

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

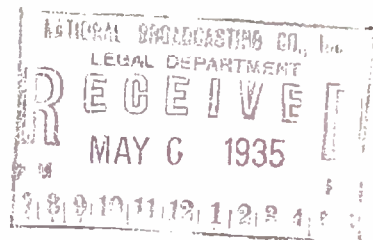
WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 822



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PARTIAL CENSUS INDICATES BROADCASTING BUSINESS LARGE

Although not complete (18 States and the District of Columbia having been left out), a survey of the broadcasting industry taken in connection with the survey of Services, Amusements and Hotels in connection with the Census of American Business, the results show that it is reaching large proportions. The year's receipts of the 251 broadcasting stations in 30 States is \$12,322,000. In these States there are a total of 2,751 full-time employees not including artists paid by sponsors and the operating expenses, \$11,456,000.

The Census for the motion picture industry is complete for all States, showing 9,499 picture theatres; \$356,316,000 receipts; 54,030 employees and \$352,152,000 operating expenses.

A breakdown of the broadcasting figures is as follows:

<u>State</u>	<u>Number of Stations</u>	<u>Year's Receipts</u>	<u>Full-Time Employees</u>	<u>Operating Expenses including Pay-roll</u>
Alabama	6	\$ 191,000	73	\$ 185,000
Arizona	4	131,000	27	119,000
Colorado	10	312,000	59	236,000
Florida	4	123,000	38	132,000
Georgia	10	242,000	85	217,000
Idaho	4	66,000	23	62,000
Illinois	21	1,800,000	288	1,673,000
Indiana	7	223,000	79	240,000
Iowa	8	593,000	102	584,000
Kansas	6	160,000	79	251,000
Louisiana	8	311,000	78	264,000
Maryland	6	487,000	94	396,000
Michigan	11	906,000	157	763,000
Minnesota	6	664,000	110	634,000
Mississippi	3	66,000	17	76,000
Missouri	13	1,093,000	250	1,014,000
Montana	5	126,000	28	124,000
Nebraska	10	325,000	109	282,000
North Carolina	7	252,000	76	277,000
North Dakota	6	165,000	33	166,000
Oklahoma	4	155,000	31	126,000
Oregon	9	414,000	95	328,000
South Carolina	4	72,000	30	84,000
South Dakota	4	40,000	14	31,000

<u>State</u>	<u>Number of Stations</u>	<u>Year's Receipts</u>	<u>Full-Time Employees</u>	<u>Operating Expenses including Pay-roll</u>
Tennessee	11	601,000	113	527,000
Texas	29	862,000	215	794,000
Utah	3	280,000	49	260,000
Virginia	7	267,000	75	277,000
Washington	12	646,000	160	539,000
Wisconsin	13	749,000	164	795,000
	251	\$12,322,000	2,751	\$11,456,000

Commercial broadcasting stations engaged principally in the transmission of programs for public entertainment, usually for purposes of advertising are the only stations included. Employees of broadcasting stations do not include artists paid by sponsors of programs. Receipts of stations include income derived from the sale of time of artists carried on the station's payroll.

The Census revealed statistics heretofore unknown with regard to the radio repairing and servicing business. According to the summary, there are in the United States - 4,501 radio repair shops, not including dealers in radios; annual receipts \$6,145,000; 650 full-time employees and 395 part-time employees. The total operating expenses, including pay-roll, for the radio repair shops is \$2,904,000.

This is the first census of amusement, services and hotels ever taken in the United States.

The classification "service establishments", as used in the report, includes places of business performing personal services for the public, such as barber shops, beauty parlors; shoe shine parlors, hand laundries and similar establishments; services such as credit and collection agencies; cartage and trucking, mechanical repair, such as automobile top and body repair shops; jewelry repair; blacksmith shops and miscellaneous services, such as window cleaning, storage garages, parking lots, etc.

This is the first of a series of four volumes in connection with the Census of American Business for 1933. The three additional volumes will be issued just as rapidly as published and it is expected to complete the work during the current month. Volume 2 is the first released and Volume 1 will be the last published as it will contain the United States Summary by kinds of business and by States.

Copies of Volume 2 "Services, Amusements and Hotels, Census of American Business", may be procured free of charge by addressing the Bureau of the Census, Washington, D. C.

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EDUCATIONAL-COMMERCIAL BROADCASTERS TO FACE EACH OTHER

What, if any, tangible results may be brought about by the forthcoming meeting Wednesday, May 15th, between the commercial broadcasters and the educational broadcasters, is a matter of conjecture. Thus far the commercial broadcasters seem to take the meeting more seriously than the educators, one of whom was heard to remark that the conference was "a lot of hot air and would not be of much value." Regardless of what the educators may or may not be doing, the commercial broadcasters will present a united front.

The National Association of Broadcasters will be represented by J. T. Ward, of Station WLAC, Nashville, President of the Association, and Philip Loucks, Managing Director. The National Broadcasting Company by M. H. Aylesworth, President, Frank Dunham, Educational Director, and Frank M. Russell, Vice-President; and Columbia Broadcasting System by William S. Paley, President; Frederick Willis, Assistant to the President, and Harry C. Butcher, Columbia's Washington representative. A large number of individual broadcasting stations will likewise be represented.

The National Committee on Education by Radio will have in its delegation Vice-Chairman of the Committee, President A. G. Crane, of the University of Wyoming; Armstrong Perry, and Dr. Tracy Tyler. The National Advisory Council on Radio in Education will be represented by Levering Tyson, of New York. Father Harney, Superior General of the Paulist Fathers, of Station WLWL, New York, who was directly the cause of the conference being called, will likewise be in attendance.

The Ohio Radio Education Association, the American Association for Adult Education, American Medical Association, the International Radio Program Bureau of Education, Massachusetts State Department of Education, Chicago University, American Vocational Association, Kansas State College of Agriculture, University of Wisconsin, Ohio State University, University of Minnesota, University of Florida, National Institute of Public Affairs, American Civil Liberties Union, and the Chicago Civic Broadcast Bureau are among those who have expressed an intention to have representatives present.

It is expected that the conference will mark a closer working relationship between the Federal Communications Commission and the United States Office of Education. John W. Studebaker, Commissioner of Education, will take an active part in the proceedings, and the office will also be represented by Dr. Cline Koon, Senior Specialist in Education by Radio, and W. D. Boutwell, Chief of the Editorial Division.

