion of one side of a public question. They can hear both sides of it and thus be in a favored position to weigh the merits of the points at issue."

As a means of communication the radio is within the means of everyone, the speaker declared. It is not only accessible, but it is cheap. He said parenthetically that the radio can be made especially useful in stimulating in the people a taste for fine and discriminating English.

Mr. Ickes declared finally that in the interest of the public the radio must always be kept free.

"So important are the maintenance and enlargement of our democratic ideals that some means ought to be devised of reaching the people by means of the radio at regular intervals with authoritative information on important current events", the Interior Secretary concluded. "I suggest the radio because it is the only vehicle for disseminating accurate, impartial and uncontaminated news that will reach all parts of the country at the same time. The great broadcasting companies can perform an outstanding and distinct public service by seeing to it that essential information is supplied to the people."

X X X X X X X

CEYLON BROADCASTING TRUCKS GIVE NATIVES FREE SAMPLE

An intensive campaign of propaganda with a view to increasing the number of radio owners and telephone subscribers is being carried on in Ceylon. An especially equipped demonstration truck has been touring the island for some time and bringing these two forms of communication to many people for the first time.

Improved financial conditions in Ceylon and a better quality of program have been instrumental in fostering the demand for radio sets. The outlook for the future is extremely bright, and the sales during the second half of the present year should show a material improvement.

X X X X X X X X

10/9/34

NEW NATIONAL GOVERNMENT EDUCATIONAL NETWORK PROPOSED

That a new national regional network to be operated by the Government and devoted to educational and other cultural non-profit making programs, including those having to do with the discussion of public affairs, was proposed by Bethuel M. Webster, Jr. representing the American Civil Liberties Union, of New York. Mr. Webster made the suggestion to the Federal Communications Commission, which is now taking testimony in advance of its recommendation as to whether or not a certain proportion of radio facilities shall be allocated to educational and religious programs by Congress.

"The major network companies should be permitted to continue as competitive, commercial agencies subject to strict control", Mr. Webster said. "Each should be required to serve the whole country and to that end I should assign to each a minimum number of clear channels, possibly in the range below the present band, with ultra high power and the privilege of operating twenty-four hours a day. This would involve changes in the location of network stations to a coherent, scientific plan.

"I should establish a new national network, or its equivalent in regional networks, to be operated by the Government over a trial period of, say, five years. In each State, depending upon its size and program, and producing facilities, I should license from one to four whole time regional stations to serve local interests and needs.

"Under the suggested setup, there would be, say, 250 to 300 stations operating with high power on full time, self-sustaining basis on desirable, interference free channels. It is our view that the adoption of such a proposal would strengthen the network companies and improve network service; that it would offer a very interesting experiment in public ownership without sacrifice of the proved advantages of the American system; that it would purge the industry of undesirable units; and that it would simplify the problem of regulation.

"We think it can be done pursuant to the regulatory powers of the Commission without raising effective objection under the due process clause of the Constitution, but if it must be done by limited condemnation, we believe it is worth the price."

Mr. Webster said that he thought it had been a fault of the American system that public groups have gained access to the air, not as a matter of right, but as a matter of grace and the networks have exercised unintelligent interference with free expression of opinion over the air. It was his opinion that instead of having 600 stations, this country can stand and support properly, on a commercial basis, about 200 or 300 stations.

Otis F. Wingo, of the National Institute of Public Affairs, said it was his believe that the American system should be praised for the advances it has made and for the way its advantages had offset its weaknesses. He believed, however, that American broadcasting could go a lot further in the use of education for cultural purposes.

A religious issue was injected into the hearings when Judge Joseph F. Rutherford, President of the Peoples Pulpit Association, declared that the Roman Catholic Hierarchy, through its agents had mutilated official records of the Congressional hearings held last Spring. This mutilation was attributed by implication by Anton Koerber, Judge Rutherford's representative in Washington, to Rev. John B. Harney, Superior General of the Paulist Fathers. He based this upon the allegation that Elton J. Layton, Clerk of the House Interstate Commerce Committee had stated that Father Harney was the only one who could have had access to that particular manuscript.

Mr. Layton testified at the hearing, however, that others could have had access to this particular manuscript.

"I brand the charge a lie", Father Harney declared when he appeared before the Commission. "I deny totally that I ever approached Mr. Layton or any other member of the Committee for an opportunity to examine the official record.

"At that time I wasn't even in Washington. I was badly crippled with arthritis and confined to the French Hospital in New York. If necessary I can present my receipted bill to show my stay there from May 10 to May 23rd."

Ohio State University has done more than other State universities, John W. Bricker, Attorney General of Ohio, testified. He said that about 12 people were employed at the University broadcasting station. He explained that the Ohio School of the Air, which broadcasts over the University station, and WLW, of Cincinnati, is a function of the State Department of Education, as distinguished from Ohio State University. "We are here only for the purpose of bringing to the Commission the possibilities of educational broadcasting", Mr. Bricker concluded, "and we believe those possibilities are not at all limited by what Ohio State University has done, but that it is a minimum standard that might be accomplished at this time, had the others given the same attention to it that we have.

"We ask for no change in the assignment that has been allotted to us and we feel that we ought to be given the opportunity not only of maintaining what we have, but of developing it to the broadest extent. We do not feel we have quite reached that extent at the present time."

Following Attorney General Bricker, R. C. Higgy, Director of the Ohio State University station appeared.

X X X X X X X X

10/9/34

MERCHANDISING HELP ON RADIO RATE CARDS

A unit merchandising plan has been established for the 14 radio stations represented by Free & Sleininger, Inc., Chicago, designed to clean up a situation that has been the source of much uncertainty and controversy - namely, just how much marketing cooperation may an advertiser expect from a radio station.

Under the uniform unit plan, which is being incorporated this month into the rate cards of the respective stations, the advertiser is entitled to one unit of merchandising assistance without charge for every dollar of station time contracted for. It is pointed out this plan eliminates the "horse trading" tactics often employed in an effort to get a better merchandising arrangement. In the past, many stations have given away almost as much in service as they received in advertising revenue.

Discussing this plan with Editor & Publisher, J. L. Free and C. L. Sleininger explained that the new arrangement is an outgrowth of several months of intensive study of marketing cooperation in both newspaper and radio fields.

Radio station operators have been confronted with the same problem newspapers have had to face, namely, that often the advertiser with a comparatively small schedule demands the most merchandising cooperation. Under the unit system, there is a definite limit to the amount of free service, but the stations will furnish additional service at extra cost.

"Newspaper-owned stations have created a "bugaboo" in the minds of independent station owners regarding the demands of advertisers for merchandising service", declared Mr. Free. "A reasonable amount of such service is not only necessary from the standpoint of the advertiser, but it is good for either the radio station or the newspaper. If the advertiser just buys white space in the paper, or time on the air, without merchandising help, his campaign is likely to be a flop and the customer to be spoiled as an advertiser. However, we feel that such a service should be provided for in the rate card.

"We believe that not more than one out of ten advertisers will want an appreciable amount of the service we have set up under our new plan, which tends to cut down the station's average cost for marketing cooperation."

Mr. Free stated experience has taught them that the most popular merchandising service is that of mailing out letters or printed matter to the trade. The second most popular feature is that of arranging an audition of the program for important local outlets.

In commenting upon the close parallel between this type of cooperation and that given by newspapers, Mr. Free stated the Fargo (N.D.) Forum is considering adopting the same plan as established by WDAY, Fargo, in order to eliminate competition on merchandising cooperation between these two advertising mediums in that territory. He also remarked that WICN, Minneapolis-St. Paul station, operated jointly by the St. Paul Pioneer Press & Dispatch and the Minneapolis Tribune, has adopted the plan.

The other stations which have adopted the unit plan are WGR-WKBW, Buffalo; WHK, Cleveland; WIND, Gary, Ind.; WJJD, Chicago; WAIU, Columbus; WDAY, Fargo, N. D.; WKZO, Kalamazoo, Mich.; WHB, Kansas City; KFAB, Lincoln-Omaha; WAVE, Louisville; KOIL, Omaha-Council Bluffs; WMBD, Peoria, Ill., and CKLW, Windsor.

X X X X X X X X

NEW COMMISSION'S CHIEF ACCOUNTANT HAS HELD MANY POSITIONS

The Federal Communications Commission gave out the following biographical sketch of Arnold C. Hansen, recently appointed Chief Accountant of the Accounting, Statistics and Tariffs Section of the FCC:

"Mr. Hansen is a lawyer and certified public accountant. He has had seven years of college training, three years of which were at New York University, and four years at George Washington University, Washington, D.C. He was appointed a Certified Public Accountant in the State of New Jersey, having passed the examination of the New Jersey State Board of Certified Public Accountants in 1911.

"As an attorney, from August 1, 1928, to August, 1934, he has held the position of Senior Examiner in the Bureau of Formal Cases of the Interstate Commerce Commission. From August 11, 1933, until the present time he has directed the staff and supervised the work in connection with the preparation of a report based on the investigation of the communications companies under House Resolution No. 59 and House Joint Resolution No. 572. A preliminary report on communications companies, House Report No. 1273, and generally known as the "Splawn Report" has been submitted. He is directing and supervising the work of the final report on communications companies.

"From March, 1923 to May, 1926, Mr. Hansen was Senior Consolidated Auditor in the Bureau of Internal Revenue, Income Tax Department. From June 1926 to July, 1928, he was Senior Examiner of the Bureau of Accounts of the Interstate Commerce Commission. From Jan. 1917 to Dec. 1918, he was the official representative in America for the Russian and English Bank, Ltd., London Branch, which was later reorganized as the British & North European Bank. From Oct. 1917 to Nov. 1920, he was a Director, and Vice-President in charge of finance and accounts, of Flora American Plywood Co., Ltd., New York. From Dec. 1915 to Feb. 1919, he was Comptroller and Assistant Secretary of the New York Dock Co. During the same period he was also a director, Comptroller, and Secretary of the N.Y. Dock Railway."

X X X X X X

10/9/34

ZENITH RADIO TRIES NEW COPY APPEAL

A new idea in copy appeal is being featured in national newspaper advertising on Zenith radios of Chicago appearing in 60 metropolitan cities, including distributor points and first class dealer locations. The idea is to dramatize "triple filtering" of Zenith radio, which "sifts out noise" and improves world-wide reception.

In addition to the 500-line advertisements, showing pictures of international figures, such as Mussolini, President De Valera of Ireland, Ramsay MacDonald and Premier Herriot, including a sharp half-tone reproduction of the face of each and a blurred figure, Zenith Radio Corporation, Chicago, is also using tieup "teaser" copy to be placed on the same page, calling attention to the larger advertisement.

The blurred and sharp reproductions of celebrities are used to illustrate the "before and after" qualities of triple filtering. The black and white tieup ads of 40 lines serve a combined purpose. They are worded so as to call attention to the larger copy, with such headlines as: "Hello, up there DeValera!" Included in this tieup copy is mention of the Zenith auto radio for "music at the wheel."

Charles Daniel Frey Company, Chicago agency placing the Zenith account, is requesting that the "teaser copy" be placed at the bottom of the page, with at least one column separating the two Zenith advertisements. Local dealer tieups are suggested by the agency.

Typical headlines of the "triple filtering" advertisements include: "Here Is President DeValera as Ireland Knows Him!", "Here's the Real Mussolini. . . All of Him!" and "The Real Ramsay MacDonald in Living Reality!"

All of the ads feature the new Zenith radio receiving set, capable of short wave reception. In addition to newspapers, Zenith is using Time magazine in its national program.

X X X X X X X X

Former Governor James M. Cox, publisher of the Dayton News and the Miami News has purchased Station WLBW, at Erie, Pa., which he hopes to move to Dayton. He has also entered into a purchase option agreement with Station WIOD, Miami.

X X X X X X X X

10/9/34

DE FOREST WINS SUPREME COURT TEST

The Supreme Court refused Monday (Oct. 8) to reopen the long battle over the claims of Lee DeForest and Edwin H. Armstrong to the invention of the "feed back circuit", an essential link of the modern radio receiving apparatus.

The court denied Mr. Armstrong's request for a rehearing in connection with its decision of May 21, which sustained the contentions of the Radio Corporation of America, representing Dr. DeForest, as opposed to those of the Radio Engineering Laboratories, Inc., sponsor for Mr. Armstrong.

Justice Cardozo noted in the decision that as far back as 1908, Dr. DeForest patented a form of vacuum tube which he named "the audion", a device, which the justice remarked, "established itself almost at once as a revolutionary improvement in the art of transmitting sound at great distances by wire and through the air."

Many experiments were made to develop the capacity of this device, and "among those interested and curious", was Mr. Armstrong, then a student at Columbia University Engineering School. In January, 1913, Mr. Armstrong conceived the idea that through certain changes, "there would be a feed back or regeneration of energy, whereby the plate in the audion would become an independent generator of continuous oscillations."

"It was a brilliant conception, but another creative mind, working independently, had developed it before in designs and apparatus till then unknown to the art", the decision read. "DeForest, with his assistant, Van Etten, had been working during the Summer of 1912 along two lines of thought."

Justice Cardozo continued by saying that on April these workers received a "clear note, the heterodyne beat note", from radio signals at San Francisco.

The decision of last May was modified slightly in Monday's action, however, although the general effect was not changed. The latest ruling ordered that the opinion be amended by striking out the words "which means that the frequency could be varied at will", and substituting therefore, "which means or was understood, we are told, by DeForest, to mean that by other simple adjustments the frequency of the oscillations could be varied at will."

X X X X X X X X

A.B.S. BEGINS OPERATION SUNDAY WITH 21 STATIONS

After four months' experimental operation, the American Broadcasting System, the president of which is George B. Storer, will begin daily operation as a major network Sunday, October 14th. There will be a gala program to celebrate the event. WMCA, New York, will be the key station.

"With a minimum of preliminary discussion and with no extravagant claims, the American Broadcasting System has become a network reality through an evolution of slow and consistent development to its present stage where the plans of Mr. Storer and his associates are practical and sound. ABS reaching its majority of full basic membership will consistently give the American listening public the radio programs it wants to hear", an announcement of plans of the American Broadcasting System sets forth.

"The new system will concentrate in sports broadcasting and special events, in addition to sending through its multiple outlets the best in the music of the classics and the moderns, the finest and most popular dance orchestras, expertly enacted drama, news, comedy and excellent informative broadcasts. Special features of a spectacular nature will predominate the program structure.

"The stations of the ABS membership have been in business as independent local outlets for many years in which they have gained success, popularity and the good-will of the listeners in their cities. They have learned what the listeners like to hear on the air, and it is with this combined knowledge that the plans of the American Broadcasting System have been formulated.

"The hours of daily network operation will be from 9:00 AM to 1:00 A.M. The full roster of stations includes WOL, Washington; WCBM, Baltimore; WDEL, Wilmington; WIP, Philadelphia; WTNJ, Trenton; WMCA, New York; WPRO, Providence, R.I.; WHDH, Boston, with affiliations to be effected also with WAAB in the same city; WEBR, Buffalo; WWVA and KQV, Pittsburgh and Wheeling, W. Va.; WJBK, Detroit; WFBE, Cincinnati; WJJD, Chicago; WIND, Chicago and Gary, Ind.; WHBF, Rock Island and Davenport, and WIL, St. Louis.

"There will be a Cleveland outlet with arrangements probably being completed with WJAY. Certain programs may be heard in the Buffalo area through WKBW in addition to WEBR. Station WWVA, which is located 18 miles northeast of Wheeling, serves Pittsburgh with over a 500 micro-volt signal and will transmit ABS programs until 8:30 P.M. EST. In the later evening hours KQV will broadcast in Pittsburgh. The new station of the Waterbury Republican-American in Waterbury, Conn., temporarily assigned the experimental identification WLXBS, will be in the network.

"The ABS Board of Directors includes Walter S. Mack, Jr., Paul H. Nitze, James K. Norris, J. H. Ryan, of Toledo; George B. Storer; Robert H. Thayer and John Hay Whitney."

X X X X X X

COMMERCIAL ORGANIZATION PRAISED IN BALBO COMMUNICATIONS

It is of interest to note that a commercial organization was able to provide perfect communication in the execution of a military aviation problem, Ellery W. Stone, operating Vice-President of Mackay Radio, and a Lieutenant Commander in the U. S. Naval Reserve, writes in the United States Naval Institute Proceedings. He refers to the successful flight to Chicago and return in 1933 of a quadron of 25 large Italian military seaplanes of the Royal Italian Force under the command of Gen. Italo Balbo. Through the Mackay radio station at Sayville, L. I., contact was maintained with General Balbo's plans from the time they left Italy. In recognition of this, Col. Sosthenes Behn, President of the International Telephone and Telegraph Corporation, and Mr. Stone were made Grand Officers of the Crown of Italy with the rank of Commanders. Others in the organization who were decorated were the following:

Commanders of the Crown of Italy-

H. H. Buttner, Vice-President of Mackay Radio, and Capt. Pilade Leoni, International Telephone and Telegraph Corporation; Chevaliers of the Crown of Italy: Edgar D. Thornburgh, Advertising and Press Manager, International Telephone and Telegraph Corporation; T. E. Nivison, General Superintendent; J. A. Bossen, Marine Commercial Manager; and W. O. Lee, Manager, Sayville Station, Mackay Radio; and T. N. Powers and Charles W. Oram, traffic experts of Postal Telegraph.

"Although a peace-time and commercial mobilization, this communication problem necessarily was handled and directed by the writer and his staff - most of whom are Naval Reservists or have had other military service - as a military problem", Commander Stone writes. "That such a mobilization could be effected in peace time by a commercial organization without in any way affecting the efficient handling of its normal traffic, however, should be a significant demonstration of the great potentialities of this all-American communication organization to our Army and Navy in time of war; not only from the standpoint of available personnel but material as well."

Mr. Stone said that the International Telephone and Telegraph Corporation became interested in this historic flight late in 1932, when one of the system representatives in Europe was called to Rome to discuss with General Balbo tentative arrangements for the communications organization to serve the needs of the flight. General Aldo Pellegrini, director of the Royal Air Force Training School in Orbetello, Italy, and Colonel Mario Infante, director of Communication Services of the Air Ministry, were detailed to come to New York to select sites for the North American bases and to confer with the communication officials of the I.T.T. for the purpose of organizing the most ambitious chain of radio, cable, and wire communications ever attempted for an aerial venture, in fact, for any world event.

Mr. Stone was detailed to organize the communications set-up of the International system in the execution of the role intrusted to the company by the Italian Government.

"The director of Naval Communications ordered the Atlantic coast naval radio stations north of New York to keep constant watch during the 'hops' from Cartwright to Shediac and from New York to Shoal Harbor as auxiliaries to Mackay Radio", Mr. Stone writes. "The squadron, however, was never out of communication with the I.T.T. control center and, happily, no disaster occurred requiring the assistance of the military services.

"The seaplanes themselves were equipped with highly efficient and compact radio telegraph sets. Each consisted of a 400-watt transmitter and receiver capable of operation on both low and high frequencies (500 to 2,500 meters and 22 to 99 meters). Each plane also carried a special receiver for radiocompass use.

"The efficiency of this military equipment can be gauged by the fact that during pre-flight tests two of the planes were able to hold 2-way communication with our radio station WSL, at Sayville, L. I. Worthy of note in this instance is the fact that the planes were lying on the waters of Orbetello Bay, 4000 miles away and shielded from WSL by the rising hills of Orbetello."

X X X X X X X X

MUTUAL BROADCASTING SYSTEM ORGANIZES; MACFARLANE, PRESIDENT

The organization of a new chain of radio stations, the Mutual Broadcasting System, each member of which will remain independent and will continue its present policies but which at the same time will provide facilities for combination hook-ups, was announced last week.

Contracts were signed by Station WGN, of Chicago, owned and operated by The Chicago Tribune, and Station WOR, of Newark, N. J., owned and operated by the Bamberger Broadcasting Service, Inc. Others that will make time available when possible are the Grosley Radio Corporation's station, WLW, of Cincinnati, and the Kunsky-Trendle Broadcasting Corporation's station, WXYZ, of Detroit.

W. E. Macfarlane, Vice-President of WGN, Inc., and business manager of The Chicago Tribune, is president of the new organization. He described the setup as "a truly mutual arrangement."

Other officers are Alfred J. McCosker, Chairman of the Board; Theodore C. Streibert, Treasurer, and E. M. Antrim, Secretary.

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF OCTOBER 12, 1934.

Calls American Broadcasting System World's Best.....	2
London Broadcasts King's Murder, Then Baseball.....	5
Day And Night Broadcasting Quotas Established.....	6
New 100 Watters Needn't Expect Increased Power Later.....	6
Restrictions For Officer Of More Than One Carrier.....	8
Argentina Tube Factory Directed By American.....	9
Blames Radio For Song Income Loss.....	9
Applications Granted By Broadcast Division, FCC.....	10
500,000 Watt Triplets Unknown To Commission.....	11
WSMB-WADC Field Intensity Survey Recommended.....	12
American Radio Sets Popular In France.....	12

No. 765

1000 J. J. Heinl

CALLS AMERICAN BROADCASTING SYSTEM WORLD'S BEST

by Robert D. Heinl

Declaring that the policy of the broadcasting industry has always been one of willing cooperation with religious, educational, charitable, civic and other similar organizations, Philip G. Loucks, Managing Director of the National Association of Broadcasters, said that the broadcasting system in this country was not surpassed anywhere. Mr. Loucks was the first witness to take up the cudgel of the commercial broadcasters in the hearing of the Federal Communications Commission to determine whether it should recommend to Congress that a definite percentage of the broadcasting facilities should be allocated to educational, religious and other cultural and non-profit radio programs. For more than a week the Commission had been hearing educators, clergymen and others presenting arguments in favor of the non-profit stations. An entire week is expected to be occupied in presenting the case of the commercial broadcasters and this presentation will be charge of Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters.

"Briefly", Mr. Loucks said, addressing the Commission, "we shall endeavor, through our documents and witnesses, to paint a true picture of American broadcasting as it exists today, devoid of all argument and shorn of all reference to the earlier struggles endured by pioneering broadcasters who, in a short span of years, developed in the United States the best broadcasting system in the World - a system in which three Presidents have expressed their faith and confidence and which not only gives to the public the best program service in the World but combines with that service, as President Roosevelt recently pointed out, a benefit to all classes of business which in turn stimulates buying power and assists commerce greatly.

"The Association, which it is my privilege to represent, is opposed to the proposal 'that Congress by statute allocate fixed percentages of radio broadcasting facilities to particular types or kinds of non-profit radio programs or to persons identified with particular types or kinds of non-profit activities.' As will be shown, similar proposals have been considered by the membership in general meetings from time to time and upon each occasion a resolution was unanimously adopted opposing statutory allocations by the Congress. I am therefore simply stating the considered judgment of the entire membership when I say that we are opposed to the principle of such allocations.

"Our testimony will show our policy of willing cooperation with educational and religious institutions to have been in full effect for many years. Our testimony will show that any change, however, slight, in the present system is undesirable from the standpoint of the public and disastrous from the standpoint of broadcasters and the vast majority of all religious, educational, charitable, civic and other similar organizations."

Mr. Loucks presented 269 sworn statements from broadcasting stations submitted in response to a questionnaire sent out by the National Association of Broadcasters. Mr. Bellows later analyzed these statements as follows:

Total hours of broadcasts of the 269 stations in cooperation with educational and informative organizations	75,773
Aggregate hours of educational broadcasting	111,833
Total hours of broadcasting	669,000
Percentage of broadcast hours in cooperation with organization	11.3
Percentage of total educational broadcast hours	16.7
Total evening (6-11 P.M.) hours of cooperative broadcasts	14,554
Total evening (6-11 P.M.) hours of other educational broadcasts	9,575
Aggregate evening (6-11 P.M.) hours of educational broadcasts	24,129
Total evening hours of broadcasting	182,000
Percentage of evening broadcasts in cooperation with organizations	8.0
Percent of other evening educational broadcasts	5.3
Percent of total evening educational broadcasts	13.3

Mr. Bellows said that WLW, at Cincinnati, using a half-million watts, perhaps the most powerful station in the world, was giving 24 percent of its time to educational and informative programs and that these broadcasts were kept on the air despite commercial bids for the time. He remarked, drily, that the station had reported, however, that about 93 percent of its listeners appeared to prefer "other programs than educational and informative broadcasts".

Mr. Bellows said that the unanimity of opinion as to what the public, as revealed by the station reports, prefers "was amazing." He informed the Commission that \$25,000,000 to \$28,000,000 a year represents the amount the individual stations spend a year for broadcasting, a greater part of which goes for program costs. There are 5,316 full-time station employees and some 20,000 people paid either directly or indirectly by the broadcasters.

10/12/34

The Broadcasters' official said that some 10,000 letters had been received by the stations thanking them for their services. He read a statement from one of the stations setting forth that it had turned down a commercial program in favor of an educational broadcast.

"There is an impression that our stations accept commercials in deference to educational programs", the witness observed. "The answer is - they don't. An example of the latter is the case of Station WRVA, at Richmond, Va., which has kept a University of Virginia program on the air from 6:45 to 7 P.M. for the past five years. This despite the fact that the time has become most valuable due to the fact that it is just ahead of 'Amos 'n' Andy'."

Mr. Bellows said that it didn't always follow that the largest educational institutions did the best job of broadcasting.

"I remember a 15-minute talk on ethnology from a smaller college which produced almost as much fan mail as a major station feature." The fact that so many stations reported "we believe we are the first station to do this" suggested to the speaker the need of coordination.

"Unofficially I should say", the witness suggested, "if a committee composed of leading educators and broadcasters got together and considered how to do a better job rather than what facilities they should get, the results would be far more satisfactory than at present."

Mr. Bellows said that the statements showed that every station was cooperating with all religious groups, "that all 269 stations tell the same story."

The witness asserted that the law is not clear now with regard to what shall or shall not go on the air and that in view of the Nebraska court decision holding the broadcaster responsible, broadcasters were "jittery". No broadcaster, he said, desires to censor programs or to interfere with the freedom of speech.

"There is a tremendous desire to promote the freedom of speech but a constant fear of violating the law in doing it", the Legislative Chairman added. "Personally I think it is better to allow someone to say 'damn' over the radio than to tell him he can't say 'damn'."

"The broadcasters will welcome any suggestions the Commission can give to improve educational programs. We stand ready to give far more educational programs than the educators have asked for."

10/12/34

A Committee of Broadcasters will be appointed at an early date to meet with a Committee of Educators, J. T. Ward, of Station WLAC, Nashville, Tenn., newly elected President of the National Association of Broadcasters, advised the Commission.

"A statutory allocation of broadcasting facilities by Congress would result in an upheaval of the radio industry", Mr. Ward warned. "It would disrupt the entire industry and would create chaos for the public."

The Broadcasters' president said he had found the sentiment to be against too much talking on the radio whether it was political or educational. He said his station devoted about 20 percent of its time to educational broadcasts.

"Our experience is that the broadcasters are in a better position to judge the type of programs to be presented", Mr. Ward concluded, "and I beg the Commission to leave this matter in the hands of the broadcasters."

X X X X X X X X X X

LONDON BROADCASTS KING'S MURDER, THEN BASEBALL

An American listener absorbed in hearing details of the assassination of King Alexander over short wave from Station GSA, London, finally heard the announcer say in the English manner for which British announcers are so famous: "Now we'll give you the American baseball score. The Cardinals beat the Tigers 11 to 0 and we shall proceed to hear the disturbance which took place at Detroit in the 7th inning."

This was when Medwick, of St. Louis, kicked at Owen, of Detroit, and started the incipient riot which included the hurling of pop bottles, oranges, apples and anything else that came handy. The American listener was somewhat puzzled as to how the inning was to be reproduced from England as it was then late at night here, about 2 o'clock in the morning there, and the baseball game had been finished hours ago.

However, hearing the cracking of the bat, the cheering of the crowds and finally details of the great row which resulted in Judge Landis ordering Medwick off the field, the American listener quickly realized that the British station had made a record of the disturbance at the time it had been broadcast in this country and hours later was reproducing it from London so that the entire world might hear.

X X X X X X X X X X

DAY AND NIGHT BROADCASTING QUOTAS ESTABLISHED

Heretofore the broadcast quota system for the distribution of radio facilities has been considered as a single basic unit but because of the difference of atmospheric conditions at the different periods, the Broadcast Division of the Communications Commission has decided that there should be a "night quota" and a "day quota."

Explaining its action, the Division sets forth:

"Interference caused by stations at night is different from that caused at day. Consequently, the broadcast quota due, the limit of which is interference, has been separated into two parts, 'night quota' and 'day quota'. The quota charge for a station operating both day and night has been divided into two parts, the power and time of operation between 6:00 A.M. and 6:00 P.M., being charged to 'day quota' and the night being charged to 'night quota'. A day station, the operation of which is entirely between 6:00 A.M. and 6:00 P.M. is charged only to 'day quota'.

"In increasing the daytime quota due the several States, it is not the intention of the Commission to license additional new daytime stations unless a full showing has been made that public interest will be served in making such a grant. The applicant must definitely establish the need for the additional service, the financial and technical ability to operate such a station in accordance with the Rules and Regulations, and that the station can exist on the basis of the grant requested.

"A survey of the stations in small cities or communities indicates that it is extremely difficult for such stations to operate even though they have full time. The possibility of a daytime station under similar circumstances becoming a success is greatly decreased."

The Division authorized the maximum daytime power on regional channels increased to 5000 watts.

X X X X X X X X

NEW 100 WATTS NEEDN'T EXPECT INCREASED POWER LATER

In setting a hearing for the numerous applicants for the new 100 watt station privileges, Chairman Hampson Gary, of the Broadcast Division of the Communications Commission, warned them that there would be no chance of their subsequently "horn-ing-in" on the larger station class by increasing their power.

"Past records show that in many cases applicants hope to obtain a limited facility and expect at a later date to materially increase that facility. The present allocation does not permit such later increases and accordingly the Commission

10/12/34

must have proof that the assignment, as requested, has a reasonable promise of success", the official admonition set forth.

The new stations are to be added to carry out the provision of the Communications Act that there may be an increase in 100 watt stations if they don't interfere with others already established.

Those seeking the new station privileges will have to show that there is public need for their facilities, that the station can provide programs and meet technical requirements.

"A review of existing stations in small centers of population reveals that a majority of these stations are having great difficulty in operating with adequate programs, maintenance and personnel", the Commission informs the applicants.

The Broadcast Division decided that the new 100 watt stations will be confined to the 1200, 1210, 1310, 1370, 1420 and 1500 kilocycle frequencies. Among the applicants for these new licenses who have been granted hearings are:

Great Western Broadcasting Association, Inc., Logan, Utah; American Broadcasting Co., Washington, D. C.; Winger and Thomas, Chattanooga, Tenn.; Albert T. Roche & Harold Smithson, Chico, Cal.; Brown Radio Service & Laboratory (Cordon P. Brown, owner); Rochester, N. Y.; Guthrie Broadcasting Co., Guthrie, Okla.; Joseph H. Hallock, Baker, Oregon; Guilford Broadcasting Co., Abilene, Texas; Raymond L. Hughes, Midland, Texas; W. C. Hilgedick & Geo. C. Knaur, Denison, Texas; T. H. Barton, El Dorado, Arkansas; W. L. Gleeson, Salinas, Calif; A. H. Sconberg, Salinas, Cal.; Palmer Broadcasting Syndicate, Inc., Portland, Maine; Palmer Broadcasting Syndicate, Inc., Cheyennes, Wyo.; Willis T. Shaughnessy, Bay Shore, N. Y.; Great Western Broadcasting Association, Inc., Provo, Utah; Louis H. Callister, Provo, Utah and Paul Q. Callister, Salt Lake City, Utah.

Letting down the bars on the 100 watt stations is a reversal of governmental radio policy. Heretofore every effort has been made to reduce the number of stations rather than to allow them to be increased. When the Radio Commission was created seven years ago, there were 734 stations on the air but there are now only about 600.

There is also the political angle with regard to the 100-watt stations. All of the Communications Commissioners have to be confirmed by the Senate when Congress meets. They will, therefore, doubtless exercise great care in not offending anyone who may have anything to do with their confirmation.

X X X X X X X X X X

10/12/34

RESTRICTIONS FOR OFFICER OF MORE THAN ONE CARRIER

An order of authorization to hold the positions of officer or director of more than one carrier will require him to first file voluminous information with the Federal Communications Commission. He must specify every carrier in which he holds stock, bonds, or notes, individually, as trustee, or otherwise; and the amount of, and accurately describe the securities owned or held by him, of each carrier for which he seeks authority to act. Whenever it is contemplated that the applicant will represent on the Board of Directors of any carrier securities other than those owned by him, the application shall describe such securities, state the character of representation, the name of the beneficial owner or owners, and the general nature of the business conducted by such owner or owners.

The applicant must specify each and every position with any carrier which he now holds and seeks authority to hold. As to each carrier, he must tell as to whether it is an operating carrier, a lessor company or any other corporation subject to the Communications Act. He must make a statement relative to any carrier which does not make reports to the Commission and give full information as to the relationship, operating financial, competitive, or otherwise, existing between the carriers covered by the requested authorization.

Furthermore each applicant must state the following:

Every business corporation - industrial, financial, or other - of which the applicant is an officer or director, trustee, receiver, attorney or agent, or in which the applicant has a financial interest, the general character of the business conducted by such corporation, and the amount and a description of the applicant's interest.

Whether or not, since August 18, 1934, the applicant has, as director or officer of any carrier subject to the Act, received for his own benefit, directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or has shared in any of the proceeds thereof, or has participated in the making or paying of any dividends of such carrier from any funds properly included in capital account. If the answer to this question is in the affirmative, state the amount or amounts received by the applicant from such transaction or transactions, and the reasons to justify such payment or payments.

X X X X X X X X

ARGENTINA TUBE FACTORY DIRECTED BY AMERICAN

With an initial paid in capital of 150,000 paper pesos (about \$45,000) and an authorized capital of 1,000,000 paper pesos, a group of local radio importers and dealers has constructed a factory in Buenos Aires for the manufacture of radio tubes. This factory is under the personal direction of an American expert.

In effect, the factory is merely an assembling plant for radio tubes, as all component parts are brought from the United States. Production has now reached an average of 500 tubes a day. With the equipment now installed, a production of 1,000 tubes a day is anticipated, but more machines have been ordered and an ultimate production of 2,500 tubes a day is envisaged.

Much of the anticipated profit from this venture is being lost in the Argentine customs duties. Argentine customs regulations are so complicated that it is frequently impossible to ascertain in advance the amount of the duty that will be charged on a given product. The founders of the new tube manufacturing organization calculated that the component parts for the tubes would be classified as raw materials and assessed duties as such. In practice, however, the supplies have been taxed as fully manufactured articles, thus creating a difference which has wiped out a large part of the anticipated advantages of local production.

The full name of the new organization is the Sociedad Anonima Industrial Radiotelefonía Argentina, and the address of the factory is 4154 Hondurar, Buenos Aires.

X X X X X X X X

BLAMES RADIO FOR SONG INCOME LOSS

In connection with the new agreement reached for an increase of rate with the 12,000 motion picture theatres, Gene Buck, President of the American Society of Composers, said that during the last few years the income of music writers had fallen off almost 70 percent.

"The radio is chiefly responsible and the depression has been a factor", Mr. Buck declared. "A popular song hit used to sell as many as 3,000,000 copies in sheet music. Now a writer is lucky if even 300,000 are sold. Pianos are closed from Maine to California. Radio has killed off most of the phonograph record profits, too, so our only solution was to get a higher share of revenue from the chief profit-makers from music, the motion-picture theatres."

Under the new agreement, all theatres with a seating capacity of 800 or less, regardless of admission price, must pay a fee of 8 cents a year for each seat in the theatre. Theatres with capacities of 801 to 1,599 seats must pay at the rate of 15 cents a seat a year, and those of 1,600 seats or more at the rate of 20 cents a seat a year.

X X X X X X X X

APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

WHJB, Pittsburgh Radio Supply House, Greensburgh, Pa., modification of C.P. approving transmitter and studio location in Greensburgh; extending commencement date to Oct. 29, 1934, and completion date to 60 days thereafter; WRAX, WRAX Broadcasting Co., Philadelphia, Pa., license to cover C.P. for auxiliary transmitter, 920 kc., 250 watts; WPEN, Wm. Penn Broadcasting Co. & WRAX, license to cover C.P. for a period of 90 days conditionally as to WPEN, 920 kc., 250 w. night, 500 w LS, stations to share time; WKBZ, Karl L. Ashbacker, Muskegon, Mich., license to cover C.P., 1500 kc., 100 watts, unlimited time; WCRW, Clinton R. White, Chicago, Ill., license to cover C.P., 1200 kc., 100 watts, specified hours; WMAL, National Broadcasting Co., Inc., Washington, D.C., modification of license to change main transmitter to auxiliary and change auxiliary to main transmitter; WKRC, WKRC, Inc., Cincinnati, Ohio, amendment of Sec. 2 of Extension of special temporary experimental authorization, dated August 7, 1934, as follows: North Tower 7.6 amperes; South Tower 4.5 amperes; the current in North tower leads the current in South tower by 120°.

Also, WXYZ, Kunsky Trendle Broadcasting Corp., Detroit, Mich., authority to transmit programs from WXYZ to stations of the Canadian Radio Commission; WTBO, Association Broadcasting Corp., Cumberland, Md., license to cover C.P. 800 kc., 250 watts, daytime; WFBC, The Greenville News-Piedmont Co., Greenville, S.C., modification of license to increase night power from 250 w. to 1 KW; KFJM, University of North Dakota, Grand Forks, N. Dak., special experimental authorization to change equipment and increase day power from 100 w. to 250 watts experimentally; WHEF, Attala Broadcasting Corp., Kosciusko, Miss., license to cover C.P. 1500 kc., 100 watts, 250 w. LS, unlimited; KMED, Mrs. W. J. Virgin Medford, Ore., license to cover C.P. 1310 kc., 100 w., 250 w. LS, unlimited time; WJIM, Capitol City Broadcasting Co., Lansing, Mich., license to cover C.P. 1210 kc., 100 w. night, 250 w. day, unlimited time; WKJC, Lancaster Broadcasting Service, Inc., Lancaster, Pa., license to cover C.P. 1200 kc., 100 w. night, 250 w. day, share WKBC.

Also, WCAO, The Monumental Radio Co., Baltimore, Md., KGNF, Great Plains Broadcasting Co., N. Platte, Neb., WNYC, City of New York, Dept. of Plant & Structures, New York City; WSFA, Montgomery Broadcasting Co., Inc., Montgomery, Ala., WNAD, University of Oklahoma, Norman, Okla. - all modification of license to increase day power from 500 w. to 1 KW; WJBX, James F. Hopkins, Inc., WMBC, Havens & Martin, Inc., Richmond, Va., WJW, WJW, Inc., Akron, Ohio, WLVA, Lynchburg Broadcasting Corp., Lynchburg, Va., WRAK, WRAK, Inc., Williamsport, Pa., C.P.s to make changes in equipment, increase power from 100 w. to 100 w. night, 250 w. day. WALA, Pape Broadcasting Corp., Inc., Mobile, Ala., modification of license to increase day power from 500 w. to 1 KW; KGER, Consolidated Broadcasting Corp., Ltd., Long Beach, Cal., license to cover C.P. 1360 kc., 1 KW, unlimited; KRXO, Lee E. Mudgett, Everett, Wash., C.P. to move locally to 1804 Hewitt Ave., same city, 1370 kc, 50 w. S-KVL.

Also, WBNS, WBNS, Inc., Columbus, Ohio, WFBR, The Baltimore Radio Show, Inc., Baltimore, Md., KWK, Thomas Patrick, Inc., St. Louis, Mo., WGAR, WGAR Broadcasting Co., Cleveland, Ohio, all granted authority to determine operating power by direct measurement; WLBZ, Maine Broadcasting Co., Inc., Bangor, Me., C.P. to make changes in equipment and increase day power from 500 w. to 1 KW; WNBX, WNBX Broadcasting Corp., Springfield, Vt., C.P. to make changes in equipment, increase power from 500 w. to 1 KW, and increase hours of operation from daytime to daytime to sunset at Erie, Pa.; KGRS, Gish Radio Service, Amarillo, Texas, C.P. to make changes in equipment and increase daytime power from 1 KW to 2½ KW; WFEA, New Hampshire Broadcasting Co., Manchester, N. H., C.P. to increase day power from 500 w. to 1 KW.; New, Aberdeen Broadcast Co., Aberdeen, S. Dak., C.P. for new station to operate on 1420 kc., 100 watts, full daytime hours; New, Richard Austin Dunles, Wilmington, N. C., C.P. for new station to operate on 1370 kc., 100 watts, daytime.