Judge E. O. Sykes, head of the Broadcasting Division, will preside at the hearings, which will also be attended by Anning S. Prall, Chairman of the Commission, who was formerly President of the Board of Education of New York City. It is expected that about 150 to 500 delegates will be present and that the meetings may last two or three days, and as a result a representative committee will be appointed, composed of commercial broadcasters, educators, along with Government officials, to make recommendations to be acted upon at a later date.

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DECRIES POLITICAL DOMINATION OF BROADCASTING

The sooner the American people realize the perils in the present political domination of broadcasting, David Lawrence declares in an editorial in The United States News, "Freedom of the Air", the quicker will America be saved from the most dangerous form of exploitation it has ever faced - exploitation by the politicians.

The following are excerpts from the editorial which occupied an entire page in the News and attracted considerable attention inasmuch as it appeared while the Chamber of Commerce of the United States was in Washington.

"To understand the problem and many of its implications it is necessary merely to point out that every radio station is licensed with a permit which may or may not be renewed every six months, according as a Federal Commission of political appointees may decide what is meant by five words in the Radio Act, namely, 'public interest, convenience or necessity.'

"Does a broadcasting station satisfy the whims of a Federal tribunal? If so, it keeps its license. Does it become the coveted object of some rival interest in a given community with the proper amount of political pull and influence at Washington? It then loses its license or its 'clear channel' to one of the competing beneficiaries of this rule of special privilege."

"It is important, indeed it is vital, for the NBC and the CBS to remain on terms of almost excessive friendliness with the party in power in Washington, and to some extent with the minority party because some day the minority may become the majority.

"The whole concept of the broadcasting companies as to their obligation is political. Their policies are made with an eye to the political damage that might ensue or the political benefit that might accrue.

"Hence there is a rule that no speaker may appear on their networks for a regular series of broadcasts if his addresses

are in any way critical of the national administration at Washington. Almost the first question asked by the director of programs about a projected program on public affairs is: 'Will it be anti-Administration?'

"There have been published in the newspapers plenty of statements and interviews with prominent persons on current problems which the broadcasting companies could have presented had they dared. They cannot convincingly plead lack of space. They could have set aside time for a limited amount of opposition. They could have transmitted criticism if they so desired. But the bugaboo of a Federal Communications Commission prevented them from being alertly or aggressively impartial.

"Under the present law, the Commission is supposed to follow 'an equitable distribution' of wave lengths. The quota system by States has been applied. There is nothing, however, in the law to prevent the Commission from reallocating all wave lengths on a county basis or from using the political gerrymander idea in any other form to exclude stations which fall under the ban for one reason or another."

"When a governmental commission has the power of life and death over a radio station or a network, it is natural that intimidation should develop in most insidious forms.

"The broadcasting companies vehemently deny any prejudice or any favoritism toward the present Administration. They argue that they have been willing to offer their facilities to the 'opposition' any time but that for many months the Republicans were tongue-tied and, of course, didn't want to say anything against the Roosevelt Administration.

"This is rather surprising in view of the many speeches in the 'Congressional Record' and in the press in 1933 and 1934 taking issue with many aspects of Administration policy."

"Constructive criticism is the foundation of free government. The American press throughout our history has been the defender of American constitutionalism and American principles of fair play. The newspapers have not shown any hesitancy to publish material regularly which pointed out the unsoundness of certain of the Administration's economic policies.

"This was because they could assert themselves under the protection of the freedom-of-the-press clause of the Federal Constitution. They fought against being licensed under the NRA when they saw what was happening to radio broadcasting. The radio has the same constitutional protection if the broadcasting stations will acquire the same courage to assert their rights.

"The newspapers open their news columns to anybody with interesting material and their advertising columns to anybody who wishes to buy space for the presentation of a controversial viewpoint or for the sale of merchandise.

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"The broadcasting companies, however, permit the purchase of time to sell laxatives but not to present ideas on public affairs. Their objection is ostensibly to 'propaganda.' But the effect of their rule is to deprive investors and owners of properties of an opportunity to obtain ample radio time to protect their investments from spoliation by political racketeers and demagogues. The broadcasting companies overlook the fact that they are not only refusing facilities to businesses affected by destructive legislation but they are furnishing free time on the air regularly and in abundance to the wrecking crews in government who are undermining our whole economic system.

"All this is because the licensing system is a cancer which eats into the judgment of the broadcasting companies and the stations.

"The President of the United States appoints the members of the Federal Communications Commission. He can remove them at will without cause. Nevertheless, to free itself from suspicion of White House domination, the Commission ought to issue licenses for three years instead of six months. This can be done by the Commission under the present law whenever it wishes to exercise that discretion.

"The power of intimidation, of course, will not be completely removed until the Congress specifies in the law the exact technical grounds on which licenses may not be renewed and also makes the facts as well as the decisions reviewable by Federal courts.

"This is the great crusade which radio has ahead of it. And the press should enlist in it with a spirit of patriotic comradeship.

"For while control of the radio may be thought by the present Administration to be essential to the perpetuation of a party in power, it will lead ultimately to a public reaction. 'Freedom of the air' may, indeed, become some day an issue at the polls.

"If the truth is suppressed a free people cannot exercise their independent judgment.

"A radio broadcasting situation, untrammelled by Federal bureaucracy, is the biggest single need of America in its hour of crisis."

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SIX ENGINEERS APPOINTED FOR TELEPHONE INVESTIGATION

Manfred K. Toeppen, of Lansing, Mich., George S. Macomber, of New York City; William H. Schlasman, of Reading, Pa., Harold G. Tufty, of Evanston, Ill.; Barry T. Benson, of Sherman, Texas, and George B. Donohue, of Milwaukee, Wisconsin, have been appointed to the Federal Communications Commission as engineers for the telephone investigation.

Mr. Toeppen is a graduate of Washington University, St. Louis, Mo. At present he is Chief Consulting Engineer, Michigan Public Utilities Commission. He has recently been engaged in handling the investigation of the Michigan Bell Telephone Company before the Public Utilities Commission.

George S. Macomber graduated from Cornell University in 1900, doing graduate work at Cornell, Johns Hopkins and Columbia. He comes to the FCC from the New York State Public Service Commission.

William H. Schlasman graduated from Lehigh University M.E. in 1920, and from Yale, M.S. in E.E. in 1926. Engineer Long Lines Department, A.T. & T., Vitaphone Corp., and Electrical Research Products, Inc.

Harold G. Tufty graduated from University of Wisconsin. He served as engineer with various manufacturing and utility companies.