Also, WBTM, Piedmont Broadcasting Corp., Danville, Va., WIBM, WIBM, Inc., Jackson, Mich., KIT, Carl E. Hamond, Yakima, Wash., KFXJ, Western Slope Broadcasting Co., Grand Junction, Colo., C.P. to make changes in equipment and increase power from 100 w. to 100 w. night, 250 w. day; KOOS, H. H. Hanseth, Inc., Marshfield, Ore., C.P. to make changes in equipment, change frequency from 1370 to 1200 kc., and increase power from 100 w. to 250 w. daytime hours; New, E.J. Regan & F. Arthur Bostwick, d/b as Regan & Bostwick, St. Albans, Vt., C.P. (experimental) 406000 kc., 5 watts; New, National Broadcasting Co., Inc., Portable-Mobile (New York City) C.P. (Exp.-Gen.Exp.) 17310, 23100, 25700, 26000, 27100, 31100, 34600, 37600, 40600, 86000-400000, 401000 kc., 15 watts; also granted license covering same; WLOXDT, Associated Radiocasting Corp., Portable-Mobile (Columbus, O.), license (Exp.-Gen. Exp.) 31100, 34600, 37600, 40600 kc., 15 watts, for period ending June 1, 1935; W3XAI, RCA Victor Co., Inc., Camden, N. J., modification of C.P. extending completion date to March 15, 1935; New, Clarion Broadcasting Co., Inc., Clarion, Pa. (Action taken Sept. 11), application for new station to operate on 850 kc., with 250 watts daytime hours, heretofore designated for hearing, was reconsidered and granted.

X X X X X X X X

500,000 WATT TRIPLETS UNKNOWN TO COMMISSION

No confirmation could be secured at the Federal Communications Commission that Columbia expected to promote the erection of three 500,000 watt stations, in the Middle West, the Southwest, and on the Pacific Coast.

Neither would anyone at the Commission comment upon the report that Hearst had offered \$1,500,000 for the purchase of Station WENR, in Chicago.

X X X X X X X X

WSMB-WADC FIELD INTENSITY SURVEY RECOMMENDED

In connection with Station WSMB, of New Orleans, increasing its power from 500 watts to 1,000 watts, which has been objected to by Station WADC, of Akron, Ralph H. Walker, Examiner for the Federal Communications Commission, has recommended:

1. That the Commission, before taking final action on the application, require the parties to conduct a field intensity survey of such a character as will enable the Commission to determine just what interference will result from the use of one kilowatt power by Station WSMB; or,

2. That the Commission affirm its grant upon the condition that the signal strength of WSMB in the Akron area shall not exceed that which would be normally expected from a 500 watt station using a conventional type antenna.

In his conclusions in the case, Examiner Walker says:

"If during a period of measurements recently made, assuming them to be correct, Station WSMB was actually using 500 watts power, then the use of one kilowatt power would probably seriously curtail the present good service area of WADC. On the other hand, if the antenna system of Station WSMB is such that the effective strength of that station in the direction of Akron with one kilowatt power would be equivalent to the effect from a 200 to 500 watt station using a conventional type of antenna, there would be no substantial restriction in the service area of WADC."

John M. Littlepage and Thomas P. Littlepage, Jr., appeared in behalf of WSMB, and Donald Gottwald for WADC.

X X X X X X X X

AMERICAN RADIO SETS POPULAR IN FRANCE

Approximately 40 percent of the radio sets sold in France are of American make, according to a report to the Commerce Department from Assistant Trade Commissioner Lestrade Brown, Paris. French buyers, he points out, feel that in an American set they are getting full value for their money and moreover American radios are equipped with American tubes which are by far the most popular in France.

French manufacturers of radio sets, the report states, now feel that they can compete in price and technical performance with any foreign set and believe they are getting a better grasp on their home market. They are of the opinion that the sets now built in France are decidedly more selective than those imported. This, of course, is due to the long training they have had because, at the beginning, French broadcasting was acknowledged to be far behind other countries in Europe and purchasers of French sets demanded, therefore, that such sets should tune in any of the better European broadcasting stations.

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF OCTOBER 16, 1934.

Commercial Broadcasters Counter Strongly At Federal Hearing.....	2
A.B.S. Displays Showmanship In Dedication Program.....	5
Senator and Farley Battle Over Radio-Press Censorship.....	7
Radio Manufacturers' Code Delayed By Johnson Resignation.....	8
R.M.A. Board Meets In New York Thursday.....	8
McClelland Suicide Laid To Business Worry.....	9
Zenith Reports Operating Deficit.....	10
Broadcasters' Code Meeting Postponed.....	10
No Additional Charge For Mutual System Transmission Lines.....	11
WKZO, Kalamazoo Night Time Request Favorably Reported.....	11
Opera Broadcast Probably Upwards Of \$375,000.....	11
Applications Granted By Broadcast Division, FCC.....	12

No. 766

October 16, 1934.

COMMERCIAL BROADCASTERS COUNTER STRONGLY AT FEDERAL HEARING

A most thorough and vigorous presentation of what commercial broadcasters are doing in behalf of educational and religious programs continues in Washington where the Federal Communications is gathering evidence to use in its recommendation as to whether or not Congress shall set aside a definite percent of the broadcasting privileges for this type of program. When the commercial broadcasters have finished their witnesses, directed by Philip G. Loucks, Managing Director of the National Association of Broadcasters, and Henry A. Bellows, Chairman of the Legislative Committee, will have occupied more than a week testifying. It is perhaps the greatest fight the industry has ever made in its history.

A statement read by Mr. Bellows from Station WSMB, a commercial station in New Orleans, was to the effect that in New Orleans "the so-called religious station puts on less religion and education than WSMB." A statement from WWAE, Hammond, Ind., presented by Mr. Bellows, set forth that the Methodist group, "the largest Protestant group in America", abandoned the hope of owning and operating their own stations for the following reasons:

"If the Methodist group demanded this privilege of broadcasting assignments every other denominational group, of which there are many, should rightfully have the same privilege. It would be impossible to grant to every group the same privileges because there wouldn't be enough channels to go around. The Methodist group decided they would not ask for anything for themselves that could not reasonably be granted every other group.

"The Catholic or Baptist group would not use a Methodist medium of publicity. Neither would a Methodist use that of a Catholic or any other group. It is simply not done. The same is true of educational institutions.

"The cost is too great and the service too restrictive when it is merely an institutional organ."

A picture of the operation of small radio stations in cities of 125,000 and less population in respect to their educational, religious and similar programs was given by Isaac Z. Buckwolter, of WGAL, Lancaster, Pa., a 100 watt station. Mr. Buckwolter cited his own station, which he said devoted 24 percent of its time to this type of program during the first six months of 1934, a total of 156 hours.

Mr. Buckwolter named as typical four small stations in Pennsylvania. They are on the average giving approximately 20 percent of their time in the interest of educational and other public service broadcasts.

Paul Shipman Andrews, Dean of the Law School of Syracuse University, said that no form of radio censorship had ever been exercised by the University. They have more time at their disposal right now than they possibly can use, Kenneth B. Bartlett, Director of the Syracuse University broadcasting station WSYR, declared.

"We have all the evening time that we can use", Mr. Bartlett continued, "and are perfectly satisfied as far as the evening arrangement is concerned.

Mr. Bartlett explained that most manuscripts for broadcasting are sent to his office about a week before the broadcast. If there is anything of a controversial nature in it they seek to find someone who will take the opposite side of the case and if so, offer him the same amount of time.

Station WCAE, Pittsburgh, has been most generous to the Carnegie Institute of Pittsburgh, Samuel Harden Church, president of that organization told the Commission.

Educational programs which come over the networks have done more than any other series which has been produced to make the national conscious of the benefits of education by radio, Ben G. Graham, Superintendent of the Pittsburgh Schools asserted. He also praised the local programs heard through WCAE.

Educational broadcasts can receive such time and be of such a nature as educational interests themselves would make them, Will Earhart, Director of Music in the Pittsburgh Public Schools said he believed from his experience with WCAE.

That they had definite evening time on WCAE, Pittsburgh, and that they had not been moved to accommodate commercials was the message from Mrs. Saul Levine, president of the Pittsburgh Council of Parent Education.

There was also praise for the station by Rev. H. P. Eckhart, pastor of St. Andrews Lutheran church, Pittsburgh. Rev. Eckhart said he believed the public was better served by religious broadcasts of complete services from church rather than by studio broadcasts of religious services.

Commissioner Thad Brown asked Reverend Eckhart if many contributions were received as a result of radio sermons. He replied that in the beginning yes, but that for some years now, no. Mr. Brown said that a Baptist minister in Columbus had told him that he received a great many contributions. Reverend Eckhart replied that for some years the radio collections have not been one percent, but added that his church had never made any appeal.

Dr. Leo Creip, of the Allegheney Medical Society, and Clarence A. Crooks of the American Legion, expressed satisfaction with the Pittsburgh broadcasts. Experiences in putting the Pittsburgh traffic court on the air were related by Niles Anderson of the Better Traffic Committee.

10/16/34

"Instead of the Magistrate warning one or two or ten people who were before him, he reached the thousands of potential violators in the community and considerably reduced the lack of knowledge which caused the accidents", Mr. Anderson observed.

How their New York station cooperated in presenting children's programs in order to educate the children to safety observance and educational work of their other stations, was described by Jesse L. Kaufman, business manager of the Hearst Radio Interests. Fourteen percent of the operating time of Station WOKO, Albany, is devoted to public service broadcasts according to Harold Smith, Manager.

Station WCBM, Baltimore gives 65 percent daytime and 35 percent evening, or $14\frac{1}{2}$ percent of the total hours to educational and religious programs, John Elmer, its director, affirmed, as he added, "It is our policy to give either day or night hours with equal readiness."

Unless our educational broadcasts of all types were kept within short spaces of time, as well as being closely preceded and followed by sparkling entertainment, they would not meet with the reception they now enjoy, Credo H. Harris, Director of Station WHAS, Louisville, observed.

Along the same line, Paul Oury, of Station WPRO, Providence, remarked: "I do not believe that this type of program is popular with the great masses of listeners unless it is endowed with the dressing up or showmanship to go ordinarily with commercial types of program."

"In most cases these sponsors do not have enough knowledge of broadcasting to make a program interesting if the ordinary system of schoolroom or pulpit methods are used."

It has been the observation of the Buffalo Broadcasting Corporation that programs of the type under consideration by the Commission usually have a relatively small audience and that many of these services, such as religious broadcasts, have a distinctly class following which represents a very small part of the general audience, I. R. Lounsberry, of Buffalo testified, and added:

"Only in rare instances have listeners of their own initiative asked for more programs of such a nature. This company has endeavored to interest educational institutions in presenting programs but in spite of the fact that such offers have been relatively frequent and made over a long period of time, there has been a general lack of interest on the part of educators."

Radio stations are not managed by men of inferior type, as claimed by Bruce Blevens, editor of the New Republic, Arthur B. Church, of KMBC, Kansas City, said.

"Certainly Mr. Bleven has not come in personal contact with very many representative station managers", Mr. Church observed. The witness said that he had been interested in the possibilities of developing informative and educational features and it seemed strange to him that advertisers have not demanded for sponsorship more of this type of program.

Waldo Abbott, director of broadcasting, of the University of Michigan, expressed the wish that some bureau or department of the government might gather broadcasting information from all educational institutions and tabulate it in such a way that universities might know what the others are doing.

X X X X X X X X

A.B.S. DISPLAYS SHOWMANSHIP IN DEDICATION PROGRAM

The dedication of the American Broadcasting System Sunday night was unique in that, instead of someone reading telegrams of congratulations, a monotonous procedure at best, the ~~messages were presented by electrical transcription and the voices of the speakers themselves were heard.~~ Some of the records were run a trifle too fast but at that very likely a large proportion of the radio audience believed they were actually hearing the distinguished speakers.

Altogether the presentation was effective, especially so because of the good showmanship exercised throughout and the brevity of the ceremonies. Including more than 25 Governors and Mayors and others heard via transcription and three speakers "in person", Postmaster General Farley, Herbert L. Pettey, Secretary of the Federal Communications Commission, and Hampson Gary, of the Broadcast Division of the FCC, the entire affair lasted only 35 minutes with the listener's attention well held for the entire period and the show finishing in plenty of time for him to pick up Will Rogers or Walter Winchell, if he so desired.

Those who extended congratulations to A.B.S. and George B. Storer, its president, by means of transcription; included Governor Lehman, of New York, Mayor LaGuardia, of New York City, Mayor Jackson, of Baltimore; Mayor Zimmerman, of Buffalo; Mayor Kelly, of Chicago; Governor White, of Ohio; Lieut. Gov. Sawyer, of Ohio; Representatives Hollister and Hess, of Ohio; Mayor Wilson, of Cincinnati; A. L. Ashby, Vice-President of the National Broadcasting Company; Mayor Couzens, of Detroit; Mayor Moore, of Philadelphia; Governor Green of Rhode Island; Mayor Dunn, of Providence; Mayor McNair, of Pittsburgh; Governor Park, of Missouri; Senator Clark, of Missouri; Mayor Dickman, of St. Louis; Mayor LeBar, of Trenton; Mayor Hayes, of Waterbury; Mayor Spear, of Wilmington; L. B. Wilson, of WCKY; and Governor Horner, of Illinois.

10/16/34

Postmaster General Farley, speaking from New York, said:

"Radio is playing a most important part in the present campaign and our people have a more accurate understanding of governmental problems than ever in the history of the nation. Misinformation is rapidly dissipated.

"It is common knowledge that radio has revolutionized political campaigns. Millions may now be reached, compared with thousands of former days.

"Candidates a few years ago made the welkin ring by misleading facts and statements. Now it is comparatively easy to reach the whole electorate and to present the issues in a calm and dispassionate manner. Once the American people are in possession of all the facts the verdict will always be fair and just."

Commissioner Gary, speaking from Washington was introduced by Mr. Pettey, the first time the latter has been heard over the radio since becoming secretary of the Commission.

"Radio is one of the marvels of all time", Mr. Gary said. "Merely an idea sometime ago it is now taken for granted along with the telephone and the movie. Government officials, statesmen and political candidates can address the whole people directly by radio."

Speaking of censorship, Mr. Gary said listeners exercised their own censorship. "If not satisfied, they turn the dial and consign the program to oblivion."

"I am informed that there are 18,000,000 receiving sets in more or less regular operation and that they are installed in three out of every five homes in the United States", the Commissioner concluded.

"Through this comparatively new medium of communication, our country is being now firmly welded into a homogeneous whole.

"At best we can only regard radio as a husky youth, with a pleasing adolescent voice. Tomorrow it will become a full grown man, with eyes that see as well as ears that hear. I will not venture to predict when television will emerge, but it is an experiment that holds more than mere hope. It is a definite promise of the future."

X X X X X X X X

SENATOR AND FARLEY BATTLE OVER RADIO-PRESS CENSORSHIP

Although the White House recently announced that it had washed its hands of Senator Schall, Republican, the latter has reiterated his charges of radio press censorship. Taking up the cudgel, Postmaster General Farley, at the dedication of the American Broadcasting System, declared:

"All this talk about the Administration establishing a censorship of radio and press in order to perpetuate its existence is only the cry of desperation on the part of a weak and discredited minority - which is growing more impotent daily. There is no desire or intention on the part of anyone in authority to establish any kind of censorship of the press or radio.

"And the charge that plans are about to set up a Government controlled news agency to disseminate propaganda via radio is equally absurd and groundless."

The accusation made by Senator Schall follows:

"Switching its plan to operate a Federal censored telegraph service to compete with the Associated Press, the Hearst News Services and the United Press from the appointment of Senator Clarence C. Dill to the post now held by Hampson Gary on the Communications Commission, the Roosevelt Administration has decided it will be more workable to have the matter handled by a private corporation. With Senator Dill as the head of the news gathering syndicate, it will thus have the man who drew the legislation creating the Communications Commission as its sponsor. Also, the new corporation will be in a position to borrow taxpayers' money from the PWA. In this manner it can be financed by the government and still assume to be a private undertaking.

"Arrangements are now being made to purchase radio receivers similar to the teletypes now in use by the wire services. The censored news service will have the inside track on all government news and will be available to all newspapers willing to print news colored to the satisfaction of President Roosevelt. Plans are now being made to join all foreign radio stations in the new service so that the Roosevelt News Service will have full coverage of all foreign events.

"In cities where daily newspapers do not publish news matter which endorses the New Deal in every particular, wealthy citizens may be encouraged to start new daily newspapers. They will be offered this domestic and foreign news service. The Roosevelt Administration in this fashion will have a club over the publisher of every daily newspaper and the editors will have to exert the utmost care to see to it that nothing exposing the failures of Roosevelt gets into their papers. Secretaries Wallace and Tugwell are said to have had a large part in working out this new plan to censor the press by this new 'club'."

10/16/34

Senator Schall had previously charged that radio stations in response to Senator Dill's letter concerning "the establishment of a new Federal censored press service" had offered to subscribe \$500,000.

"This new news service will give Mr. Roosevelt a better grip on the newspapers of the United States than he contemplated by the passage of his press censorship bill or by the newspaper code of the NRA before it was amended permitting the right of free press", the Senator added.

"If, according to Dean Ackerman of the Columbia University, Germany has put out of business over 1000 newspapers by this form of censorship, how many will Roosevelt destroy in the United States?"

X X X X X X X X

RADIO MANUFACTURERS' CODE DELAYED BY JOHNSON RESIGNATION

A decision in the matter of whether or not there shall be a separate code for the radio manufacturers may be delayed for several months because of the resignation of General Johnson.

"Whether it will be that long or not, I don't know, but in any case, there will be considerable delay", one in touch with the situation said. "With General Johnson's leaving everything at the NRA is at a complete standstill. The place is like a morgue.

"It all awaits reorganization by Richberg. I feel that the industry has less to worry about in him than in Johnson. I believe he realizes his responsibilities and that he is as good an organizer as Johnson and there may be some hope in his accession.

X X X X X X X X

R. M. A. BOARD MEETS IN NEW YORK THURSDAY

Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, is leaving Washington today to attend a meeting of the R.M.A. Board of Directors which will be held in New York Thursday.

X X X X X X X X

McCLELLAND SUICIDE LAID TO BUSINESS WORRY

Funeral services for George F. McClelland, former Vice-President of the National Broadcasting Company, who committed suicide last Friday were held Monday morning at St. Agnes Church, 43rd Street and Lexington Avenue, New York City. They were attended by representatives of the radio industry and the Veteran Association of the Seventy-first Regiment.

Mr. McClelland's tragic act was attributed to his failure to organize a broadcasting chain. A pencilled note was left by him to his secretary but much of it was illegible because of bloodstains. However, the conclusion reached by Dr. Robert C. Fisher, Assistant Medical Examiner was that the suicide was caused by worry over business troubles.

For the purposes of incorporation, he registered his organization, which he formed when he left the NBC, as the Broadcasting Stations Corporation but subsequently expected to change the name. At one time or another large interests were reported to be backing the network, among them a moving picture concern.

It was finally said that a definite announcement with regard to the new network would be made early in October. Instead there came the news of his death. Mr. McClelland shot himself through the head while seated at the desk in his office at 21 East Fortieth Street, New York City. That he should have ended his life in such a manner was especially hard for his many friends to realize because he was of apparently such a uniformly cheerful disposition.

Adding to the tragedy was the fact that he leaves a widow and two children. Although he looked considerably older, he was only 39 years old. At that Mr. McClelland, or "Mac", as he was generally called, was a pioneer in commercial broadcasting and known to practically everyone in the industry.