Barry T. Benson attended Presbyterian Memorial College, Leonard, Texas, and served in various engineering capacities with a number of telephone and telegraph companies for the past 20 years including both the Western Union and Postal Telegraph

George B. Donohue graduated from Marquette University. He served in various engineering capacities with Western Electric Company for the past eleven years.

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HEARINGS ON SENATE COPYRIGHT BILL STILL UNDECIDED

There will be another meeting of the Senate Patents Committee, of which Senator McAdoo, of California, is Chairman, Wednesday, May 8th, at which time a decision is expected to be reached as to whether or not hearings will be held on the Copyright Bill introduced by Senator Duffy, of Wisconsin.

It was reported that the Senators seemed to be in agreement with regard to a favorable recommendation of the bill but they allowed the question about the hearings to go over until the next meeting.

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HEARST SUES TO GET WASHINGTON STATION

The administrators of the estate of M. A. Leese, Loraine Leese Good, Martin Norman Leese and Earl William Leese, together with his widow, Fannie I. Leese, were made the defendants in a suit for specific performance of contract brought against them in the District of Columbia Supreme Court by Hearst Radio, Inc., in connection with an offer to buy Station WMAL.

The bill of complaint, which was filed, cites an alleged contract for the sale of the capital stock of the M. A. Leese Radio Corporation to Hearst Radio, Inc. According to the bill, the alleged contract was signed on or about January 12, 1935, by the three administrators of the estate and by T. J. White, President of Hearst Radio, Inc.

Mr. M. A. Leese, who founded the station and whose call letters carry his initials, died in 1933. A pioneer in radio, Mr. Leese established the first locally owned broadcasting station. The Washington Post and the Washington Star are also reported to be bidders for the station. The National Broadcasting Company at present operates WMAL.

Messrs. Littlepage and Littlepage are counsel for the Leese estate.

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SHOW-DOWN ON TRANSCRIPTION ANNOUNCEMENTS EXPECTED

A troublesome question will no doubt have a thorough airing on Thursday, June 20th, when the Federal Communications Commission will hold a hearing which may result in a revision of the present regulations on which electrical transcription programs shall be announced. Transcription producers and many broadcasters feel that the descriptive phrase now required by regulation, namely, "This is an electrical transcription", or "This is a mechanical reproduction" should be eliminated.

The American Federation of Musicians, who have a grievance against mechanical music or records, contend that the electrical transcriptions should be announced as such and that the public should be continually advised that they are not listening to "live talent." Under the present regulations a transcription must be announced before it is presented and at 15 minute intervals whereas "live programs" are only required to be announced every half-hour.

The hearing next month will be held as the result of a petition by the World Broadcasting System, of New York, one of the leaders in the transcription industry, and it is expected that the entire question will be thrashed out.

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HEARING ON BIG RELIGIOUS STATION SHIFT SOON

A hearing has been set for Thursday, June 27th, on the application made by Rev. J. B. Harney, Superior General of the Paulist Fathers, and owners of Station WLWL, in New York City, to change that station's frequency and to broadcast full time on the same frequency as Station WWL, Loyola University, at New Orleans. If the application of Father Harney is granted, it will bring about one of the biggest shifts in radio stations in recent years. At the present time, the Paulist Fathers' station is limited to a few hours' broadcasting each day on the same frequency with WPG, Atlantic City, having been unsuccessful in a bitter fight to secure more time. Likewise, if the application is granted, it will mean the breaking down of several clear channels and possibly the increase of power of both the Catholic stations probably to 50,000 watts in the near future.

The stations involved in the general shift if the Catholic application is approved, are as follows:

WLWL, New York City, now on 1100 kc. and WWL, New Orleans, at present using 850 kc., would both go to 810 kc., on which frequency they would broadcast simultaneously and with unlimited time; WCCO, Minneapolis, Minn., would be changed from 810 to 800 kc.; WFAA, Dallas, Texas, and WBAP, Fort Worth, Texas, which are now sharing a frequency of 800 kc. would go to 850 kc.; WNYC, of New York City would be changed from 810 to 1130 kc.; WOV, New York City on 1130 kc. would stay on the same channel but would share time with WNYC; and finally, WPG, of Atlantic City, would be accorded full time on 1100 kc.

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ENGINEERS FAIL TO AGREE UPON MODULATION INDICATORS

Although a second meeting of engineers was held in New York to consider the subject of modulation indicators for use by broadcasting stations, nothing was decided.

Dr. C. B. Jolliffe, Chief Engineer of the Federal Communications Commission, who attended the meeting, and who also was present at the first meeting in Washington, said there would be further conferences on the subject.

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FCC RESTRICTS LAWYERS PRACTICING BEFORE IT

The Federal Communications Commission has voted to bar from legal practice before it anyone serving in the Commission until two years shall have elapsed after his separation from Government service.

The rule, adopted without a dissenting vote, would restrict the procedure by which lawyers in the Government service subsequently step out into private practice before agencies of which they have obtained expert knowledge. The rule was enacted at the instance of Commissioner George Henry Payne, who said it had the endorsement of leading lawyers of the country and was in harmony with the movement of Bar Associations to bring about such reform in all departments of the Government.

Among those Mr. Payne cited as endorsing the rule were John W. Davis, Newton D. Baker, William D. Guthrie, Felix Frankfurter and heads of many State Bar Associations.

When the Communications Commissioners were up for confirmation, Senator Wheeler, of Montana, Chairman of the Interstate Commerce Committee, sharply criticized what he characterized as members of the staff of the Federal Radio Commission, and afterwards the Communications Commission, resigning and subsequently reappearing before those bodies representing various radio broadcasting stations.

Senator Wheeler inquired of Judge Sykes how many employees of the Radio Commission had stepped out but returned to represent broadcasting stations. Commissioner Sykes replied that there were quite a number, six or eight, he imagined. Senator Wheeler asked how many Commissioners had done the same thing. Judge Sykes said that as far as he knew Judge Robinson was the only member of the Commission who had afterwards engaged in law practice before that body. To this Senator Wheeler retorted:

"It is my recollection, although I may be wrong about it, that almost every time anybody ceased to occupy a position on or with the Federal Radio Commission, he immediately turned up as the representative of some of the broadcasting companies, and that then those people would represent them a while and would be put back on the Federal Radio Commission again."

"Here are people who have been on the Federal Radio Commission, and when they leave they immediately go to work for some of these broadcasting companies, and then is it proper for them to come back with the Federal Communications Commission? My own view about the matter is that it is not a very good precedent to set."

"One of the things that caused scandals during the administration of the income tax was this - that during the early days of income tax, attorneys who were in the Income Tax Division

immediately stepped out of that Division and began representing in private practice a lot of very wealthy clients, getting rebates, and one of the charges was that they got those rebates allowed, to some extent at least, because of the fact that they left their own friends and their own appointees in the Income Tax Division. Now, it does seem to me that it is extremely bad practice, to say the least, for a man to step out of the Federal Radio Commission and then go up there before it and appear for private clients. I think, as a matter of fact, we ought to pass a law saying that anybody who is a member of the Commission, or who is an attorney for the Commission, should be prohibited from appearing before the Commission for at least a certain definite period of time. I think we have a law upon the statute books relating to some of these commission but I do not know whether it is broad enough to cover a case of this kind, as to this Commission. But we ought to have such a law as to all these Government commissions."

"In other words, you do not believe that a man should get the confidence of a department of the Government and then use that confidence for the purpose of private practice?" Senator Dieterich, of Illinois, inquired.

"No. That is exactly what has occurred in the Income Tax Division and in various other departments. They go to the department and get the confidence of the employees and get the inside working of the department."

"And they use the information that they have familiarized themselves with on Government time", said Senator Dieterich.

"Surely", Senator Wheeler replied. "Then they go out and receive large salaries representing private individuals. They receive large fees that they would not be able to get in any other way in the world excepting for their supposed influence with employees and others in the Commission. It ought to be stopped, and it will have to stop."

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FORENSICS DIRECTOR APPOINTED WALKER'S SECRETARY

Walter B. Emery, of Norman, Okla., Director of Forensics at the University of Oklahoma since 1929, has secured a leave of absence for the Summer from his duties at the University to assume the duties of Secretary to Commissioner Paul A. Walker, Chairman of the Telephone Division. He will take over the work of John J. Hassler, who was recently appointed as Executive Assistant to the Assistant Engineer in charge of Telephones.

Mr. Emery was born at Howe, Okla., in 1907. He is a graduate of the Shawnee, Okla., High School; of the Oklahoma Baptist University, A.B. 1929; of the School of Law of the University of Oklahoma, L.L.B., 1934, and has done graduate work in government and political science.

Mr. Emery's duties at the University of Oklahoma have included the direction of Station WNAD at the University.

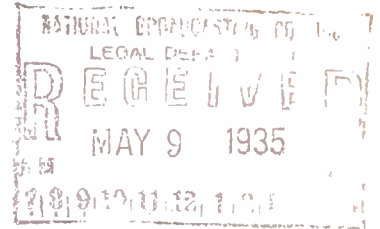
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PRALL BELIEVES SCHOOLS WILL USE RADIO MORE AND MORE

An increasingly greater use of radio in the schools and universities of the country was predicted by Anning S. Prall, Chairman of the Federal Communications Commission, addressing the Fifth Annual Assembly of the Council on Radio in Education and the Sixth Annual Ohio Radio Education Institute, at Columbus.

"Fortunately there has come to us, as if to meet the broader need of education, a voice vibrant with the personality of the living teacher, the voice of radio", Chairman Prall said. "It speaks to all: to the mother busy with her household tasks; to the worker pausing for his noon-day meal; to the young, to the old; to the solitary recluse, to the family circle; to the rich; to the poor; to the scholar, to the unlettered; in remote mountain hamlet, in crowded city tenement; everywhere radio sends alike its friendly human greeting.

"I would compare it, in its educational influence, with the press, but the press falls far short in universality of circulation, it lacks the directness of appeal; the press depends upon the printed symbol and falls short in the variety of radio's avenues of expression. Whatever the human interests may be, be they civic, political, religious, social, musical, dramatic, literary, current news, sports - everywhere radio brings us relaxation, growth, enrichment, recreation in the best sense of the term. It enlarges our circle of acquaintances to include the President himself; it broadens our sympathy for fellow citizens in remote parts of our country; it enlightens our understanding of important public questions and clarifies our thinking in relation to them; it is an immediate aid in helping us reach decisions."

Mr. Prall said that if such is the magnificent educational service of radio to a nation out of school, radio promises almost equally significant aid to the school itself in its search for those larger modern citizenship objectives. Quite generally throughout our country the school is trying to break away from its over-emphasis of the traditional three R's.

"It is accepting more and more as its legitimate responsibility the so-called cardinal objectives concerned with health, worthy use of leisure time, vocational guidance, worthy home and community membership, increased emphasis on the creative arts. Scan the daily programs of our broadcasting stations and see how closely these cardinal school objectives are paralleled by the numbers broadcast over the radio. Many a radio program

reads like a page from the curriculum of a progressive school. This should not surprise us, for the school and radio as institutions have much in common. Both must need study their clientele, must know and appeal to their interests; both build success upon activity and personality; both seek vital life relationships; both are at their best when they pulsate with human interest.

"I would not have you infer that I exalt the radio above the school, for, after all, education is much more than a listening process. But there are times when appreciative and discriminating listening is appropriate even within school hours. Since radio can afford to put on the air only the ablest talent and outstanding authorities, we have the assurance of something worth listening to. The school does well to tune in directly; it is doing so more and more. Many a teacher will tell you that in this way her pupils have learned to love good music, have become interested in important civic questions and current news items, and have later discussed them with profit."

Chairman Prall remarked that there are those who show concern because the schools have not made more general use, during school time, of the truly remarkable educational opportunities so generously provided.

"I would assure them that it is not a matter of pure obstinacy on the part of school people, of failure to know and to appreciate. School curricula and time schedules are not yet sufficiently flexible to permit the ready and easy use of radio programs. That so many schools have surmounted these obstacles is a tribute not only to an appreciation of the high quality of the service, but also to the ingenuity of school administrators. My experience with schoolmen over a long period of years convinces me that they do genuinely appreciate the value of educational radio service within school hours and that they will increasingly find the way to secure for their students those great radio influences that make for better human relationships, that give the school greater relevancy to life outside, and that contribute toward an enriched curriculum. For the excellent quality of the educational programs and for the very helpful manuals provided by our broadcasters, the schools are deeply grateful.

"But whether the school tunes in or not, it still has the fundamental obligation of recognizing radio as an important recreational and educational factor in the out-of-school life of the pupil. The modern teacher uses these outside radio contacts as dynamic factors in the classroom proceedings. Songs, chorals, instrumental and orchestral music, current news items, civic discussions, dramatic moments in history, journeys in geography, drama, literature, science, and a thousand and one matters of human interest relate themselves quite naturally to the activities of the modern class-room. Interesting student reports and fruitful discussions arise from them. The wise teacher uses them as the basis for developing standards of taste in listening to the best in radio offerings."