McClelland, along with W.E. Harkness, played a large part in the development of Station WEAF, then owned by the American Telephone and Telegraph Company. By some he was given credit of having originated the idea of broadcast advertising. At any rate, he was among the very first to apply the idea. Also among the first to link stations together in a network. Incidentally, Mr. McClelland always had an aversion to the word "chain".

Please call it a network of stations", he once said to this writer. 'Chain' has a sinister sound."

When the National Broadcasting Company was formed and bought WEAF, Mr. Harkness elected to remain with the A.T. & T. but Mr. McClelland and G. W. Johnstone, then also with WEAF, and at present in charge of the NBC press bureau, elected to go with the latter organization. This was in 1926, a year before the Federal Radio Commission was created. Mr. McClelland was made Manager of WEAF and Vice-President of the National Broadcasting Company which position he held until a year or so ago when he left the NBC to form his own company.

10/16/34

ZENITH REPORTS OPERATING DEFICIT

Zenith Radio Corporation reports an operating deficit for the quarter ended July 31, 1934, of \$36,573.19 after all charge-offs, including liberal reserves for depreciation and taxes.

Manufacturing Profit

After Excise Taxes, Royalties, Manufacturing Expenses and Maintenance of Plant and Equipment	\$37,910.94
Selling and Administrative Expenses	56,090.34
Depreciation	<u>18,393.79</u>
Operating Deficit	\$36,573.19

"The Company, which pioneered short-wave development, is marketing a complete new line of receivers covering all wave bands and incorporating many new features including Split Second Tuning and Triple Filtering. Deliveries were retarded during the quarter reported because of general conditions, but there has since been a substantial improvement resulting in a profit for the month of August", Hugh Robertson, Vice-President and Treasurer reports.

"A 25-tube DeLuxe High Fidelity five wave band receiver of advanced design, listing at \$750.00 has been announced to the trade and will be ready for delivery shortly. The usual conservative policy of limiting production and expenses to immediate sales possibilities is being continued. Current obligations are being met promptly when due."

X X X X X X X X

BROADCASTERS' CODE MEETING POSTPONED

James W. Baldwin, Executive Officer of the Broadcasting Industry Code has advised that the Broadcasters' Code meeting has been postponed to Thursday, October 25th. It will be held in Washington.

X X X X X X X X X

NO ADDITIONAL CHARGE FOR MUTUAL SYSTEM TRANSMISSION LINES

Each station of the newly organized Mutual Broadcasting System, including WGN, Chicago, WOR, Newark, WLW, Cincinnati, and WXYZ, Detroit, will receive its card rates for time, less agency commission, making no additional charge to the advertiser for transmission lines, W. E. Macfarlane, President of the System said. Mr. Macfarlane, who is Vice-President of WGN, and Chicago Tribune Business Manager added:

"The name clearly describes our plan of operation. Through this new organization we will endeavor to make suitable time arrangements for advertisers seeking to broadcast in important markets through the use of a few stations having high power and a vast listening audience. We are thinking in terms of markets and their importance.

"Our plan will develop in some measure according to the demand of advertisers. Each station will remain independent and make its own decision in accepting programs. Thus we believe we have established a truly mutual arrangement between a group of independently owned stations.

"Several programs are now broadcast over this group of stations by mutual agreement."

X X X X X X X

WKZO, KALAMAZOO NIGHT TIME REQUEST FAVORABLY REPORTED

Examiner George H. Hill has recommended that a construction permit be granted to Station WKZO, Kalamazoo. The station had made application to move its transmitter locally, install directional antenna for use at night, and increase the operating hours from daytime only with 1000 watts power, to unlimited time with power of 250 watts at night and 1000 watts day.

The application was granted without a hearing but later was reconsidered upon protests from Stations WOW, Omaha, and WEEI, Boston, following which the hearing, at which Mr. Walker sat, was held.

X X X X X X X X X X

OPERA BROADCAST PROBABLY UPWARDS OF \$375,000

It is estimated that the broadcasts of the Metropolitan Opera, which are to resume December 24th, will cost at least the amount paid last year, \$375,000, maybe more.

X X X X X X

APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

New - William J. Sanders, New Britain, Conn., C.P. for new station to operate on 1380 kc., 250 watts, daytime hours; New, Head of the Lakes Broadcasting Co., Hibbing, Minn., C.P. for new station to operate on 1210 kc. watts, unlimited time; KPAC, Port Arthur College, Port Arthur, Tex., license covering move of station from Brownsville to Port Arthur, Texas, and changing hours of operation from sharing with KRGV to daytime on 1260 kc., 500 watts, subject to decision of Court of Appeals in re case of Magnolia Petroleum Co. vs. Sabine Broadcasting Co., Inc. (KFDM), protesting the move of KPAC; WBBM, WBBM Broadcasting Corp., Chicago, Ill., modification of special experimental authorization for synchronous operation with Station KFAB from local sunset, Lincoln, Neb. to midnight; KFAB, KFAB Broadcasting Co., Lincoln, Neb., modification of special experimental authorization for synchronous operation with Station WBBM from local sunset to midnight.

Also, WCPC, Americus Broadcast Corp., Albany, Ga., modification of license to change hours from daytime to unlimited, 1420 kc. 100 watts; KGIR, KGIR, Inc., Butte, Mont., C.P. to make changes in equipment; increase day power from 1 KW to 2½ KW; WEED, William Avera Wynne, Rocky Mount, N. C., modification of license to change hours from daytime to unlimited day, sharing with WEHC night, also to move studio locally; KOOS, H. H. Hanseth, Inc., Marshfield, Ore., modification of license to change hours of operation from daytime to daytime and from local sunset to 7 P.M. PST, months of September, October, November, December, January, February and March, with 100 watts power; KSEI, Radio Service Corp., Pocatello, Idaho, modification of C.P. to move transmitter locally; move studio to Yellowstone-LL Highway, employ directional antenna system, and extend commencement date to within one day from this date and completion date to within 120 days hereafter, subject to decision of the Court of Appeals in this case and to further order of the Commission thereon.

Miscellaneous

WQDM, A. J. St. Antoine & B. J. Regan, St. Albans, Vt., application for C.P. to move station locally, heretofore granted, was retired to closed files, for want of prosecution; WCFL, Chicago Federation of Labor, Chicago, Ill., C.P. to install auxiliary transmitter heretofore granted, was retired to closed files as applicants advised construction has been abandoned; WNOX, WNOX, Inc., Knoxville, Tenn., modification of license to change frequency from 560 to 1010 kc. (The Broadcast Division on July 18, 1934, suspended the action of June 15, 1934, in granting the above application, affirmed its action of June 15 inasmuch as on Sept. 25, 1934, the grant previously made to station WIS to change its frequency from 1010 to 560 kc., and increase power from 500 w. night, 1 KW day, to 1 KW night, 2½ KW daytime, was affirmed and the granting of WNOX's application was contingent thereon.

X X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

100
OCT 20 1934
RECEIVED
ADVISORY BOARD ON BROADCASTING
U.S. DEPARTMENT OF COMMERCE

INDEX TO ISSUE OF OCTOBER 19, 1934.

Network Heads Hammer Congress Education Program Idea.....	2
Trade Commission Gratified By Radio Industry Cooperation.....	4
Large Attendance At McClelland Funeral.....	5
Which Is America's Oldest Broadcasting Station?.....	6
Germans Install Anti-Fading Aerials.....	8
A.B.S. Adopts Printed Programs.....	9
New Zealand Favors British Manufacturers.....	9
One Antenna For Houseful Of Sets.....	9
To Arbitrate RCA-Mackay China Dispute.....	10
Why Radio City Doors Hard To Open.....	10
Dr. Pupin Disputed By DeForest.....	11
Miscellaneous Decisions Of Communications Commission.....	11

No. 767

Mr. P. C. - 3rd

NETWORK HEADS HAMMER CONGRESS EDUCATION PROGRAM IDEA

Two of the most effective witnesses for those opposed to the proposition that Congress set aside a fixed proportion of radio facilities for educational and religious programs were William S. Paley, President of the Columbia Broadcasting System, and M. H. Aylesworth, head of the National Broadcasting Company.

Establishment of non-profit educational radio stations through facilities wrested from commercial broadcasters would constitute a "needless duplication of facilities, at a needless cost to the taxpayers", Mr. Payey told the Federal Communications Commission. He analyzed the program service of his network, pointing out that for the first nine months of this year more than two-thirds of those programs were sustaining or non-commercial features.

Mr. Aylesworth stated that the National and other broadcasting companies and radio stations in their desire to cooperate with educators had been guilty of offering too much time on the air for education.

"The educators have not yet been able to grasp the showmanship in radio broadcasting", Mr. Aylesworth said. He suggested joint planning under direction of the educators with the aid of those who know the showmanship of broadcasting. "People do not want to be educated", he continued. "They want entertainment. Education on the radio can be made entertaining, and if it isn't the radio audience will turn to other radio programs. It would be too bad to destroy the great force of radio education because of monotony and poor showmanship."

"I am personally loath to believe", said Mr. Paley, who was the first of the two network chiefs to testify, "that any legislative mandate could assist in the attainment of goals that we are already working toward so wholeheartedly; nor would it seem that legislative direction would make any easier the creative work in an industry where the creative spark is so vital to the performance of almost every moment's task. * * * To destroy what has been built, or seriously to limit its usefulness - to weaken radio's economic structure - to attempt to widen the service the public is receiving by subtracting from that service, or to lessen radio facilities so as to make unavailable to any portion of our people the broadcasts they now receive - would seem to us a cause of real regret."

Mr. Paley said that in no other country has broadcasting reached the development it has achieved here. More and more time, he declared, is being devoted to educational and cultural programs,

with 26 per cent of Columbia's sustaining hours during the first nine months of this year given over to that type of rendition.

A half dozen other witnesses for Columbia appeared during the day's hearings. Frederick A. Willis, Executive Office, Columbia Broadcasting System, described various sustaining features such as the American School of the Air and the Church of the Air, which are regularly broadcast without charge. Time devoted to educational, religious and cultural programs for the first six months of the year amounted to 521-1/2 hours or 18 per cent of all broadcasting time of the network, he brought out.

John J. Karol, Director of Research of Columbia, enumerated the character and nature of educational and cultural programs broadcast over the seven stations owned or operated by Columbia. These he identified as WBT, Charlotte; KMOX, St. Louis; WKRC, Cincinnati; WBBM, Chicago; WPG, Atlantic City; WCCO, Minneapolis, and WJSV, Washington, D. C. Some 24 per cent of the total operating time of these stations, he said, is devoted to programs definitely falling in the educational and informative sphere. Listeners, as a general rule, he declared, do not want more lectures, talks and similar programs, particularly during the evening hours, when they desire to relax.

High tribute to the character of religious broadcasts over the networks was paid by Dr. Morris Sheehy, assistant to Rector James H. Ryan, of Catholic University.

Watson Davis, Director of Science Service, of Washington, discussed the cooperative scientific broadcasts over Columbia arranged through his organization, which he classified as educational.

Cesar Saerchinger, Columbia representative in Europe, who was instrumental in bringing many of Europe's crowned heads and outstanding personalities to the international microphone for broadcasts to this country, emphasized the importance of radio in promoting international good-will.

There is great misunderstanding as to what constitutes an educational program, Mr. Aylesworth declared when he took the stand. He said that in his opinion "Amos 'n' Andy" constitute a great educational force, in that they consistently inform the people to brush their teeth twice a day and go to the dentist twice a year. "That is very important education even if it is a sponsored program", he asserted, declaring that many of the nation's outstanding public health authorities harbor the same view.

Mr. Aylesworth read into the record a letter from Walter Damrosch who wrote that the real work of teaching young people how to sing or how to play an instrument or how to compose, cannot be done over the radio, but must be carried on by the local teacher in the classroom who is in constant personal relation with his pupils, who can correct their faults and examine them as to their progress.

A letter to Mr. Aylesworth from Dr. Nicholas Murray Butler, of Columbia University, warned against any attempt of direct control, management or official broadcasting by the Government. Surely, there are enough examples before us of what happens when government attempts to control the life and the thought of a people without putting our American neck in that noose", Dr. Butler wrote.

"I think the time has arrived when commercial radio companies should not compete in education", Mr. Aylesworth said. "The time has come for concentrated planning of programs which should be developed jointly. Today there is a deplorable condition, with many of the educational programs so monotonous that listeners say they do not want any education over the air. Our guilt lies in having been too big-hearted in our desire to help educators."

Mr. Aylesworth declared that television as a medium of general public entertainment is still four or five years away. Unlike the introduction of sound broadcasting, with the crude cat's whisker sets, he said visual radio must be a perfect, finished product when introduced. Moreover, he declared, it will involve a new kind of programming, with expensive sets and transmitting stations, and probably several hundred million dollars of investment.

X X X X X X X

TRADE COMMISSION GRATIFIED BY RADIO INDUSTRY COOPERATION

Continuing its campaign for the elimination of false and misleading advertising from radio broadcasts, the Federal Trade Commission is making its second call upon broadcasting stations to file copies of their advertising continuities with the Commission. The call is for the submission of continuities to be presented by radio between November 15 and November 30.

Because of the immense amount of work involved in reading and checking the advertising programs, the Commission has for the present, at least, adopted the policy of making the call by zones, of which the country has been divided into five. Today's call is for continuities to be submitted by the stations in Maine, New Hampshire, Vermont, Rhode Island, Connecticut, Massachusetts, New York, New Jersey, Delaware, Maryland, District of Columbia and Puerto Rico. Calls upon the other four zones will be made later.

In the Commission's letter making the call for the submission of the advertising continuities, the fact is noted that on the first call, made to cover broadcasts during the month of July, the stations replied one hundred per cent. The Commission's letter says that this is "a confirmation of our belief that the radio industry would cooperate wholeheartedly with the Commission

in its work of eliminating untruthful advertising from the air". "The Commission feels that a promising start has been made and that real progress has been achieved", the Commission statement continues.

"With respect to the procedure as to electrical transcription of advertising matter, the Commission has made a modification to the extent that hereafter the Commission desires copies to be furnished of all commercial announcements appended to or given in connection with a transcription, electrical or otherwise, where such commercial programs are delivered or read by an announcer in the local stations.

"In response to its first call, covering advertising programs for the month of July, the Commission received 130,877 continuities. Of these, 161,466 were found to be subject to no criticism and were filed without further action. The remaining 22,411 were referred for further examination. Of the ten network systems and 598 broadcasting stations in the country, all filed their continuities in compliance with the Commission's request, while the continuities submitted by transcription companies represent 95 per cent of the total volume of such advertising.

"The Commission is very much gratified at the cooperation furnished by the network systems, the stations and the advertisers and is much encouraged over the progress made in ridding radio advertising of false and misleading matter.

X X X X X X X X

LARGE ATTENDANCE AT McCLELLAND FUNERAL

About 500 friends and associates paid tribute to the late George F. McClelland, former Vice-President of the National Broadcasting Company, by attending his funeral held last Monday morning at St. Agnes Church in New York City.

Among those present were M. H. Aylesworth, President of the National Broadcasting Company, Graham McNamee, G. W. Johnstone, J. de Jara Almonte; in fact, all the old guard of NBC. Also, W. E. Harkness of the American Telephone & Telegraph Company, who started Station WEAf with "Mac".

X X X X X X X X

WHICH IS AMERICA'S OLDEST BROADCASTING STATION?

by Robert D. Heinl

As another anniversary of broadcasting approaches, the question arises as to which was really the pioneer broadcasting station in the United States. It is generally accepted to be Station KDKA, which became the talk of the nation by its feat of broadcasting the news of President Harding's election fourteen years ago.

"After a period of testing and experimental operation, the Westinghouse Company on November 2, 1920, put into operation the first broadcasting station in the world, now known as KDKA, and transmitted as its first program the returns of the Harding presidential election", the late H. P. Davis, Vice-President of Westinghouse, who was in charge of the broadcast, said describing the historic event to students at Harvard University a short time before his death.

"Following this, a daily program from 8:30 to 9:30 P.M. was immediately instituted. The daily schedule of the station has been continued without interruption up to the present time."

Dr. Frank Conrad, an engineer, who is still living, and who later was to put on the celebrated KDKA Harding election broadcast, had been operating a radio telephone transmitter experimentally from a garage at his home in Pittsburgh. Amateur radio operators accustomed to dots and dashes began picking up his program of phonograph records. They liked them and began asking where the music was coming from.

"The thought came which led to the initiation of a regular broadcast service", Mr. Davis said in that same talk at Harvard. "An advertisement in a local department store in a Pittsburgh newspaper, calling attention to a stock of radio receivers which could be used to receive the programs sent out by Dr. Conrad, caused the idea to come to me that the efforts that were then being made to develop radio telephony as a confidential means of communication were wrong, and that instead its field was really one of wide publicity; in fact, the only means of instantaneous collective communication ever devised."

A claim, however, has always been made by Station WWJ, of Detroit, operated by the Detroit News, that it has been on the air since August 20, 1920, and was the first radio station in America to broadcast regular daily programs. The government records show a license was not issued to WWJ until October 13, 1921. As a matter of fact, KDKA, which had been operating on its old commercial license, did not apply for a broadcasting license until more than a year after the Harding broadcast and was the eighth station to be granted one. Nevertheless, as explained by W. D. Terrell, Chief of the Field Division of the Federal Communications Commission, who was one of the two original radio inspectors in the United States, KDKA was really

10/19/34

the first broadcasting station but was designated as a "limited commercial service" station because broadcasting was not known at that time as such.

The following is the official list furnished by the Communications Commission of the first stations licensed in the United States for broadcasting, WBZ, at Springfield, Mass., heading the list:

<u>Call Letters</u>	<u>Licensee</u>	<u>Location</u>	<u>Date License Issued</u>
WBZ	Westinghouse Elec. Co.	Springfield, Mass.	9/15/21
WDY	Radio Corp. of America	Roselle Park, N. J.	9/19/21
WCJ	A. C. Gilbert Co.	New Haven, Conn.	9/29/21
WJZ	Westinghouse Elec. Co.	Newark, N. J.	9/30/21
WJX	DeForest Radio Telegraph & Telephone Co.	New York, N. Y.	10/13/21
WWJ	The Detroit News	Detroit, Mich.	10/13/21
KQL	Arno A. Kluge	Los Angeles, Calif.	10/13/21
*KDKA	Westinghouse Elec. Co.	East Pittsburgh, Pa.	11/ 7/21
KYW	Westinghouse Elec. Co.	Chicago, Ill.	11/15/21
KWG	Wireless Telephone Co.	Stockton, Calif.	12/ 7/21
KGC	Electric Lighting Co.	Hollywood, Calif.	12/8/21
KGB	Edwin L. Lorden	San Francisco, Calif.	12/8/21
KDN	Leo J. Meyberg Co.	San Francisco, Calif.	12/8/21
KFC	Northern Radio Co.	Seattle, Wash.	12/8/21

(* A license issued to this station Oct. 27, 1920 for 1 year authorized the use of radio telephone apparatus; however, the license of Nov. 7, 1921, was the first one issued expressly for b/c service.)

An interesting thing about these first stations was that they were all assigned to the same wavelength. In view of the power of such a station as WLW at Cincinnati today with a half a million watts, it is hard for the present day listener to realize that KDKA, which is now a 50,000 watt station, only used 100 watts for the Harding broadcast. When the stations applied for licenses they began to ask for higher power, more probably than they were able or expected to use. WBZ was authorized to broadcast with 1500 watts; WJZ, 1500 watts; WWJ, 2000 watts; KDKA, 2000 watts; KYW, 500 watts; and KDN, now out of existence and long forgotten, was granted 125 watts.

The first KDKA studio was on the roof of one of the Westinghouse Building at East Pittsburgh. A phonograph was operated in the room in which the transmitter was located, and the announcer and others who had taken part in the program up to this time also had been using this room. With larger aggregations of talent, however, it was necessary to seek bigger quarters, so one of the auditoriums at East Pittsburgh was put into use. Dr. Conrad and the engineers immediately had difficulty in obtaining fidelity in the broadcast, due, apparently, to

room resonance. To correct this they thought of placing the band in the open air and to transmit from out-of-doors. When this was done the result was a marked improvement. As a result of this, they saw at once that if they wished to accomplish good sound reproduction, specially designed rooms would be required to broadcast from - but how, was not clearly apparent and in addition the expense incident to it was a serious problem.