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Mr. Prall said at the Educational Conference arranged by the Federal Communications Commission, to begin in Washington on May 15th next, divergent views for harnessing education with radio will be presented for consideration.

"Let us do our share to bring to a successful conclusion the work of this conference", the speaker concluded. "It is very apparent to me that educational groups anxious to support a practical plan, having the sympathetic cooperation of the broadcasting industry - plus the full and complete backing of the governmental agency which I represent today, cannot fail in this effort to offer the people of our country a real demonstration of education by radio by means simple, certain, and successful."

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NO~~W~~ NEWSPAPER-RADIO STATION BILL THIS SESSION

Although he said that he had by no means changed his mind on the subject, Senator Wheeler, of Montana, Chairman of the Interstate Commerce Committee, has intimated that he would not introduce a bill this session designed to prevent newspapers from owning broadcasting stations. Senator Wheeler declared that it was monopolistic and not in the public interest for a newspaper to own a broadcasting station, and that, in his opinion, the two should be operated by separate ownership.

It was the Senator's intention to write this into a bill to be introduced into the Senate this session but so many other things have come up that he believes his newspaper-radio bill will have to go over for awhile.

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KING GEORGE A RADIO ENTHUSIAST

In connection with the Jubilee, reports from England are to the effect that King George is quite enthusiastic on the subject of radio. Perhaps this is due to his success at the microphone. It seems, though, he has been interested in the subject of wireless almost from its beginning and was among the first in London to own a crystal set.

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U.P.-HEARST MOVE JEOPARDIZES PRESS-RADIO

Concessions made by the United Press and the International News Service, the Hearst organization, with regard to broadcasting their news were seen to seriously affect the status of the present Press-Radio Bureau. Their move, however, was not entirely unexpected inasmuch as these press associations stated, at the American Newspaper Publishers' Association meeting in New York recently, that "in principle, they were opposed to the sale of news for radio sponsorship as a source of revenue, and that such news would be sold only for sponsorship when competitive broadcasting of news warranted such action."

The action taken by the press association was for the purpose of meeting the competition of the Trans-Radio press service, organized solely for the intention of supplying radio stations with news, and now reported to be serving close to 200 stations.

The Associated Press is reported by Editor & Publisher as about ready to follow the lead of the United Press and the International News if efforts to arrive at a more comprehensive Press-Radio agreement embracing all three news services are not worked out.

"The consensus among interested parties is that under the announcements by United Press and International News Service that their news will be available for advertising sponsorship (a situation which the original Press-Radio agreements was designed to discourage) chaos surpassing pre-Press-Radio day prevails."

The new United Press policy allows four 15-minute broadcasts, with credit to the U.P. and the newspaper, authorized newspapers, owning or affiliated with radio stations to use U.P. news in their own city during hours for which the report is bought, at a rate approximately 15 per cent of the basic charge. "There may be no commercial sponsorship unless special arrangements are made between the publisher and the United Press."

Hugh Baillie, President of the United Press, said:

"After more than a year it has been found that the Press-Radio agreement cannot control news broadcasting to the extent originally intended.

"This is due to the fact that many radio stations are not cooperating with the committee. Some of these radio stations are owned by newspapers.

"Furthermore, the restrictions on news broadcasting have brought an entirely new factor into the situation, namely, the radio news agencies.

"Many stations - including quite a number owned by newspapers - are buying news from these agencies and broadcasting it as they please, regardless of the regulations of the Press-Radio Committee.

Therefore, we have relaxed the restrictions on United Press clients so as to make it possible for them to meet their broadcast requirements without having to go out and buy a non-newspaper news service for that purpose.

"It should be understood, of course, that the Press-Radio Bureaus are continuing and that the United Press as well as the other associations, is furnishing its news report to the Bureau so that all radio stations which desire to obtain its service may do so, the same as heretofore."

"The broadcasters will not fall for this maneuvering which is actuated solely by greed", Herbert Moore, head of Trans-Radio said, adding, "that the stations would realize that Press-Radio had been continued for a year so that if Trans-Radio could be forced out of the picture, the association would have a plan of operation to go into." From his experience in selling Trans-Radio service, Mr. Moore said that broadcasters don't want a free news service, no matter how good unless it can be sold for sponsorship.

"Chaos may be an extreme word to apply to the confusion of acts and motives that this past week developed from the report of the A.N.P.A. radio committee, permitting the sale of news to radio stations, under certain conditions, by the United Press and International News Service", Editor and Publisher said editorially. "It will not be an extreme term if the existing situation goes its course unchecked. No matter what limitations are now set by the services around the sale of their news for other purposes than newspaper publication, it will not be long before all bars are down, and newspapers without a radio station will find themselves in news competition with department stores, garages, restaurants, and whoever has the money to lay on the news service counter. Unless governed by rules which protect all interests, this past week's breakdown of the Press-Radio agreement brings back, worse confounded, the confusion that plagued newspapers and broadcasters a year ago. * * * * *

"The radio people are the least alarmed of any concerned in the prospect for their future.

"Why not? Out of this week's confusion they see possibilities of tremendous gain in their own prestige as news carriers. Some radio leaders know the limitations of their medium, others look upon a daily hour of news as presenting no more difficulties than any commercial program. All know the attraction of a news program to the general public, and to prospective advertising sponsors."

"A safer and better means of settling this question can and must be found."

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PROGRAMS TO OTHER CITIES NOT THIRD CHAIN, SAYS FLAMM

WMCA is now furnishing program service to Stations WCBM, Baltimore, Md., WDEL, Wilmington, Del., and WOL, Washington, D. C. The stations in these three cities have been linked to WMCA with a permanent 24-hour service A.T.&T. line. With WIP in Philadelphia already receiving WMCA programs, this gives WMCA program coverage in five important cities.

In discussing this development, Donald Flamm, President of WMCA, said:

"In furnishing program service to stations in Washington, Baltimore and Wilmington, WMCA is not attempting to become the key station of a new network. The rendering of this program service to out-of-town stations is merely an expression on our part of cooperation with other broadcasters. In the case of our tie-up with WIP in Philadelphia, we have found it a mutually successful venture. Line charges are shared by both stations and already more than a dozen clients have contracted for service in these two great markets over Stations WMCA and WIP. The cue line, 'This is an Inter-City Presentation' has already become a familiar radio phrase in New York and Philadelphia.

"Under the terms of our arrangement with the Southern stations, WMCA will sell time over all five stations for simultaneous broadcasting. The advertisers will pay only for the station time as the line charges are being absorbed by the stations themselves.