As the warmer weather was approaching, Dr. Conrad decided to broadcast the artists from the open air studio which, as before stated, was on the roof of one of the taller buildings at the plant. For protection they erected a tent. This proved good and everything went along satisfactorily during the Summer and early Fall, until one night a high wind blew the tent away - and so the first studio passed out and into history.

"Necessity has always been the mother of invention, and having managed to keep our service going for nearly a year, we could not think of discontinuing it because we had no studio - but we saw that we would have to go indoors. We, therefore, decided to try the tent inside. Part of the top floor of this high building was cleared and the tent 'pitched' on this floor. We were pleased to find that it worked as effectively as it had out-of-doors. Thus was the first indoor broadcasting studio developed," Mr. Davis later related.

"The subject of a specially constructed studio, however, was again revived and designs prepared for it. Taking the lesson of the tent to heart, we draped the whole interior of the new studio with the cheapest material we had available - burlap. We had now all the elements of the present studio."

X X X X X X X X

GERMANS INSTALL ANTI-FADING AERIALS

The site for the new German 150-kw. long-wave station which is to take the place of the present Deutschlandsender at Zeesen, has now been chosen. It is situated about 30 miles to the southwest of Berlin. The new transmitter will be one of the first long-wave stations to be fitted with an anti-near-fading aerial, according to the Commerce Department.

The transmitter of the Stettin relay station has now been completed, and will begin to operate this week. It has been fitted with an anti-near-fading aerial, and it will work on the north German common wave with a power of 1.5 kw. in aerial. The old Stettin relay station will close down. Work on the Langenberg station has also progressed favorably, and operation on the new anti-fading aerial with 100-kw. power will probably start by the end of the month.

X X X X X X X X

10/19/34

A.B.S. ADOPTS PRINTED PROGRAMS

Graduating from the multigraphed sheets, the American Broadcasting Company now prints its programs in very much the same form as the Columbia Broadcasting System. The A.B.S. sheets are somewhat wider but, like CBS, are dated at the bottom so that a radio editor may quickly turn to a certain day's program.

X X X X X X X X

NEW ZEALAND FAVORS BRITISH MANUFACTURERS

A notable concession to British manufacturers of wireless receiving sets has been made by the New Zealand Parliament, which has just amended the customs tariff in order to place such goods on the free list, if of British origin. Competing goods from foreign countries will carry a duty of 35 percent.

The United States has hitherto enjoyed the bulk of the business, though its proportion has dropped of recent years. In 1931 the value of radio receiving sets imported from the U.S.A. was £119,895, but last year the values had dropped to £44,897.

X X X X X X X X

ONE ANTENNA FOR HOUSEFUL OF SETS

A single aerial swung high above the roof for maximum signal pickup may be used by several radio sets without interference or loss of efficiency in multiple radio outlet system now made available. This community antenna system has for its objective the two- or four-family dwelling, and the like.

The present multiple radio outlet antenna system is licensed under Patent No. 1,976,909 issued to A.A.K., Inc., and now offered in kit form by the Technical Appliance Corporation, 27-26 Jackson Avenue, Long Island City, N. Y.

X X X X X X X X

TO ARBITRATE RCA-MACKAY CHINA DISPUTE

An international arbitration tribunal, composed of three prominent European jurists, is studying the briefs and reply briefs of the Radio Corporation of America and the National Government of the republic of China in an effort to determine whether China, by operating jointly with the Mackay Radio and Telegraph Company, a direct radio service between China and the United States, violates the traffic agreement between China and the Radio Corporation, dated Nov. 10, 1928, the New York Times sets forth.

This action was begun last Summer when Mackay Radio completed a contract with the Chinese National Government and inaugurated a communications service between China and the United States. The R.C.A. treaty with China provides for the arbitration of all disputes arising from interpretations of the contract, and each party selected one jurist, while they in turn chose an umpire to sit with them.

The members of the tribunal are Dr. van Hamel, of Amsterdam, A. Hubert, of Brussels, and Dr. Fuhrer, of Switzerland. It has not been determined where they will render their decision, which is expected early next year. Meanwhile both China and the Radio Corporation have provided the arbitrators with many exhibits and documents in addition to the briefs, and it is believed the tribunal is provided with all the elements it will need to decide the case.

Radio communication alone is involved in this dispute, which has no bearing on the various cable services operating between China and foreign points. The radio Corporation for many years has made contracts with numerous foreign governments or telegraph systems to provide radio connections between the foreign countries and the United States.

As most of the wire and radio services of foreign countries are monopolies, the United States and Canada being the only important exceptions, the Mackay Radio and Telegraph Company, a newcomer in the international communications field, has found it difficult to provide competitive services.

X X X X X X X X

WHY RADIO CITY DOORS HARD TO OPEN

Have you wondered in going through the NBC studios in Radio City why the doors were so hard to open. The fact is that every one of the 112 mahogany finished doors in the studios is lined with lead. Three inches thick, the doors, to perfect the sound proofing, are laminated with 3-inch white pine and two layers of 4-pound or 1-1/6 inch thick sheet lead. At the sides and top, they close against double rubber gaskets, which prevent the sound from passing through the cracks, and at the bottom, double automatic felt closers, plunger-operated, are provided. It has been found that these doors reduce sound by about 39.85 decibels.

X X X X X X X

DR. PUPIN DISPUTED BY DeFOREST

In a letter to the New York Times, Dr. Lee de Forest writes from Los Angeles as follows:

"The expected jeremiad from Professor Pupin, promptly following the final refusal of the United States Supreme Court to once more review their second affirming of the de Forest-Armstrong decision, prompts one to recall that not all the laments, explanations and apologies of voluminous essayists since 1815 have yet succeeded in altering the historic fact that Napoleon was finally and decisively whipped at Waterloo.

"I shall content myself therefore merely with challenging Professor Pupin's statement that 'the scientific world is a unit in holding Armstrong to be the inventor.' As nearly as I have been able to observe, this so-called scientific 'unit' is largely limited to Professor Pupin and his pupils, Hazeltine, Hogan, Attorney Davis and, of course, Major Armstrong. In fact, that word 'unit' would seem to have been excellently well chosen.

"While fully realizing that here in America plebiscites are not ordinarily called to review, criticize or approve verdicts of the Supreme Court, I am quite willing to venture the prediction that a straw vote taken among members of the Institute of Radio Engineers and radio telegraph and broadcasting men generally who have followed this litigation or the testimony would show the Pupin 'factor of unanimity' to be a very considerably overestimated reciprocal of the actual opinions.

"Under the circumstances, there would appear to remain one of two recourses open to Dr. Pupin and His 'unit' group: either to reform the United States Supreme Court in accordance with those ideals which he lauds of France and Germany, or - to impeach it altogether."

X X X X X X X X

MISCELLANEOUS DECISIONS OF COMMUNICATIONS COMMISSION

APPLICATIONS GRANTED, TELEPHONE DIVISION - W6XR,

Santa Cruz Oil Company, San Francisco, Cal., renewal of license, 41000 kc., 20 watts, and to change location from 311 California St., to portable; K6XQ, Santa Cruz Oil Co., SS "Lake Miraflores", renewal of license, 51400 kc., 20 watts, location aboard SS "Lake Miraflores".

ACTION ON EXAMINERS' REPORTS, BROADCAST DIVISION -

NEW, Voice of Longview, Longview, Texas, C.P. for new station to operate on 1370 kc., 100 watts, daytime, reversing Examiner R.L. Walker, granted; NEW, Chas. Henry Gunthrope, Jr., Nacogdoches, Texas, denied application for new daytime station to operate on 1420 kc., 100 watts, sustaining Examiner R. L. Walker.

10/19/34

MISCELLANEOUS, BROADCAST DIVISION

WGLC, Adirondack Broadcasting Co., Inc., Hudson Falls, N. Y., petition for C.P. to remove station to Albany, and approved transfer of 90% of the outstanding stock; WBAA, Purdue University, W. Lafayette, Ind., hearing postponed on application to modify license by changing frequency from 1400 kc. to 890 kc. and increasing daytime power from 500 watts to 1 KW at the request of WILL and WBAA, because the two stations have reached an agreement which they say will result in the withdrawal of the protest which brought about the hearing; WEHC, Community Broadcasting Corp., Charlottesville, Va., granted application to change frequency from 1350 to 1420 kc., and power from 500 watts, daytime only, to 100 watts night, 250 watts day, unlimited daytime, sharing with WEED at night; NEW, Plattsburgh Broadcasting Corp., Plattsburgh, N. Y., reconsidered and granted application for C.P. for new station to operate on 1310 kc., 100 watts, daytime only, site of transmitter to be determined; WALR, WALR Broadcasting Corp., Zanesville, Ohio, suspended grant of authority to move station from Zanesville to Toledo, because of protest of Station WJIM, Lansing, Mich., WALR operates on 1210 kc., with 100 watts power, application for removal set for hearing.

APPLICATIONS GRANTED
Telegraph Division

NEW; Aeronautical Radio, Inc., Wenatchee, Wash., C.P. frequencies 3005, 2854, 5377.5* kc., power 50 watts (*day only); Geolectric Survey Co., Portable, C.P. (Geophysical) 1602, 1628, 1652, 1676, 1700 kc., 10 watts; New, Radiophone Corp. of America, Portable-Mobile (Los Angeles, Calif.); C.P. 1614, 2398, 3492.5, 4797.5, 6425, 8655, 12862.5, 17310, 23100, 31600, 34600, 35600, 37100, 40600, 41000, 86000-400000 kc., 100 watts, A3; City of Harrisburg, Pa., Harrisburg, Pa., C.P. 30100, 33100, 37100, 40100 kc., 25 watts, A3; Same applicant, portable-mobile within city limits (5 applications, same), C.P. same as above except 9 watts power; Victor Henry Tonjes, Portable-Mobile (Berkeley, Calif.) C/P. 31600, 35600, 38600, 41000 kc., 50 watts, special; City of Suffolk, Police Dept., Suffolk, Va., C.P. 30100, 33100, 37100, 40100 kc., 25 watts, A3; City of Zanesville, Zanesville, Ohio, C.P. 2430 kc., 50 watts, Emission: A3; City of Everett, Wash., C.P. 2414 kc., 50 watts, A3; City of Jackson, Jackson, Mich., C.P. 2466 kc., 50 watts, A3; Jack T. Jefford, NC-901-W, license 3105 kc., 20 watts, A1 emission.

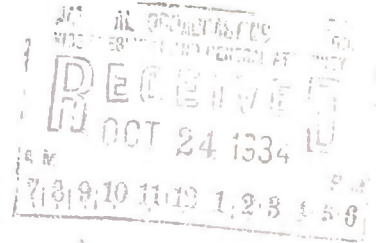
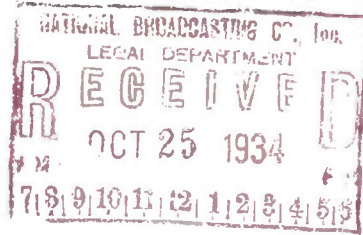
X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF OCTOBER 23, 1934.

Educator Opposes Broadcasters By Proposing Government Ownership..	2
Large Outlay For News Services.....	5
W.C.T.U. Gets Ready To War On Radio.....	6
August Broadcasting Trends Not Clear.....	7
Utilities Not To Be Treated Unfairly, Walker Declares.....	8
Radio Foreign Trade Notes.....	10
WJSV Celebrates 2nd CBS Network Connection.....	11
TVA Restates Its Position Re Government-Owned Radio Stations....	12
Applications Granted By FCC Broadcast Division.....	12

No. 768

Handwritten signature or initials at the bottom left of the page.

October 23, 1934

EDUCATOR OPPOSES BROADCASTERS BY PROPOSING GOVERNMENT OWNERSHIP

About the only fly in the ointment for the broadcasters who have just completed a 10 days' testimonial of their opposition to the proposition that the Government should set aside a certain percent of air facilities for religious and educational programs, was when Dr. Floyd W. Reeves, Personnel Director of the Tennessee Valley Authority injected himself into the hearings and advocated a five-point plan of government ownership as follows:

1. Government ownership and operation of a national system of radio stations giving full-time coverage over the country through suitable allocations of frequencies;
2. These frequencies to be allocated with as little disruption of present commercial facilities as possible;
3. The mechanical operation of the system to be financed by the government;
4. Control of programs to be under direction of a committee from foremost non-profit national educational and cultural agencies to be designated by the President;
5. The facilities to be available to non-profit organizations, including government departments, for educational and cultural programs.

Dr. Reeves said that he spoke for the "Tennessee Valley Authority" but did not explain why the TVA was interested in radio. Previously Dr. Joy Elmer Morgan, of the National Education Association, had gone on record against government ownership.

Dr. Reeves, who at one time was Professor of Education at Chicago University, and formerly Dean of Kentucky College, remarked that "even though the majority of the people may be pleased with the radio programs, millions were disgusted."

With the exception of Dr. Reeves, every day for more than a week, witness after witness has declared himself in favor of our present commercial broadcasting system. These have included such celebrities as "Amos 'n' Andy", Paul Whiteman, Henry Mencken, John Erskine and Sigmund Spaeth. "Amos" said last year the Bureau of Internal Revenue expressed its thanks to them for the manner in which they delved into the intricacies of income taxes, the effect of which was to enlighten the citizen about filling out his return.

Testimony in support of the existing system of broadcasting as one which adequately fosters education by radio given by Miss Florence Hale, Director of Radio and former president, and S. D. Shankland, Executive Secretary of the Department of Superintendence of the National Education Association was regarded as particularly significant because proponents of the plan for

new legislation under which specific blocks of frequencies would be allocated to educational, religious and other non-profit groups.

Among other witnesses who appeared before the Commission were William Burke Miller, Director of Special Events broadcasts of NBC; Alfred H. Morton, Manager of Program Development of NBC; Mrs. Sidonie M. Gruenberg, Director, Child Study Association of America; Miss Isabella Dolton, Assistant Superintendent of Schools of Chicago; H.A. Bathrick, Assistant Superintendent of Schools of Cleveland; Mrs. B. F. Longworthy, President of the National Congress of Parents and Teachers, Chicago; Professor Joseph E. Madey and Professor Thomas A. Reed of the University of Michigan; Dr. Augustus A. Thomas, Secretary-General of the World Federation of Education Associations; Ben Marsh of the Peoples Lobby.

Mr. Shankland explained that experiments have been conducted in the use of radio facilities for education and that sample programs currently being broadcast over NBC indicate that the plans are working out satisfactorily. The immediate need of education by radio, he asserted, is for the development of a technique to encourage the public to listen and to secure educators of sufficient ability to present these features, rather than acquisition of exclusive facilities for educational stations.

Professor Thomas A. Reed, of the University of Michigan, appeared as Chairman of the Committee on Civic Education by Radio, a joint group representing the American Political Science Association and the National Advisory Council on Radio in Education. Broadcasts are conducted on regular schedule over NBC on government, with good results, he declared.

Miss Dolton explained that Chicago public schools have used radio for nine years in fostering education. NBC, she asserted, has been most cooperative, supplying all of the physical facilities required, and in some instances footing the bill for speakers who otherwise could not have been procured.

Radio has been used most successfully in class-room instruction in the public schools of Cleveland, the Commission was told by Assistant Superintendent Bathrick. Since 1932, a total of 630 educational programs, designed for reception in schools only, have been broadcast.

Two of the nation's foremost radio engineers, John V. L. Hogan, of New York, and Dr. C. M. Jansky, Jr., of Washington, told the Commission that it was technically impossible to re-apportion broadcasting facilities along any of the lines proposed without disrupting service for listeners, notably those residing in rural or remote areas. These same engineers testified before the former Federal Radio Commission in the historic reallocation hearings of 1928.

The Commission also heard closing statements from Frank E. Mullen, Farm Program Director of National Broadcasting Company; E. E. Kennedy, Executive Secretary of the National Farmers Union;

Frank M. Russell, Washington Vice-President of NBC, and Paul B. Klugh, Legislative Chairman of the Radio Manufacturers' Association.

After relating in detail the present system of broadcast allocations, and reciting the technical limitations, Mr. Hogan said:

"The only feasible way to provide additional broadcasting services now seems to be to increase the band of wave frequencies assigned to broadcasting. The technology of the art is not only still growing, but perhaps expanding at a more rapid rate than every before. With the possibility that new developments, now beyond the laboratory stage, in high fidelity transmission, in television, in facsimile, and in the ultra-high frequency field, may make profound changes in our views of broadcasting, this is surely a most inappropriate time to do anything that would restrict or interfere with the present services, or which would tend to establish rigid limitations that would handicap the growth of this fascinating application of the newest things in science to the service of our nationwide listening public."

Dr. Jansky brought out that even with the existing facilities over 50 per cent of the area of the United States is dependent at night for its broadcast service upon the "secondary" or remote service delivered by high powered stations on clear channels. In this area reside some 43,000,000 people or approximately 36 per cent of the nation's population, mainly on farms or in small towns. "Argument as to the relative need for broadcast service to such areas as contrasted with the need for additional duplicated service in large cities", he said, I will leave to others.

"If the proposal to assign 25% of all broadcast stations to one or more special services were to be followed out, it would have to be done within the boundaries fixed by the limited facilities that are now available for broadcast service. That is, since there is no present way of increasing these facilities, whatever is assigned to the new special services would have to be taken away from those services now in existence."

Speaking for the radio manufacturing industry, Mr. Klugh said it was their view that the broadcasters should be "complimented rather than criticized, for the variety of programs which they have put out. "It seems to radio manufacturers", he asserted, "that if a certain definite percentage of wave channels, facilities or time is arbitrarily allocated to any of the four grand divisions of broadcasting, namely, entertainment, education, religion and information, that it would be a great mistake and would do much to diminish the popularity of radio and its acceptance to listeners. We hold that the best judges of what should constitute a radio program are the listeners themselves and we are aware that all checks and surveys by broadcasters have shown that they have been guided in framing their programs solely by the desires of the listening audience."

Mr. Mullen described the scope of the farm program service rendered by NBC through its National Farm and Home Hour and through numerous other programs devoted to the rural listener. In 1927, he declared, only 40 station hours were devoted to farm programs, as against 17,000 station hours in 1933. There were but 50 speakers on the 1927 programs, as against 1,000, who gave twice that number of talks, last year. And in 1927, he declared, there were but 20,000 radio sets on farms as against 2,500,000 in 1933 and an equal number classed as rural. The value of the radio time allocated gratis to agricultural programs, he declared is \$1,300,000. He said the American farmer gets the best radio broadcasting service in the world.

Mr. Kennedy declared the Farmers' Union has utilized radio with good results through regular broadcasts over NBC. He attributed the 100 per cent increase in the membership of the Union largely to these broadcasts, declaring that the farmer regards the radio more highly than any other medium of communication or information. Radio service, he declared, should be continued without charge.

Statistical information showing the extent to which Federal and State governments utilize the NBC networks was given the Commission by Mr. Russell. Pointing out that 871 separate broadcasts, consuming 250 hours had been utilized by Federal officials from Washington during the year ended September 1, 1934, he declared that the Federal Government itself is by all odds the greatest user of broadcast time for educational purposes.

X X X X X X X X

LARGE OUTLAY FOR NEWS SERVICES

An idea of what the independent bureaus gathering news for broadcasting purposes are spending on their services was given to the Federal Communications Commission when John Shepard, 3rd, President of the Yankee Network, Boston, and Arthur Kales, General Manager of Stations KFI and KECA, Los Angeles, appeared before the government body last week. Mr. Shepard estimated his expense at \$1,500 a week. For a year this would mount to \$78,000. Mr. Kales said his news service cost \$34,000 a year.

"If the broadcasting industry is to continue to be an essential part of home life, news and its many phases, as against mere entertainment, must be a necessary part of our responsibility", Mr. Shepard asserted. "News broadcasting is the greatest single service radio can give to the public. It is equally incumbent upon a station to give news while it is news. I have no quarrel with either the Press-Radio News Service or the stations which subscribe to it. But as far as I am personally concerned, I am definitely opposed to broadcasts of stale news."

He said the New England chain had conducted a survey during the week of August 13 to August 18 in all cities with Yankee Network outlets to determine the listener interest of news broadcasts. The survey was made while news matter was being sent out over the stations.

"This survey", he said, "in which the question was asked, "To what station are you now listening?" definitely showed that 67.6 per cent of all those who had their radios turned on were listening to the Yankee Network Radio News Service, as against 32.3 per cent who were listening to all other stations combined."

The agreement between newspaper publishers and the large broadcasters establishing the Press-Radio Bureau forced the Yankee Network to set up its own newsgathering agency, Shepard declared.

"I think it is an obvious statement that I would have preferred not to have been forced to take this step", he stated. "The arrangements preceding the formation of the Press-Radio Bureau were satisfactory to the local newspapers, to the station and I believe to the listening public. Nevertheless our own news service has proven more satisfactory from the listeners' viewpoint."

He said that it cost the network \$1,600 to report the Massachusetts primaries and anticipated an equal expenditure for the November election broadcasts.

"Indicative of the interest in news broadcasts we received a phone call from American Falls, Idaho, asking if we would broadcast the news of Congressional action in certain legislation then pending affecting the town of American Falls", Mr. Kales said. "From Alaska an owner of a moving picture theatre advised us that he desired to install a good receiving set in his theatre for the reception of KFI news reports and that he intended to tune it in for his patrons since he found many would otherwise stay at home in order to listen to KFI. We also learned that a theatre in Honolulu opened 15 minutes later than its regular schedule in order that its patrons might stay home and listen to news broadcasting from the mainland."

X X X X X X

W. C. T. U. GETS READY TO WAR ON RADIO

An aggressive drive to abolish all radio liquor advertising and to "clear the air of radio rubbish" will be started at the Women's Christian Temperance Union convention in Cleveland, Nov. 10, it was announced at W.C.T.U. headquarters in Evanston, Ill., this week. The headquarters statement said the attack will be on "programs offensive to the home and unworthy of American ideals and good taste."

X X X X X X X X

10/23/34

AUGUST BROADCASTING TRENDS NOT CLEAR

Broadcast advertising trends continued to be confusing in the main, though some evidence of underlying firmness is discernible. Revenues for the decline this year was slightly greater than in 1933 when August revenues were but 5.9% lower than those of the previous month. National spot volume again showed the strongest seasonal variation, being 21.7% lower than in the previous month. Local volume was approximately equal to July while regional network volume experienced a gain of 31.2%. Thus reports the National Association of Broadcasters.

August broadcasting was 6.4% above that of the same month of 1933. National spot volume was 17.9% ahead of last year's level, national spot business 9.3% greater, and regional network volume approximately equal to last year's figure. Local broadcast advertising alone was lower than last year, experiencing a decline of 13.9% as compared with August, 1933. It is encouraging to note, however, that the comparative showing of August is better than that of July when local advertising was 20.4% below the level of the previous year.

The usual seasonal declines were experienced during the month in the magazine and farm periodical fields.

Stations of 5 kilowatts and more in power were the severest losers during the month, revenues of this class declining 21.6% as compared to July, and reaching a level materially below 1933. Revenues of the 100-watt class rose 6.4% as compared with the previous month. Broadcast advertising volume over the 250-1,000 watt class was 21.5% greater than during the same month of last year, and 34.0% greater in the same case of 100-watt stations.

It should be noted that the "2,500-5,000 watt" and the "over 5,000-watt" classes have been combined in this report. This has been done because of the very few stations in the former group.

Declines in revenue as compared with July were greatest in the Southern and Mountain and Pacific areas. The New England-Middle Atlantic district showed a gain of 37.8% over August, 1933, Middle Western volume was about equal to last year, Pacific Coast volume slightly less and Southern volume off materially.

National spot electrical transcription volume was 12% under last year. The live talent trend in this field continues, volume of this type of business being 46.6% above last year. Both local and national post announcement business was lower than in August 1933.

X X X X X X

UTILITIES NOT TO BE TREATED UNFAIRLY, WALKER DECLARES

The necessity for such utility regulation has so long been apparent to the American people that the wonder is not that regulation of the telephone utilities came so soon but that it was so long delayed, Commissioner Paul A. Walker, of the Communications Commission told Martin Codel in an interview broadcast by National Broadcasting Company last Saturday night.

"Such regulation has come from an insistent demand on the part of the public for an adequate control of rates and practices of the telephone companies", Commission Walker said. "The public has the right to expect adequate control of these utilities which render a necessary public service.

"For a number of years State Commissions have from time to time conducted investigations of telephone utilities and telephone rates, but these investigations have been woefully handicapped because the States have had neither the means nor the jurisdiction to develop essential facts. The State Commissions have been unable to follow the ramifications of the utility organizations through their holding companies and their various subsidiaries, which include both the operating utilities and the companies engaged in manufacturing and supplying equipment and in carrying on experimentation and development. Thus, because of the enormity of the task involved and because of matters which were found to be beyond the jurisdiction of the State Commissions and which could be reached only by the Federal Government, adequate regulation through the individual States has been impossible. Nor do telephone lines stop at the State borders. The telephone system is a national system, and regulation of long distance toll rates, must, therefore, be largely a matter of national regulation.

"My concept of utility-regulating commissions is that such commissions justify their existence only as they function in the public behalf. This does not mean that utilities are to be treated unfairly or that they are to be needlessly harassed, but it does mean that the public is to have its day in court, so to speak, before a body created to see that the public is adequately protected as to rates and practices of the utilities.

"The first requirement of a Commission so to function is a proper conception of its purpose. The viewpoint, I believe, is the essential thing. A full realization that the Commission is a public agency, in the public interest, will take care of that. But a second requirement practically as important, is that the Commission should be manned with able and competent assistants. Our hope will be to develop a force of the most capable experts to be found in the communications field.

"When your Commission really gets going, may we telephone users expect a reduction in rates as the result of its work?" Mr. Codel asked.

"You are keeping in mind, of course, long distance telephone rates, now within the jurisdiction of this Commission", Mr. Walker replied. "This and other pertinent inquiries, I imagine, are running through the minds of many thousands of telephone users. But rate investigations are not concluded in a day. Moreover, this is a new Commission. It will not only require some time to get the proper set-up but also undoubtedly further provisions for funds for pursuing rate investigations.

"I may say that my experience as a State Utility Commissioner has shown me the difficulty of getting the necessary facts in investigations of public utilities, with their holding company ramifications, and the necessary accounting and engineering data incident to the proper determination of rate bases. When these facts are developed, and I hope there will be no undue delay, we will then be in a position to determine what are reasonable rates.

"The scope of our investigation is, for practical purposes, very much broader than that reflected by the percentage of business which is said to be merely interstate. The work that this Commission does and the standards which it determines will very largely influence the actions of the State Regulatory Commissions. In fact, we are commanded by the law to cooperate with the State Utility Commissions, and these Commission have entered so heartily into the spirit of cooperation that programs of joint action between this Commission and the several State Commissions may confidently be expected to be carried out.

"What about the future of the telephone as a medium of communications? I'm told that research and experiment are far from completed in that field", Mr. Codel inquired. "I've even heard it suggested that the widening vista of radio wave lengths may ultimately do away with our land line system and that radio's short and ultra-short waves, multiplied and multiplexed, will one day furnish plenty of avenues of cheap communication within cities and between cities. What can you say as to that?

"That is a most important function of this Commission - to watch and to encourage all new uses of communications, in the public interest. Our organization should always be kept flexible so that the right hand will always know what the left is doing", was Commissioner Walker's reply.

"I regard it as one of our primary duties to stimulate scientific development in every proper way. Every encouragement should be afforded to the studies and the research which may so expand our methods of communication and lessen their cost as to bring into closer communion the people of our country and of the world. Who can vision the tremendous social significance of making available to mankind the full possibilities offered by communications and their development, with their wider uses in the home, the school, the theater and the church? Who can vision the limitless opportunities for education, entertainment, and for moral, religious and social uplift through communications and their widest use and distribution?"

X X X X X

: : : : : : : :
 : : : : RADIO FOREIGN TRADE NOTES : : : : : : : :
 : : : : : : : :

That Persia may be developed as an outlet for American radio receiving sets is pointed out in a report from Vice Consul R. A. Hare, Teheran. After a detailed study of the market, the Vice Consul is of the opinion that an increased demand for radios may be anticipated and that American manufacturers should be in a position to obtain a good share of the trade.

However, he emphasizes the fact that reliable and active dealers must be secured who are willing to devote proper attention to the matter of servicing. The possibilities for American radios are indicated by the fact that a local dealer who recently displayed a sample receiving set received so many inquiries that he immediately ordered a number of the same make.

"Radio Markets of Japan" is the title of an 8-page multigraphed bulletin issued by the Electrical Division of the Bureau of Foreign and Domestic Commerce, Department of Commerce October 16th.

The Japanese radio market is good, radio being especially popular, but the opportunities for importation of American apparatus are not great. The Japanese industry is now highly developed, and produces cheap sets capable of receiving the nearest stations in most parts of Japan. The average purchasing power is very low, and the class which can afford luxury items limited.

The price of the bulletin is 25 cents.

The Electrical Division has also issued a bulletin "Radio Markets - Asia Minor". However, this evidently is nothing for manufacturers to get excited about as climatically, the region is torrid and radio reception is very difficult, even on the short waves. There is no broadcasting in Asia Minor. Only a few people are able to afford receivers, and these are mostly more or less transient Europeans. The native standard of living, from psychological as well as financial causes, does not include such items as radio.

A report which covers the first seven months of the current year shows that with the exception of January and February, Germany's monthly sales abroad were higher in 1934 than last year.

The Netherlands continued to be the chief foreign outlet for German radio equipment, importing 500 tons in the first seven months of 1934 against 309 tons in the corresponding period of

1933. Following the Netherlands, the principal markets for German radios during 1934 were France, Saar Valley, Belgium, Argentina, Sweden, Spain, Finland and Switzerland.

There will shortly be placed in operation by the newspaper La Nacion, of Buenos Aires, a radio-broadcasting station which is said will be the most powerful in South America. Practically all the equipment installed in the new broadcasting plan is of German origin, having been sold by the firm of Siemens-Schuckert under the trade name of Telefunken. Although 6 tubes of 50 kilowatts each will be employed with the amplifier of the new station, only 4 will be utilized at any one time. These will be transformed into a modulating current of 50 effective kilowatts for use with the antenna.

The popularity of radio in Germany shows no signs of diminishing, according to a report from Vice Consul C. T. Zawadzki, Berlin, made public by the Commerce Department.

German trade in radio equipment received such a strong impulse after the close of the Berlin Radio Show that some of the larger factories, even by utilizing their maximum production capacity, were not in a position to make deliveries. These difficulties in making deliveries are remarkable since no technical innovations were brought out this year. This, the report states, would seem to prove that the restriction against the establishment of new radio factories or the enlargement of existing plants can hardly be based upon an over-capacity of the German radio industry.

During the past radio year, which closed with the 1934 Radio Show, it is estimated that 1,600,000 radio sets were sold, of which 600,000 were the so-called "People's Receiver" models. About 300,000 of these low-priced models will at first be produced in the current year, while 100,000 sets are on stock in factories or in the trade.

X X X X X X X X

WJSV CELEBRATES 2ND CBS NETWORK CONNECTION

Station WJSV, the Columbia network's Washington outlet, celebrated its second anniversary as a Columbia operated station last Saturday with a gala birthday program from 10 to 11:30 P.M. Jess Willard, now Assistant Manager but the first announcer at WJSV in 1932, was master of ceremonies and presented acts that were favorites when the station first opened, acts that are on the air today and brief glimpse of acts that will be on WJSV in the near future.

10758781

A brief address by Ted Church, Assistant Manager, recalled the numerous "first broadcasts that WJSV has done in Washington. Harry C. Butcher, General Manager of WJSV and the Columbia Broadcasting System in Washington, was unable to speak during the program but a brief message from him was read by Jess Willard.

William S. Paley, President of the Columbia Broadcasting System, sent a wire which was also read during the program. Mr. Paley wired - "The continual widening sphere of public usefulness achieved by Radio Station WJSV, the Columbia Broadcasting System's Washington outlet, is a source of deep satisfaction to the Columbia management, and the response of the people of Washington to our efforts to give them the best is a source of continual encouragement."

The unique feature of the program was the unexpected debut of Arch McDonald, WJSV sports announcer, as a songbird. As a singer, McDonald is still a very good sports announcer, according to advices from a member of the CBS staff, so he will not be heard again until October 20, 1935.

X X X X X X X X

TVA RESTATES ITS POSITION RE GOVERNMENT-OWNED RADIO STATIONS

The Broadcast Division of the Federal Communications Commission today (Oct. 23) made public the following telegram received from Arthur E. Morgan, Chairman of the Board of Directors of the Tennessee Valley Authority:

"In view of the fact that its brief statement to the Federal Communications Commission was misinterpreted, the Tennessee Valley Authority prefers to withdraw its former statement and to restate its position as follows:

"The Tennessee Valley Authority has not urged or favored governmental administration of radio stations. It is the opinion of the Board of Directors that the educational and cultural agencies of the country should have a reasonable use of the radio facilities of the country but that all such programs should be under non-governmental and non-partisan control and direction."

The above telegram will be incorporated in the record.

X X X X X X X X X

APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

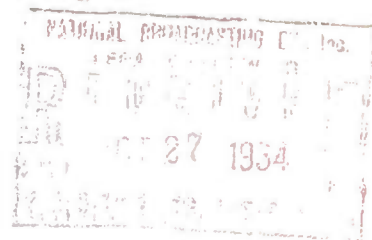
Oct. 23 - WPAD, Paducah Broadcasting Co., Inc., Paducah, Ky., C.P. to increase power from 100 watts to 100 watts night, 250 watts day; KBTM, Beard's Temple of Music, Jonesboro, Ark., mod. of C.P. to change location of studio locally and extend completion date to Nov. 1, 1934; WOW, Woodmen of the World Life Ins. Assn. Omaha, Neb., modification of C.P. extending commencement date to Nov. 1, 1934 and completion date to May 1, 1935; WPEN, Wm. Penn Broadcasting Co., Philadelphia, license to cover C.P. 920 kc., 250 watts, for auxiliary purposes only.

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF OCTOBER 26, 1934.

Droitwich British Broadcasting Giant Gets Into Its Stride.....	2
New French Station Tops Droitwich By 50,000 Watts.....	3
RMA Launches National Sales Promotion Campaign.....	4
Educational-Religious Hearings Postponed.....	5
Clear Channels At Stake In Regional Plea.....	9
Television Here, O. H. Declares, And New Deal Aid Too.....	10
FCC Sets Hearings On Wire Consolidation.....	11
Telegraph Exchange Services Contracts Hearing Nov. 7.....	12
Industry Notes.....	12

No. 769

Handwritten notes and scribbles at the bottom left of the page.

DROITWICH BRITISH BROADCASTING GIANT GETS INTO ITS STRIDE

Marking a new and important chapter in British broadcasting, the voice of Daventry, famous old English station, was silenced last week. Droitwich, the new British Broadcasting Company giant of the ether, after an intensive period of experimenting, has finally taken over Daventry and from now on will broadcast the full National program service.

Droitwich supersedes not only Daventry but also ultimately probably the National transmitter at Moorside Edge and the west and London National stations, which are relay transmitters assisting the Daventry to distribute the national program throughout the country on medium wavelengths. With the regular operation there is also a big program shakeup. The most important change of all, perhaps, is that which now gives listeners an alternative program from the opening of the broadcast transmitters practically until they close for the night. Hitherto, at various intervals during the day, only a single program has been broadcast.

Because of the high power of Droitwich, 150,000 watts, as against 30,000 watts of Daventry, it appears inevitable that it will interfere with certain long-wave Continental stations on most receiving sets. Already there have been complaints that the station is too loud in some parts of England. Suggestions are being made how to shield sets from what is called over there "excessive" power.

"Britain's giant radio station in the middle west of England has arrived with a vengeance", says "Popular Wireless" (London). "Its powerful voice penetrates the whole of the country, from Land's End to John o'Groats. Not with the same intensity, of course, but with certain exceptions, where conditions are unusually bad. Droitwich gives yeoman service to everyone with a radio receiver worthy of the name.

"In fact, so well does the new arrival do its job that many receive a superabundance of energy from the towering masts at Wychbold, where the transmitter is situated.

"Birmingham, the Potteries, the Black Country, the Welsh Border, Gloucester, Cheltenham and scores of other places and areas would say thank you to the B.B.C. for a reduction in power. They are getting too much for some of the sets in use."

"The B.B.C.'s biggest broadcaster has come on the air", "Radio Pictorial" (London) writes.

"Already scares have started. People are saying that sets will have to be scrapped, that the new giant will bring interference and chaos, and that the present National stations will have to close down.

"The trust is that the amazing Droitwich is going to mean real programme service.

"It is hoped that Droitwich will give a satisfactory service, under average atmospheric conditions, to nearly the whole of the British Isles.

"Droitwich - a pleasant, rather sleepy old town. Still puzzled at the honour which has been conferred upon it, still wondering why it should have been singled out to provide a name for that queer new place out there on the Birmingham road.

"The townspeople like to take a walk in the evenings and survey their new acquisition with pride and satisfaction. They look with faint awe at the grim, stern building. They peer up at the immensely tall masts, whose tops are sometimes lost in the clouds, hoping, perhaps, that they will provide a sensational anti-climax by falling down.

"The good people of Droitwich have watched the procession of lorries and labourers, of machinery and men, to what was once a peaceful stretch of meadows fronted by a row of ancient cottages. They have seen a modern wonder rising before their very eyes.

"It is impossible to be in the Droitwich station for long without being facetious. I hope you understand. To let ordinary people into the place is like admitting manicurists into the ranks of surgeons. They're out of their depth, and it's a question of joking or being removed in a straight-jacket.

"Only when you have been away from the place for days do you begin to appreciate something of what you have seen. Gradually, then, you begin to realize that you have seen a modern miracle."

X X X X X X X X X X

NEW FRENCH STATION TOPS DROITWICH BY 50,000 WATTS

Not to be outdone by the British, France is to erect a new broadcasting station, the power of which will be 200,000 watts, 50,000 watts more than Droitwich. It will belong to the state and the site chosen is near Thourie (Ille-et-Vilaine) at a place called "Le Moulin de Saint-Liffert." Approximately 30 acres have been reserved for the installation, the work on which has just been started. The foundations are being constructed and they are destined to support a unique type of pylon, the height

10/26/34

of which will be 200 meters. The power of the new station will be about 200 kilowatts, and the buildings will include the pylon, broadcasting station, rooms for the personnel, and stores. The total expense authorized is 2,642,000 francs.

As soon as the Radio-Thourie starts functioning, the Rennes station will be closed. The broadcasting in the Chamber of Commerce studio will be relayed by a subterranean telephonic cable to the Thourie station, which will amplify, modulate, and then broadcast.

At the present time they are studying the installation projects for the cable, which will be installed at the beginning of 1935, Assistant U. S. Trade Commissioner Lestrade Brown at Paris, reports.

X X X X X X X X

RMA LAUNCHES NATIONAL SALES PROMOTION CAMPAIGN

A national sales promotion campaign for the radio industry, in the interest of distributors, dealers and also broadcasters as well as manufacturers, will be launched by the Radio Manufacturers' Association in November, Bond Geddes, Executive Vice-President has announced.

The industry advertising program, to be conducted by the Association with an outstanding advertising agency, was approved and ordered by the Board of Directors at a special meeting last Thursday in New York City. The Board unanimously adopted the national institutional project for radio sales promotion. It will be in charge of a special committee of which Powel Crosley, of Cincinnati, is Chairman, and of which President Leslie F. Muter, of the RMA, and W. S. Symington, of New York, are members.

The radio manufacturers' national program is an outgrowth of the previous "Five Point" plan considered by the RMA and the Radio Wholesalers' Association. The Board of the former association decided on the immediate national program, financed and conducted by the manufacturers, to start in November and continue vigorously through the Winter season with future plans for its enlargement and continuance through 1935.