"It is indeed a compliment to WMCA that these stations are picking up our programs and it will be our pleasure to serve them. Other stations in nearby states have asked for similar cooperation and it is quite likely that they may be included in our program service. An interesting feature of this arrangement is that it is not contingent upon the sale of time for existence.

"If a new network should develop in this manner, it will have to come into existence quite naturally, without any one group or individual 'holding the bag'.

"Programs from Baltimore and Washington will soon be fed to WMCA and the Philadelphia Dance Parade each night has already become a popular feature of the WMCA program schedule."

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MEXICAN PROPONENTS POINT TO OPERAS BROADCAST

Those defending the Mexican Government against the charge of broadcasting an indecent song have countered by asking:

"How about the stories of some of the grand operas which are regularly broadcast, such as Faust, Manon, Madame Butterfly and Carmen? In the strictest sense of the word, the plots of these operas and many others are indecent, yet they are given repeatedly and will continue to be given."

As yet the Federal Communications Commission has taken no action upon the petition submitted by Representative Connery, of Massachusetts, and sixteen members of the House requesting the cancellation of the licenses of all the radio stations of the National Broadcasting Company chain that broadcast the Mexican Government program each Thursday night. It was alleged that the words of a certain song, which was broadcast, were improper. In reply to this, someone defending the singing of this song said:

"The Mexicans have probably been singing that song for a hundred years and very likely themselves don't know, or if they do know hardly realize, the significance of its words. Who of us, for instance, even knows the words of 'Annie Laurie', or 'Coming Through the Rye'? In criticizing this song the enemies of Mexico simply went out of the way to try to get something on that country."

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WOULD NOT GRANT LOS ANGELES STATION APPLICATION

An Examiner has recommended against the Federal Communications Commission granting the application of A. Tornek and R. Lillie doing business as the Metro Broadcasting Company in Los Angeles, and Fred L. Packer and A. Rosenberg of the same city.

The former applied for a construction permit for a station on 820 kc. with 250 watts power and limited time with Station WHAS, of Louisville. Messrs. Packard & Rosenberg, applied for a frequency of 1160 kc., 250 watts power for daytime operation.

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RCA TO SPEND \$1,000,000 IN TELEVISION PROJECT

High definition television will be taken from the laboratory by the Radio Corporation of America for the first comprehensive field demonstration in the United States under a definitely formulated three-point plan, David Sarnoff, President of RCA, announced today to the stockholders of the corporation at the annual meeting in New York City.

In his statement Mr. Sarnoff drew a clear distinction between the status of television as a laboratory achievement, and as a possible system comparable to sound broadcasting. The latter, he said, remains the fundamental system of radio communication to the home with television promised as a step by step development that would supplement, not supplant existing radio service.

Mr. Sarnoff pointed out the severe limitations of television in its present stage: the short range of television transmitters, from 15 to 25 miles; the great number of stations required to serve the three million square miles of the United States with huge costs involved; the serious technical problem of inter-connection to create a network system by which the same program might serve a large territory; the necessary obsolescence of both television transmitter and receiver if technical progress is to be made, and the program problems.

Work will begin at once on RCA's three-point plan, but from twelve to fifteen months will be required for erecting an experimental television transmitter, manufacturing observation receivers, and beginning the transmission of test programs in a single area. The estimated cost to RCA of the project will be approximately one million dollars.

Through this field demonstration which will employ high definition television, the Radio Corporation will seek to determine from practical experience the "technical and program requirements of a regular service to the home." Mr. Sarnoff stressed the point that the demonstration does not mean that a regular service of television is here or "around the corner."

"The results attained by RCA in laboratory experiments", Mr. Sarnoff said, "go beyond the standards accepted for the experimental television service in Europe. We believe we are further advanced scientifically in this field than any other country in the world."

Discussing the field demonstration, Mr. Sarnoff said:

"The all important step that must be taken now is to bring the research results of the scientists and engineers out of the laboratory and into the field.

"Television service requires the creation of a system, not merely the commercial development of apparatus. The Radio Corporation of America with its coordinated units engaged in related phases of radio communication services is outstandingly equipped to supply the experience, research and technique for the pioneering work which is necessary for the ultimate creation of a complete television system. Because of the technical and commercial problems which the art faces this system must be built in progressive and evolutionary stages.

"Considering these factors and the progress already made by your company", Mr. Sarnoff told RCA stockholders, "the management of RCA has formulated and adopted the following three-point plan:

"1. Establish the first modern television transmitting station in the United States, incorporating the highest standards of the art. This station will be located in a suitable center of population, with due thought to its proximity to RCA's research laboratories, manufacturing facilities, and its broadcasting center in Radio City.

"2. Manufacture a limited number of television receiving sets. These will be placed at strategic points of observation in order that the RCA television system may be tested, modified and improved under actual service conditions.

"3. Develop an experimental program service with the necessary studio technique to determine the most acceptable form of television programs."

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PHILLIPS LORD IS CLEARED OF CHARGE OF S O S HOAX

The Australian Government dropped the Seth Parker incident last Saturday, the Ministry of Defense announcing it was convinced that Phillips Lord, radio entertainer and captain of the four-masted schooner, did not ask for assistance unnecessarily last February, an Associated Press dispatch from Australia reports.

The warship "Australia," with the Duke of Gloucester aboard, twice responded to S O S calls from the "Seth Parker".

The information that the Australian Government did not intend to make any charge for aiding Mr. Lord was contained in a letter sent to him by Captain MacLeod of the "Australia", who had been asked in a letter from Mr. Lord whether he believed charges that the "Seth Parker's" S O S calls were a hoax.

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 ::::: INDUSTRY NOTES :::::
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Reporters, newspaper editors and photographers, radio commentators, magazine writers and news-reel photographers, who have done outstanding work during the past year, will be honored during the National Headliners Frolic of the Atlantic City Press Club over an NBC-WJZ network at 8:00 p.m. EDT on Saturday, June 22.

Ten awards covering every medium of journalistic endeavor will be made.

Members of the committee of judges included: Joseph V. Connolly, President of International News Service; Earl J. Johnson, News Director of the United Press; Carl W. Ackerman, Dean of the Columbia University Pulitzer School of Journalism; Frank E. Mason, Vice-President of the National Broadcasting Company and Harold E. Wondsel, Editor of Pathe News.

Broadway will witness the presentation of a new radio play, "The Hook-Up" at the Cort Theatre, Wednesday night. Jack Lait and Stephen Gross have written a satire on radio and its manifestations.