X X X X X X X X

EDUCATIONAL-RELIGIOUS HEARINGS POSTPONED

At the conclusion of the session last Saturday morning (October 20), Hampson Gary, Chairman of the Broadcast Division of the Broadcast Division of the Federal Communications Commission, ordered a two weeks' postponement of the educational-religious program hearings. Inasmuch as the Commission will not be required to make its recommendations as to whether additional facilities shall be allotted to this type of program until February 1st, delays at this stage of the procedure are more or less inconsequential. A resumption of the hearings is tentatively set for Monday, November 4.

The witnesses yet to be heard are mainly those of the government and Dr. Levering Tyson of the National Advisory Council on Radio in Education. Those in the government who have asked to appear are W. B. Dolph of the National Recovery Administration; Dr. Ella Oppenheimer, of the Children's Bureau, Department of Labor; Owen A. Keen, of the Post Office Department, and Morse Salisbury of the Agriculture Department. On the assumption that the broadcasters would advocate widening the broadcast band as a means of providing more room for stations, Army and Navy officials were expected to be heard from. However, that issue has not been raised and they probably will not appear.

Dr. Tracy F. Tyler, of the National Committee on Education by Radio, in charge of the educational presentation, has the opportunity of presenting any witnesses he may desire in rebuttal.

More time has been made available for educational broadcasting than the educators themselves have been able or willing to use to good advantage, Alfred J. McCosker, President of WOR, New York, and past president of the National Association of Broadcasters, testified as the broadcasters concluded their case.

"We get this reaction when presenting educational programs in series", Mr. McCosker observed, "that while high points of interest are frequently attained, experience shows that there is considerable variation and the programs are frequently below par. WOR has observed no definite demand for additional evening hours for educational programs on the part of educators and certainly none from the listening audience."

Lambdin Kay, of Station WSB, Atlanta, Vice-President of the National Association of Broadcasters, told how he had persuaded A. Atwater Kent in 1926 to donate receiving sets to every public school, white and colored, in Atlanta. Every day classes would gather about the loud-speakers in all the schools to listen to the broadcasts from WSB.

"This city-wide installation of public school radio represented the first of the kind in America", Mr. Kay asserted.

It would be denounced as outrageously unjust if newspapers and periodicals were compelled to publish a stipulated amount of matter relating only to specific classes, the Atlanta speaker ventured.

Local educational institutions have made no effort to avail themselves of the facilities of WSFA, at Montgomery, Ala., S. Gordon Persons, its manager, informed the Commission.

"For the past two years we have deliberately talked to local school and State educational authorities and they have evidenced no desire whatever to use our station in their work", was his parting shot.

College professors are not radio-minded, P. O. Davis, Secretary of the Alabama Polytechnic of Auburn, Ala., representing WAPI, observed to the Commission.

"Unfortunately, and this is no criticism of college professors, they are not interested in broadcasting", the Polytechnic executive continued. "They are busy men and women and they do not have much time to think about preparing broadcasts. In other words, they are employed on full time jobs without that and they are not expected to do good broadcasting."

Also Mr. Davis said that the educational people were not able to furnish the money or sufficient programs to operate WAPI successfully though they were joined by the University of Alabama and Alabama College. Finally they leased the station after spending \$110,000 to install it in Birmingham, in the hope that it might be made to pay where the population was greater.

"We now have all the time we really want for institutional broadcasting and get a rent of \$775 each month", Mr. Davis commented. "My conclusion is that educational institutions usually make mistakes when they go into a business venture of any kind."

WGN, owned by the Chicago Tribune, does not sell time for political speeches or for religious services, Quin Ryan, Broadcast Manager of the station informed the Commission. All programs of this nature are broadcast without charge as part of the station's public service.

"We make an earnest effort to have the various divergent views on all subjects of sectional or national (as distinguished from purely local) importance presented over WGN", Mr. Ryan continued, "and we invite national figures, political civic and educational, to use our facilities free of charge; if these speakers present a controversial subject, we invite their opponents to use our facilities in reply."

In broadcasting programs this Fall for the University of Chicago and for Northwestern University, WGN will maintain telephone lines from its studio to both campuses, at an expense of approximately \$500 a month, Miss Myrtle E. Stahl, Mr. Ryan's

assistant informed the Federal Commissioners.

"At no time has WGN been apathetic on the subject of education by radio", Miss Stahl declared. "On the contrary we have been annoyingly aggressive and persistent in our efforts to persuade the various educational institutions of Chicago and Illinois to use our facilities in the presentation of educational programs."

Previous attempts to secure the allocation of a fixed percentage of radio facilities for the use of educational institutions have caused considerable concern to the University of Chicago and the reopening of the entire question in the present hearings has again aroused fear for the security of the radio opportunities now enjoyed by the University, Allen Miller, Chicago University radio director, informed the Commission. He estimated that last year the value of the time donated by Stations WGN, WMAQ and WJJD, totalled \$186,000, figured at the commercial rates for time.

Mr. Miller observed that there are only a limited few in any college faculty who have personalities that can be projected successfully to an unseeing audience. He expressed the opinion that the primary function of education by radio is the stimulation of dormant interests of the listeners for information.

"We do not attempt to give our listeners a college education by radio", the Chicago University speaker submitted. Even though a special channel were set aside for educational programs, Northwestern University could not materially increase its educational work in radio owing to the lack of available time on the part of the faculty, Edward Stromberg, Publicity Director of Northwestern, said.

How broadcasting the opera in Los Angeles hurt the box office to the extent of his giving a check of \$1,200 to reimburse them but later doing such a good job of advertising that the box office showed a material increase, was related by Arthur F. Kales, General Manager of Stations KFI and KEGA, Los Angeles. He said a middle class heretofore untouched by opera found the sample given over the radio sufficiently interesting to take a chance on attending in person.

People still have to be educated to like educational programs, Carl Haverlin, Sales Manager of KFI and KEGA, Los Angeles, testified.

"The general public is most at fault in being apathetic", Mr. Haverlin said. "We have found that the educational groups have seldom proved able to present their programs in such a manner as to attain a high degree of listener interest. Their command of the subject is nearly always adequate but they lack showmanship."

Five thousand letters were sent out by Stations KOMO and KJR, of Seattle, to principals of schools, presidents of

civic organizations and ministers, telling them that Congress was to conduct an inquiry into the educational-religious program situation and asking them to express their opinion on the proposition. About 500 letters were received in reply.

"It is surprising to see that there was almost no expression of approval for this legislation", Donald F. Graham, of KOMO and KJR, reported. "Bear in mind we asked them, the people who are supposed to be identified with the proposal to set aside a fixed percentage of radio facilities, that is, those who are interested in education and religion, and I don't believe there is a letter which unqualifiedly advocates it, and 99.99 percent of them condemn it."

The granting by the old Radio Commission of a 50,000 watt construction permit to a religious group in Southern California, was recalled by Guy Rarlors, Jr., of Station KNX, Los Angeles.

"The permit was kept alive for a year or more and no actual construction work was done", Mr. Rarlors went on. "I believe that, if nothing else, shows that in California the educational and religious side of broadcasting is well being taken care of by existing broadcasters and there is no crying demand on the part of any of those institutions for particular frequencies all their own."

An audience well over 100,000 school children listening in an organized way over Stations WLW and WSAI, Cincinnati, with at least another 100,000 children who listen occasionally over other school room equipment, Ben Darrow, of the Ohio State Department of Education, estimated. In the Buffalo area the present stations supply ample facilities and time for all cultural organizations which can present worthwhile programs and the colleges and universities would not welcome additional time if it were available for them, Stephen C. Clement, State Teachers College at Buffalo, advised the Commission. There is no need felt by listeners for additional programs of this character.

That he started broadcasting, not because he wanted to, but because he was urged to by the officials of the radio station, was the experience of Rabbi Joseph L. Fink, of Buffalo.

"When we learned of the proposal to devote 25 percent of the broadcasting time to education and religion, we became fearful", Rabbi Fink said. "We believe it ill-advised to force a private agency to allow time for broadcast purposes, because we fear what may be broadcast may not be religion in its broadest terms but in its narrowest and most sectarian, and will serve harmful rather than helpful purposes in the community."

Whether we all agree with everything done by radio or not, in a very definite way radio as a whole is living up to its obligation to serve the public interest, as represented by the wishes and needs of the majority, Alfred H. Kirchofer, Managing Editor of the Buffalo Evening News and Vice-President of Station WBEN, Buffalo, commented.

10/26/34

"Radio has been built by commercial interests and advertisers", Mr. Kirchofer continued. "It may not be everything that the uplifters want; it may not yet be everything that those of us engaged in broadcasting wish it to be; but it has made a substantial and magnificent contribution to cultural advancement, music appreciation, common understanding, diffusion of knowledge and distribution of entertainment which, on the whole, has been wholesome and beneficial to the morale of the nation.

"I do not say that education should not have facilities which it may properly be entitled to have; but until education by radio is taken out of the experimental and guess-work stage, its proponents should not come here to demand wholesale destruction of an industry which is meeting its obligations to the Government and the public."

X X X X X X X X

CLEAR CHANNELS AT STAKE IN REGIONAL PLEA

one

The system whereby only/station may broadcast on a clear channel was seen to be in further danger of being broken down as a result of the application of numerous stations to broadcast on the frequency of 640 kilocycles now being used by KFI, a 50,000 watt station of Los Angeles. Hearings are now being held on the subject by the Broadcast Division of the Federal Communications Commission of which Hampson Gary is Chairman.

In 1928, 40 clear channels were established but since then 9 of these have been more or less broken down by permitting other stations to broadcast on the same frequency. As an outcome of the present hearings, it is believed that a definite policy may be adopted as to clear channels. Senator Dill advocated having instead of only one high power station on a frequency that there be two, but as widely separated as possible, one on the Atlantic and the other on the Pacific Coast.

Stations which are desirous of broadcasting on the 640 WFI clear channel are WJAY, Cleveland, seeking to increase its power to 1000 watts, the Portland, Me., Broadcasting Company, a new station, seeking 500 watts, the Eastland, Me., Company, 100 watts, the Kunsy-Trendle Broadcasting Corporation, Detroit, a new station, 10,000 watts, WAAB, Bay State Broadcasting Company, Boston, 5,000 watts, WFLA-WSUN, Clearwater, Fla., 5000 watts; WORC, Worcester, Mass., 500 watts; KFUD, St. Louis, 1000 watts, and Irving Sisson, a new station at Pittsfield, Mass., 1000 watts.

X X X X X X X X

TELEVISION HERE, O.H. DECLARES, AND NEW DEAL AID TOO

Television is here, and ready for the public, so far as receiver technique is concerned", O. H. Caldwell, writes in Electronics for October. "There can be no doubt of that in the mind of anyone who has made the rounds of the laboratories where serious work is being done. Television pictures today are clear, well-illuminated, and compare in quality and detail with home movies.

"But the transmission problem in television introduces tremendous difficulties, chiefly financial. To provide television programs throughout the country would require an initial investment estimated at fifty to two hundred million dollars or more.

"This sum seems staggering to private capital. But to a national government that is liberally handing out billions in causes that seem less constructive, even \$200,000,000 is not unthinkable.

"Television transmitters have a sounder claim to government financing, in the present employment situation, than do many other enterprises that have had generous federal aid. For each television transmitter built will be the means of initiating the manufacture of thousands of television receivers, involving starting up factories, restoring employment, and injecting vast new impetus into the lagging machine of national business. Indeed television may be the long-sought "new industry" to pull us out of the depression.

"From a social and governmental standpoint alone, the implications of nation-wide television are tremendous. What would it mean, for example, to further national unity of thought and purpose, if at the time of the President's delightful fireside chats, he could be seen as well as heard.

"But how many homes will purchase television receivers at \$200 to \$300 apiece, under present conditions, one naturally asks. Already a paternally-minded government has provided for financing these television receivers, under the terms of its Tennessee Valley Authority, which is empowered to make long-term loans for the purchase of home electrical appliances, and at the discretion of its directors, to make such loans available to citizens in all parts of the country. So that Uncle Sam and his New Dealers are ahead of us, in the solution of that problem of aiding the customer to buy.

"To many conservative radio and electrical men, this picture of widespread government aid to our new infant prodigy of television, will seem repugnant. But other less worthy causes have sought federal aid and have prospered. If nation-wide television can come only with government aid, perhaps scruples of old-time rugged individualism must be forgotten, and this 1935 miracle be ushered in by new-deal financial methods. At all events, a new industry, large in its employment possibilities, is now waiting at the gates of a sorely-tried world."

X X X X X X X

FCC SETS HEARINGS ON WIRE CONSOLIDATION

A possibility of the consideration of a merger between the Western Union and the Postal Telegraph was seen in the setting of a hearing for Monday, December 3rd, to discuss the question of "merging competing communication companies".

"While the Communications Act did not specifically direct the Commission to investigate the question of merging competing communication companies, the matter was one of the most important brought forward in the "Study of Communications by an Interdepartmental Committee", authorized by President Roosevelt and submitted by him to the Chairmen of the Senate and House Committees on Interstate Commerce, on January 23, 1934, the Telegraph Division of the Federal Communications Commission explained in calling the hearing. "The Committee report was not unanimous on the question of merging communication companies.

"Inasmuch as telephone companies have, since 1921, possessed the right to consolidate, subject to approval, previously by the Interstate Commerce Commission, and now by the Communications Commission, it is expected that the proposed hearings will be confined almost entirely to the desirability of permitting consolidations involving telegraph companies and to the determination of conditions and proper safeguards in case the Commission decides to recommend to the Congress the enactment of legislation authorizing mergers.

"In the preliminary report on communication companies submitted to the House Committee on Interstate and Foreign Commerce by Dr. W. M. W. Splawn as Special Counsel of the Committee, the matter of mergers was again discussed. Among other things, Dr. Splawn said, 'Telegraph by wireless or radio would likely be consolidated with the wire companies if Congress should permit. Before such permission is granted, Congress should carefully consider the effects upon the further development of telegraphy and of the substitution of a monopoly for the existing competition.*** The bill now considered holds in abeyance the answers to some of these questions until such time as a further study and observation may make clear what Congress might reasonably expect from a given policy.'"

It is anticipated that the proposed hearings will provide the Commission with ample material upon which to base a considered recommendation to the Congress on this important question.

The International Telephone and Telegraph Company has for sometime sought a consolidation of its Postal Telegraph system with the Western Union, but the Western Union has opposed it. At one time the I. T. & T. system had an option on the communications business of the Radio Corporation, but the deal failed and the Western Union and Radio Corporation executed a traffic agreement in opposition to the Postal's wire and radio system.

TELEGRAPH EXCHANGE SERVICES CONTRACTS HEARING NOV. 7

The hearing on contracts for exchange of services, before the Telegraph Division of the Commission, scheduled to begin Monday, November 5, will be recessed to 10:30 o'clock Wednesday morning, November 7th. No evidence will be heard until this time and it will be unnecessary for any interested party to appear until that time and date.

The recessing of the hearing does not alter the requirement that those desiring to be heard shall file written statements of desire to be heard on or before October 29th, as provided in Order No. 10.

X X X X X X X X

 ::: _____ :::
 ::: INDUSTRY NOTES :::
 ::: _____ :::

In a quarter page ad in Variety, Ralph L. Atlass announces the affiliation of his stations WJJD, Chicago, and WIND, Gary, with the American Broadcasting System, adding:

"The advertising value of each of these two stations is best indicated by the fact that spot national business for the month of October, 1934, is running more than 200 percent ahead of the same month last year."

WOR is reported to have signed up for Moore's Trans-Radio News Service in preference to the Press-Radio Bureau, the first New York station to do this.

The latest rumor with regard to Senator Dill's future plans comes from Milwaukee where he was said to be conferring with Ota Gygi, manager of the ill-fated Ed Wynn network. Gygi is now forming a regional network in Wisconsin, Illinois and Indiana.

The ceremonies opening "America's Little House" to the public will be broadcast over the WABC-Columbia network from 4:00 to 4:15 P.M. EST, Monday, November 5. William S. Paley, President of the Columbia Broadcasting System, will deliver the official opening address. The New York Committee of Better Homes In America, Inc., with the cooperation of the Columbia network has erected the Little House at Park Avenue and 39th St., New York City, as a demonstration home for people of medium incomes.

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

101 4 1934
CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF OCTOBER 30, 1934.

New Day and Night Quota Affords Added Facilities.....	2
Educational-Religious Hearings To Be Concluded.....	5
Clear Channel Decision About 3 Weeks Hence.....	6
Use Radio Liberally To Beat Sinclair.....	6
Contends Radio Music Slows Down Speedsters.....	7
Radio Exports Rise.....	7
Dr. Starch Puts The Microscope On Four Columbia Programs.....	8
An Add to Story, "Clear Channel Decision About 3 Weeks Hence".	10
Industry Notes.....	11
Applications Granted By Broadcast Division.....	12

No. 770

Wm J. Gray P

October 30, 1934.

NEW DAY AND NIGHT QUOTA AFFORDS ADDED FACILITIES

The new day and night quota just worked out by the Federal Communications Commission will allow an expansion of radio facilities in many zones and States. Heretofore the broadcast quota system of radio facilities has been considered as a single basic unit but because of the difference of atmospheric conditions at the different periods and because interference caused at night is different than that caused at day, the Communications Commission decided that there should be a "night quota" and a "day quota."

The new quota facilities due and assigned follow:

FIRST ZONE - NIGHT

State	Units Due	Units Assigned	Units Over or under	Per Cent Over or Under
Connecticut	2.13	1.89	-0.24	-11
Delaware	0.32	0.20	-0.12	-38
Dist. of Columbia	0.64	0.60	-0.04	- 6
Maine	1.06	0.99	-0.07	- 7
Maryland	2.16	1.95	-0.21	-10
Massachusetts	5.63	5.11	-0.52	- 9
New Hampshire	0.62	0.33	-0.29	-47
New Jersey	5.36	4.085	-1.275	-24
New York	16.69	18.09	+1.40	+ 8
Rhode Island	0.91	0.70	-0.21	-23
Vermont	0.48	0.06	-0.42	-88
Total	<u>36.00</u>	<u>34.005</u>	<u>-1.995</u>	<u>- 6</u>

FIRST ZONE - DAY

Connecticut	3.85	2.66	-1.19	-31
Delaware	0.57	0.33	-0.24	-42
Dist. of Columbia	1.16	1.00	-0.16	-14
Maine	1.91	1.22	-0.69	-36
Maryland	3.91	3.60	-0.31	- 8
Massachusetts	10.17	6.35	-3.82	-38
New Hampshire	1.11	0.60	-0.51	-46
New Jersey	9.67	4.955	-4.715	-49
New York	30.14	20.17	-9.97	-33
Rhode Island	1.65	0.70	-0.95	-58
Vermont	0.86	0.66	-0.20	-23
Total	<u>65.00</u>	<u>42.245</u>	<u>-22.755</u>	<u>-35</u>

10/30/34

SECOND ZONE - NIGHT

State	Units Due	Units Assigned	Units Over or Under	Per Cent Over or Under
Kentucky	3.38	3.95	+ 0.57	+ 17
Michigan	6.25	5.06	- 1.19	- 19
Ohio	8.58	9.38	+ 0.80	+ 9
Pennsylvania	12.43	12.54	+ 0.11	+ 1
Virginia	3.13	4.70	+ 1.57	+ 50
West Virginia	2.23	1.93	- 0.30	- 13
Total	<u>36.00</u>	<u>37.56</u>	<u>+ 1.56</u>	<u>+ 4</u>

SECOND ZONE - DAY

Kentucky	6.10	4.15	- 1.95	- 32
Michigan	11.28	5.96	- 5.32	- 47
Ohio	15.50	11.56	- 3.94	- 25
Pennsylvania	22.45	14.99	- 7.46	- 33
Virginia	5.64	5.85	+ 0.21	+ 4
West Virginia	4.03	3.90	- 0.13	- 3
Total	<u>65.00</u>	<u>46.41</u>	<u>-18.59</u>	<u>- 29</u>

THIRD ZONE - NIGHT

Alabama	3.32	2.735	- 0.585	- 18
Arkansas	2.32	2.67	+ 0.35	+ 15
Florida	1.84	3.65	+ 1.81	+ 98
Georgia	3.64	4.21	+ 0.57	+ 16
Louisiana	2.63	5.10	+ 2.47	+ 94
Mississippi	2.52	0.99	- 1.53	- 61
North Carolina	3.97	4.23	+ 0.26	+ 7
Oklahoma	3.00	3.24	+ 0.24	+ 8
So. Carolina	2.18	1.00	- 1.18	- 54
Tennessee	3.28	6.05	+ 2.77	+ 84
Texas	7.30	11.07	+ 3.77	+ 52
Total	<u>36.00</u>	<u>44.945</u>	<u>+ 8.945</u>	<u>+ 25</u>