The editorial, "Freedom of the Air", written recently by David Lawrence in the United States News, which attracted much attention in the radio industry, was reprinted in the Congressional Record of May 3 at the request of Senator Wallace White, of Maine. Those desiring copies of the Record for this date may secure them by addressing Senator White.

David Sarnoff, of the Radio Corporation of America, was one of those whom Peter Zmindak, New York youth arrested for extortion, planned to write extortion notes. Among other notables Zmindak evidently had in mind were Judge Irving Lehman, brother of the Governor of New York; Louis Bamberger, the department store owner of Newark, N. J., and Irving Berlin the song writer.

The May issues of various trade magazines will carry the first ad of a new series which WOR is addressing to advertisers. The series is designed to appeal to the average young advertising or agency executive who goes to ball games and fights and plays golf over the week-end. Humor will be the keynote of the campaign which will make generous use of cartoons.

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RESTORATION OF WLW'S 500,000 NIGHTTIME POWER SEEN

Although no opinion was expressed by the engineers of the Federal Communications Commission, the experiments being made with a directional antenna by Station WLW, of Cincinnati, to prevent interference with Station CFRB, at Toronto, were progressing so satisfactorily that it was reported that the Commission might restore its old nighttime power of 500,000 watts to the Crosley station.

Station WOR, of Newark, which had anticipated interference from WLW through the Cincinnati station's use of a directional antenna, has withdrawn an objection placed with the Commission. WOR operates with 50,000 watts on 710 kc; WLW, since its power has been cut down, has likewise been using 50,000 watts, on a frequency of 700 kc, and CFRB, the Toronto station, which has a licensed power of 10,000 watts, has been using 690 kc.

When the Commission on December 21st reduced WLW's power following the Canadian complaint, the station first resorted to court action, but when the Commission was sustained, began the work of installing a directional antenna.

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GOVERNMENT AIR CONTROL CHARGED

A new book, "Handout", written by two Washington correspondents under the pen name of "George Michael" (Putnam, \$2) is a discussion of the allegedly nefarious propaganda activities of the Roosevelt government and, according to John Chamberlain, book review of the New York Times, attempts to show "that the control of radio broadcasting is effectively lodged with the Chief Executive.

"The radio is 'controlled through a governmental commission, the members of which hold their offices only at the "pleasure" of the President.' A commission 'supposedly engaged in the preventing of interference or "spraying" of one station's programs by another' takes no apparent action when the 'spraying' affects a 'program opposed to the policies of the administration.' Alleged victims of the 'spraying' are Huey Long and Father Coughlin. 'Spraying' is slang for the phenomenon of overlapping wave lengths, or bands. Inasmuch as each radio station has an allotted wave length, or band, there should be no 'spraying.' The phenomenon occurs when a radio station uses too much power in its broadcasting either accidentally or with malice."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

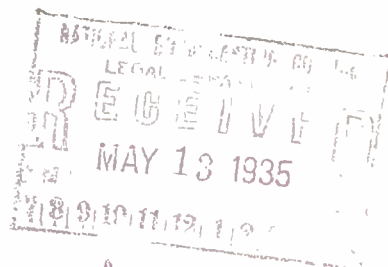
WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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LOUCKS SUGGESTS EDUCATORS-BROADCASTERS LABORATORY

Addressing the Institute for Education by Radio at Columbus, Ohio, Philip G. Loucks, Managing Director of the National Association of Broadcasters, suggested a practical working laboratory in which broadcasters and educators could work harmoniously, the latter profiting by the broadcasters' knowledge of radio technique, and the former by the educators' experience in teaching.

"Giving consideration always to the audience as a whole", Mr. Loucks said, broadcasters are now cooperating and always have cooperated with representative organizations interested in the broad fields of labor, agriculture, governmental affairs, charity and civic welfare, religion, news broadcasts and interpretation of current events, public health, music, drama, encouraging a fuller understanding and appreciation of American ideals and constitutional Government, and general entertainment.

"What broadcasters have learned from fifteen years of experience in these fields, they have applied to their efforts in the field of education by radio. For example, they have learned that education by radio must not only conform to the technical limitations of the medium but that educational programs must appeal to the greatest possible audience. They have learned that educational programs must not only reflect the interests and ideals of the American people as a whole but that they must recognize the varied interests and ideals which have developed in different sections of the country. They have learned also that there is a difference between the functions which can be effectively performed by national networks and community stations.

"These are some of the general principles which broadcasters have evolved out of their experience with educational broadcasting.

"Broadcasters have disagreed, and will continue to disagree, with those educators who would have the Congress change the basic allocation principles set forth in our law. Nevertheless, they have gone forward consistently and constructively with the development of educational broadcasting which fact is recorded in the hundreds of thousands of words of testimony, presented by representative educators and broadcasters, in the report of hearings held before the Federal Communications Commission last Fall. This record shows that broadcasters have always exhibited a willingness to develop educational broadcasting and that they have not only built and presented successfully educational programs of their own but that in many instances successful programs have been devised and presented through cooperation between educators and broadcasters.

"The hearings before the Federal Communications Commission revealed that educators are not in agreement among themselves with respect to the application of education by radio. Furthermore, educational interests are not as closely organized as are the broadcasters. This renders a unified and cooperative approach to the whole question more difficult. But organization is far less important than general understanding and agreement upon the question.

"In producing and presenting educational programs, broadcasters have had certain definite objectives. Such programs, they believe, should supplement and not supplant our vast publicly-supported system of formal education. Educational programs should widen the horizons of the classroom; inspire and inform all classes of people; and stimulate appreciation of art, literature, music, and science.

"Let me summarize my statement: Broadcasters alone have the responsibility under the law for what goes on the air. They have found certain principles peculiar to radio which must be observed in the successful presentation of educational programs. They have built and presented successful educational programs of their own and have cooperated successfully with groups of educators in presenting other educational programs. They have followed the objective that education by radio must be interesting and unbiased as well as democratic in its concept and supplementary in its purpose. They are cooperating and are willing to cooperate with educators. While they have found some disagreement among educators with respect to radio in education, they have found that there is a general attitude among them that more adequate programs could be developed through closer cooperation.

"Now let me ask the question: I shall ask it by paraphrasing the language of the Chairman of the Federal Communications Commission. How can the fullest possible use of radio as an educational medium be ascertained?

"I can suggest the answer only in a general way. Those of you who understand the processes of broadcasting and education must supply the details. The answer will be found, I believe, in the working out of a plan for cooperative action which contemplates on the one hand the utilization of the fifteen years of experience accumulated by the broadcasters and on the other hand the application of the knowledge of those educators who have familiarized themselves with practical broadcasting problems.