THIRD ZONE - DAY

Alabama	5.99	4.285	- 1.705	- 28
Arkansas	4.19	4.75	+ 0.56	+ 13
Florida	3.32	4.75	+ 1.43	+ 43
Georgia	6.58	4.90	- 1.68	- 26
Louisiana	4.75	5.40	+ 0.65	+ 14
Mississippi	4.55	2.11	- 2.44	- 54
North Carolina	7.17	4.85	- 2.32	- 32
Oklahoma	5.42	4.90	- 0.52	- 10
So. Carolina	3.93	2.25	- 1.68	- 43
Tennessee	5.92	7.25	+ 1.33	+ 22
Texas	13.18	13.22	+ 0.04	+ 0
Total	<u>65.00</u>	<u>58.665</u>	<u>- 6.335</u>	<u>- 10</u>

FOURTH ZONE - NIGHT

State	Units		Units Over or Under	Percent Over or Under
	Due	Assigned		
Illinois	10.14	11.03	- 0.89	- 9
Indiana	4.30	3.42	- 0.88	- 20
Iowa	3.28	5.02	+ 1.74	+ 53
Kansas	2.50	2.49	- 0.01	- 0
Minnesota	3.41	4.18	+ 0.77	+ 23
Missouri	4.82	5.00	+ 0.18	+ 4
Nebraska	1.83	2.21	+ 0.38	+ 21
No. Dakota	0.90	1.40	+ 0.50	+ 56
So. Dakota	0.92	0.85	- 0.06	- 7
Wisconsin	3.90	3.05	- 0.85	- 22
Total	36.00	38.66	+ 2.66	+ 7

ZONE FOUR - DAY

Illinois	18.30	14.74	- 3.56	- 19
Indiana	7.77	5.55	- 2.22	- 29
Iowa	5.93	7.26	+ 1.33	+ 22
Kansas	4.51	3.32	- 1.19	- 26
Minnesota	6.15	5.37	- 0.78	- 13
Missouri	8.70	8.21	- 0.49	- 6
Nebraska	3.30	5.62	+ 2.32	+ 70
No. Dakota	1.63	1.90	+ 0.27	+ 17
So. Dakota	1.66	2.03	+ 0.37	+ 22
Wisconsin	7.05	5.56	- 1.49	- 27
Total	65.00	59.56	- 5.44	- 8

FIFTH ZONE - NIGHT

Arizona	1.32	1.02	- 0.30	- 23
California	17.18	18.67	+ 1.49	+ 9
Colorado	3.13	4.61	+ 1.48	+ 47
Idaho	1.35	1.50	+ 0.15	+ 11
Montana	1.63	1.75	+ 0.12	+ 7
Nevada	0.27	0.35	+ 0.08	+ 30
New Mexico	1.28	1.13	- 0.15	- 12
Oregon	2.89	4.02	+ 1.13	+ 39
Utah	1.54	3.30	+ 1.76	+114
Washington	4.73	7.26	+ 2.53	+ 53
Wyoming	0.68	0.40	- 0.28	- 41
Total	36.00	44.01	+ 8.01	+ 22

FIFTH ZONE - DAY

Arizona	2.38	1.66	- 0.72	- 30
California	31.02	21.05	- 9.97	- 32
Colorado	5.66	4.98	- 0.68	- 12
Idaho	2.43	1.95	- 0.48	- 20
Montana	2.94	2.30	- 0.64	- 22
Nevada	0.49	0.35	- 0.14	- 29
New Mexico	2.31	2.90	+ 0.59	+ 26
Oregon	5.21	5.89	+ 0.68	+ 13
Utah	2.78	3.30	+ 0.52	+ 19
Washington	8.54	8.50	- 0.04	- 0
Wycming	1.24	0.40	- 0.84	- 68
Total	65.00	53.28	-11.72	- 18

10/30/34

In increasing the daytime quota, Hampson Gary, head of the Broadcast Division of the Commission, said it was not the intention of the Commission to license additional new daytime stations unless it was absolutely proven that they were needed. However, the Commission authorized the maximum daytime power increased to 5,000 watts.

X X X X X X X X X X

EDUCATIONAL-RELIGIOUS HEARINGS TO BE CONCLUDED

Hearings concluding the educational-religious program sessions will be resumed Wednesday morning, November 7. Among those who have been invited to appear are William Green, President of the American Federation of Labor, and Charles Nockles, Secretary of the Chicago Federation of Labor. Mr. Green has more or less endorsed the present system of broadcasting but the American Federation of Labor has condemned it. Although the laboring people were expected to attend the meeting in full force, none as yet has appeared.

In fact, about half the other witnesses who expressed their intention of appearing failed to show up. Father James Harney, Superior General of the Paulist Fathers, whose protest started the investigation, appeared only long enough to take issue with Judge Rutherford, of the Jehovah's Witnesses sect, in a matter of personal veracity. Father Harney, however, expressed the intention of filing a brief later.

Henry A. Bellows, in charge of the Broadcasters' presentation, will likewise file a brief, but Dr. Tracy F. Tyler said that he had not decided whether he would file a brief or not. Neither had he reached a decision in the question of offering witnesses in rebuttal. Commissioner Hampson Gary, Chairman of the Broadcast Division, announced that all briefs would have to be on file within two weeks after the close of the hearings. It is not believed the hearings will run more than a week or so longer.

The witnesses yet to be heard, in addition to any labor representatives who may appear, are principally those of the Government and Dr. Levering Tyson of the National Committee on Education by Radio.

X X X X X X X X X X

CLEAR CHANNEL DECISION ABOUT 3 WEEKS HENCE

If the Federal Communications Commission completes its hearings shortly as is expected in the so-called "640" case, a decision is expected within the next two or three weeks. Numerous stations have applied for permission to broadcast on the clear frequency of 640 kilocycles now being used by KFI, a 50,000 watt station of Los Angeles.

It is considered more or less a test case for if the stations are allowed to do so, they will break down KFI's clear channel. Clear channels have been broken down before but inasmuch as the new Communications Commission is taking up the subject for the first time, whatever action taken is apt to be a precedent and an indication of future policy.

There is an impression, whether well founded or not, that the Commission may let down the bars on the clear channels and consent to a liberal power increase in the regional stations. Their decision, however, will have to be awaited to determine this definitely.

X X X X X X X X X X

USE RADIO LIBERALLY TO BEAT SINCLAIR

About everything is being adapted to radio in the "beat Sinclair" campaign now in progress. For the final weeks of the campaign every device known to opinion management and the artisans of propaganda is being employed. Lord & Thomas advertising agency is using four radio programs to undermine the Sinclair arguments through subtle arguments put across in the shape of entertainment by professional actors. These are financed by the Republican campaign fund.

"Novelty of the presentations is sure fire and a check of the listening audience shows that a tremendous wedge is being driven in spots where other agencies of promotion have failed to make much more than a superficial dent", Variety reports.

"Show which is creating the most interest is tagged 'Weary and Willie.' Subject treats with two hoboes hopping a freight to California and discussing the good things in store for them in the advent of Sinclair's election. Script is well done and the characters drive home the anti-Sinclair propaganda in a whimsical but straightforward way. Theme is a parody on 'California, Here We Come.' This one is on for a 15-minute swing three times a week.

"In high favor is 'The Bennets', aimed at the family circle and smartly done. Various subjects of a political nature are discussed around the fireside and the appeal is directed

10/30/34

mainly at the women of the household. Intimate touch, is used.

"'Turn of Events', patterned after 'March of Time', is an historical dramatization of events that skirt the political border. This is disguised as entertainment for 15 minutes over KHJ, the CBS outlet.

"Slotted every night on KNX is 'The Political Observer', a supposedly non-partisan view of things politic, but highly tinctured with anti-Sinclair promotion. Current events are mulled pro and con."

X X X X X X X X

CONTENDS RADIO MUSIC SLOWS DOWN SPEEDSTERS

Additional expert opinion that automotive radio tends to reduce driving speed and is a safety factor, is contained in a recent survey. Denying that American youth is "speed crazy", the survey of H. G. Weaver, Director of the Customer Research Staff of General Motors, states:

"The most outstanding point of difference between the young people and the adult group is that an overwhelming majority of the boys and girls want radios in their cars and it was pointed out over and over again that radio equipment makes for slower, safer driving. As one college chap expressed it, 'Even the fastest kind of fox trot doesn't blend nicely with a speed of over 50 miles an hour - and with waltz-time I find myself slowing down to 40 or less.'"

X X X X X X X X

RADIO EXPORTS RISE

An increase in radio exports during both July and August, latest months to be compiled, is reported by the U. S. Department of Commerce. Exports of receiving sets during August totaled 41,047 with a value of \$1,096,674, as against 34,909 sets in July valued at \$1,030,693. Tube exports in August totaled 625,719 valued at \$306,865, and 916,624 tubes at \$469,491 in July. Exports of loud speakers during August were 7,968 units valued at \$22,751, as against 15,270 units in July valued at \$40,270. Exports of radio parts and accessories during August were valued at \$422,901 compared with \$462,966 in July.

X X X X X X X X

10/30/34

DR. STARCH PUTS THE MICROSCOPE ON FOUR COLUMBIA PROGRAMS

Copies of Columbia's study, "Ears and Income" just made under the direction of John J. Karol, Director of Market Research for the Columbia Broadcasting System, are now available.

This study of the actual listening audience of four "selective" programs, is based on data gathered in a nationwide investigation by Dr. Daniel Starch, Consultant in Commercial Research. The four programs, whose approach and appeal, whose talent and tempo, should tend to select a "higher-than-average class" audience, included in this study are the March of Time, the Chesterfield Program, the Philco Radio Program, the Fletcher's Castoria program.

"It is interesting to note that the highest penetration for each of these programs was found in the highest income class", Mr. Karol observes. "In summary, the figures for actual listeners to these four programs are as follows:

	<u>Highest Penetration in Highest Income Levels</u>
Chesterfield Program	76.0%
March of Time	65.9%
Philco Program	70.5%
Fletcher's Castoria Program	55.0%

"I believe the last few pages of this brochure will be found of particular interest. Under the caption, 'Telling How Many People How Many Times', data are presented which reveal that the actual coverage achieved - the cumulative job done - by a specific program, cannot be measured by determining the size of its audience on a single broadcast, but must be expressed in multiples of that audience, which are apparently limited only by the appeal of the program and the cycle of the broadcast.

"The four definite conclusions of this investigation are as follows:

1. Radio programs can be built to attract an audience in upper income levels (all income groups over \$3,000 per year) as readily as in the lower levels.
2. Such programs can command a concentration of listening in upper income levels without sacrificing the broad base of their appeal to homes of average and less-than-average incomes (all incomes under \$3,000 per year).
3. A single network advertiser, with this type of radio program, can penetrate top income levels most deeply, bottom income levels least deeply, and score increasing penetration in each ascending income level.

4. Even with a "selective" program keyed to a selective audience, it is possible for an advertiser, in a few months of CBS broadcasting ...

to reach 2 out of 3 of all radio homes in all income levels, 36,000,000 listeners (while he reaches 3 out of 4 of all radio homes in the upper income levels)."

Three more conclusions presented separately and a little less boldly, because the measurement of "repetition" (intrinsic to these findings) was based on less complete data.

1. A single advertiser, reaching a total audience of 36,000,000 actual listeners (in less than four months of broadcasting on the Columbia Network), reached them an average of 10 times each.
2. Another advertiser (with a smaller CBS hook-up and a longer cycle of broadcasting) reached an audience of 30,000,000 actual listeners an average of over 70 times each.
3. The actual coverage achieved - the cumulative job done - by a specific program cannot be measured by determining the size of its audience on a single broadcast - but must be expressed in multiples of that audience, which are apparently limited only by the appeal of the program and the cycle of the broadcasting.

According to the paragraph "Telling How Many People How Many Times" referred to by Mr. Karol, "The Chesterfield Radio Program was found to have reached 69% of all radio homes. That's over 12,000,000 homes - over 36,000,000 listeners, representing the total audience reached by the Chesterfield Program up to July, 1934 (45 broadcasts)."

"Less simple - even more arresting - is the corresponding story on the Philco Program. Here, for the second factor, the size of the audience on a single broadcast - we have data supplied by Sayre M. Ramsdell, Sales Promotion Manager of the Philco Radio and Television Company. He reports, from studies made over a wide area, that 27% of the sets in use between 7:45 and 8:00 P.M. (the period of Boake Carter's broadcasts) were tuned to the Philco news program.

"Applying this figure to the number of radio sets in use at that hour, and in the zones covered by the Philco hook-up, it nets down to 2,000,000 radio homes, or 6,000,000 listeners per broadcast. Dr. Starch's measurement of Philco's cumulative audience through June of 1934 showed that it had then reached 65% of all radio homes within its broadcast area - about 30,000,000 listeners."

X X X X X X X X

(AN ADD TO PREVIOUS STORY "CLEAR CHANNEL DECISION ABOUT THREE WEEKS HENCE" - in Re: Petition of Broadcast Station KFI, et al, decision which follows having just been handed down late today, October 30, 1934)

"The licenses of certain clear channel stations petitioned the Commission for an investigation of the service rendered on clear channels and a restatement of the regulations regarding them. The Broadcast Division has decided to conduct a thorough survey of the broadcast structure both as to results of allocation on clear channels and on channels to which more than one station is assigned to operate simultaneously at night. This survey will be made for the purpose of determining the service available to the people of the United States and the type of station that the listeners in rural areas are dependent upon for their service. The degree of interference or impairment of service caused by duplication of certain high power stations is to be investigated, as well as the possibility of providing additional high power stations without reducing the service to the listening public from existing stations.

"The cooperation of the licensees of all broadcast stations is requested in making this survey. All licensees volunteering their field intensity equipment and personnel to make the observations and measurements should notify the Commission of the facilities which they are willing to place under the direction of the Commission for conducting the survey. The extent and scope of the survey will to some extent depend on the facilities that are made available.

"An informal conference will be held at the office of the Commission in Washington on November 9, 1934, for the purpose of determining definitely the details of the survey and prorating the assignments to the licensees volunteering their facilities. This survey will be made under the strict supervision of the Commission and the measuring facilities of any station accepted will not be limited to measurements on the licensee's station alone, but will be assigned other territories.

"This is the survey generally requested in Proposal numbered (1) by the petitioners.

"The proposal numbered (2) is dependent entirely upon the survey to be made and need not be considered further. It is obvious that if the information and data secured from the survey indicate that new or amended regulations should be promulgated, they will be considered by the Division later.

"The Proposal numbered (3) of the petition, if granted, would preclude the Division from taking any other or further action with respect to duplicate nighttime operation on clear channels. It is considered that to grant this proposal would violate the spirit of the law. Therefore, Proposal numbered (3) must be and is denied."

X X X X X X X X

INDUSTRY NOTES

Manufacturers and users of lead-acid storage batteries will be interested to learn of the recent completion by the electro-chemistry section of the National Bureau of Standards of measurements on the resistivity of sulphuric acid solutions in the range from + 86° to -40°F.

Radio announcers, who have contested among themselves for the American Academy of Arts and Letters annual medal for good diction on the air for the past five years, now have an additional annual award to inspire their efforts.

The advertising agency of Batten, Barton, Durstine and Osborn has just announced "The B. B. D. O. Cup for Good Announcing", which will be awarded each year among the network announcers whose programs are audible in New York City. The first cup will be awarded shortly after January 1, 1935.

The dedication of the newest modern broadcasting studio of America's pioneer radio station will take place over an NBC-WJZ network on Friday, November 2, at 12 o'clock midnight EST.

KDKA, of Pittsburgh, will celebrate on that date the fourteenth anniversary of its first broadcast by opening its new and completely up-to-date studios and offices in the Grant Building in Pittsburgh's business center.

A Washington dispatch in The New York Times of Oct. 9 reported that the Supreme Court had declined to review certain decisions involving motion picture companies using the General Electric and R.C.A. system of sound recording on film. This was an error. The suits involved the Electric Research Products, Inc., and the R.C.A. The former is a subsidiary of the Western Electric.

The American Broadcasting System will join with State and local officials in presenting a gala program to welcome the new high fidelity station in Waterbury, Conn., to the ABS network on Friday, Nov. 2. The entire program will be heard at 8:45 P.M. EST. Addresses will be made by U. S. Senator Frederick Walcott and Governor Wilbur I. Cross, of Connecticut, and Mr. Pape.

The Waterbury American and The Republican, published by William J. Pape, own and will operate the station which has been assigned the temporary identification WLXBS. It is one of the first stations required by the Federal Communications Commission to transmit a high fidelity signal. It will also utilize directional antenna, another recent radio development.

APPLICATIONS GRANTED BY BROADCAST DIVISION

October 30 - KWK, Thomas Patrick, Inc., St. Louis, Mo., license to cover C.P., 1350 kc., 1 KW night, 2½ KW LS, unlimited time; UCNW, Arthur Faske, Brooklyn, N. Y., modification of C.P. to move transmitter and studio locally in Brooklyn, and extend commencement date to at once and completion date to 30 days from this date; WJR, WJR, The Goodwill Station, Detroit, Mich., license to cover C.P. covering move of transmitter and change in equipment, 750 kc., 10 KW, unlimited; WLNH, The Northern Broadcasting Co., Laconia, N. H., license to cover C.P. 1310 kc., 100 watts, daytime; KSLM, Oregon Radio, Inc., Salem, Ore., license covering new station; 1370 kc., 100 watts, daytime.

Also, WBBZ, Chas. Lewis Garrell, deceased, represented by Howard Johnson, Ponca City, Okla., license covering local move of transmitter and studio, 1200 kc., 100 watts, unlimited time; KWCR, Cedar Rapids Broadcast Co., Cedar Rapids, Ia., license covering change in frequency from 1420 to 1430 kc. and increase in power to 250 watts night, 500 watts LS, unlimited time; KGBZ, KGBZ Broadcasting Co., York, Neb., license covering changes in equipment and increase in power from 500 watts night, 1 KW LS, to 1 KW night, 2½ KW LS, shares KMA; WSMK, Stanley M. Krohn, Jr., Dayton, Ohio, consent to voluntary assignment of license to WSMK, Inc.

Miscellaneous

KMLB, Liner's Broadcasting Station, Inc., Monroe, La., granted petition to take depositions in support of its application for change in frequency and increase in power to be heard Nov. 13, 1934, at Washington, D. C.; WTJS, The Sun Publishing Co., Jackson, Tenn., hearing scheduled for Nov. 12, 1934, continued for an indefinite period; WNBR, Memphis Broadcasting Co., Memphis, Tenn. (same as for WTJS); WTMJ, Milwaukee Journal, Milwaukee, Wis., reconsidered and granted request for an increase in daytime power from 2½ KW to 5 KW, no change in night power which remains at 1 KW; WMBH, Joplin Broadcasting Co., Joplin, Mo., reconsidered and granted modification of license to change hours of operation from specified to unlimited, upon motion of Commissioner Brown.

Also, WBAA, Purdue University, W. Lafayette, Ind., reaffirmed grant of June 29, 1934, for modification of license changing frequency from 1400 kc. to 890 kc., and increasing day power to 1 KW-LS, following withdrawal of the protest of Station WILL; WKBF, Indiana Broadcasting, Inc., Indianapolis, Ind., reaffirmed action of June 29, 1934, granting unlimited time; WEBR, Howell Broadcasting Co., Buffalo, N. Y., redesignated for hearing amended application for C.P. to authorize change in frequency to 800 kc., increase in power to 1 KW, and reduce hours of operation from unlimited to sunset at Dallas, Texas, and to install new equipment; WALR, WALR Broadcasting Corp., Zanesville, Ohio, suspended grant made Oct. 12, 1934, for removal of Station WALR from Zanesville to Toledo, to operate on 1210 kc., 100 watts, because of the protest of Station WHBU, Anderson, Ind. An application for removal was designated for hearing.

X X X X X X X X