"Upon this foundation could be erected a practical working laboratory in which broadcasters and educators could work harmoniously with a view to coming to practical agreements and solutions. Perhaps, at the beginning a single community could be chosen for this experimental work, using individual stations as the laboratories. The knowledge of administration, presentation technique, and educational program content acquired in this single experiment could then be applied throughout the land. As

programs of tested worth and merit are devised and it is found that they will attract and hold large audiences, they should be offered to nation-wide audiences. In other words, if representative broadcasters and educators can reach an agreement upon the establishment of some such experimental laboratory; pool their knowledge of educational broadcasting; and each group accept its fair share of all responsibility; then, I believe, we will be able to find the method by which "the fullest possible use of radio as an educational medium" can be made. Indeed, a plan embodying most of these principles has been developed by Mr. Allen Miller of the University of Chicago, and while I am at this time without authority to commit my Association to this plan, I believe it deserves careful study by all of us who are interested in this important question of education by radio."

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COMMITTEE TO CONSIDER B.B.C. CONTINUATION

In the House of Commons in London, C. R. Attlee, of the Labor party, asked the Postmaster-General whether he was yet in a position to make any statement on the subject of the setting up of a committee to consider the future of broadcasting after the expiration of the present charter (of the British Broadcasting Corporation). In reply the Postmaster-General, Sir Kingsley Wood, said, "I have set up a Committee with the following terms of reference:

"To consider the constitution, control, and finances of the broadcasting service in this country and advise generally on the conditions under which the service, including broadcasting to the Empire, television broadcasting, and the system of wireless exchanges, should be conducted after the 31st December, 1936."

The Committee will be constituted as follows:

The Rt. Hon. Viscount Ullswater, G.C.B. (Chairman); The hon. Member for Dover (Major the Hon. J. J. Astor); The hon. Member for Limehouse (Mr. C. R. Attlee); The hon. Member for Montgomery (Mr. E. C. Davies, K.C.); Lord Elton; Sir William McIntock, Bt., C.B.E., C.V.O.; The Marchioness of Reading; The Rt. Hon. Lord Selsdon, K.B.E. and The Hon. Member for East Birkenhead (Mr. H. Graham White).

The Secretary of the Committee will be Mr. H. C. C. Welch of the General Post Office.

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WLW'S NIGHT 500,000 WATT POWER RESTORED

Following the successful installation of a directional antenna at Station WLW, Cincinnati, the Federal Communications Commission has restored the giant of the Midwest to its original nighttime power of 500,000 watts. Thus things are just as they stood before the complaint was received last Christmas that WLW, because of its high power, was interfering with Station CFRB, at Toronto, which is but 10 kilocycles removed from the Cincinnati station.

Due to the fact that the report of the interference came officially from the Canadian Government through our State Department, it assumed an international aspect and for this reason the Commission acted immediately. It gave WLW the option of cutting down its night power to 50,000 watts by February or installing a directional antenna to shield the Toronto station. Believing that the directional antenna might cut off the service area of WLW in the northern part of Ohio, the Crosley Radio Corporation decided to test the matter in the courts. However, when the court, in effect, backed up the Communications Commission, WLW began installing the directional antenna without further delay.

Station WOR, at Newark, also only 10 kilocycles away, fearing that WLW's signal might unduly be thrown in their direction by the new antenna, lodged a protest against the Cincinnati station's resumption of operation of 500,000 watts at night until it had an opportunity to observe the workings of the new antenna. Some little time ago WOR expressed itself as satisfied with the results of the WLW directional antenna experiment, and withdrew the protest which it had made to the Commission.

Following this, Commission engineers submitted a favorable report, with the result that last Wednesday a formal order was issued, with the approval of the State Department and the Canadian Government, allowing Station WLW to resume broadcasting at nighttime with its maximum power of 500,000 watts.

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WIFE OF ANNOUNCER WALLINGTON DIES

Suffering two months from peritonitis, undergoing 20 blood transfusions and two operations, Mrs. James Wallington, wife of the NBC radio announcer, died Tuesday morning in Brooklyn.

Although only 29 years old, Mrs. Wallington (Anita Fuhrman on the stage) had appeared with Ed Wynn, Gilda Gray and many others, and had been featured in the Radio City Music Hall as well as appearing with Paul Whiteman in "The King of Jazz."

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COURT UPHOLDS FCC IN SPOKANE STATION DECISION

The Federal Communications Commission in sometime ago awarding a frequency of 890 kilocycles to Station KFPY, of Spokane, Wash., was sustained by the U. S. Court of Appeals for the District of Columbia. The litigation arose through both KFPY, and KSEI, of Pocatello, Idaho, seeking this frequency. It was the opinion of the Court of Appeals that the awarding of 890 kc. to KFPY would be of benefit to the community served. On the contrary, the Court did not believe that changing the frequency of KSEI from 900 as at present, to 890 kc. would serve any good purpose, nor did the Court seriously consider the allegation of KSEI that it would interfere with KHJ, at Los Angeles.

The Appeals Court decision read, in part, as follows:

"It appears that the State of Washington and the State of Idaho are both overquota States, and it is claimed that the granting of the frequency 890 kilocycles to Station KFPY would be a violation of the Davis Amendment. The only ground for this contention is that the coverage of Station KFPY would be increased by the change of frequency. Such a change, however, does not bring the case within the purview of the Davis Amendment. The quota of the State of Washington would not be increased by the change, within the purview of the applicable statutes or regulations."

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U. S. PUBLISHES BRITISH TELEVISION REPORT

The Commerce Department, under the caption "British Television Developments" has reprinted the report of the British Parliamentary Television Committee, along with excerpts of articles in "The Electrical Review", of London, and the presentation made with regard to television by the British Postmaster General.

No new developments are contained in the document but for the information of those interested in seeing the full text, our Government has set forth the Parliamentary report just as it was presented last February. It contains 21 multigraphed pages and copies may be secured for 25 cents each upon application to the Bureau of Foreign and Domestic Commerce, Washington, D. C.

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PHILCO SUES RCA TO RETAIN LICENSE AGREEMENT

The Radio Corporation of America was directed to appear in Chancery Court in Wilmington May 22nd, by a rule issued by Chancellor Josiah O. Wolcott, to show cause why a preliminary injunction should not be placed against it, restraining it from terminating a licensing agreement it has with the Philadelphia Storage Battery Company, of Philadelphia.

Philadelphia Storage Battery filed a bill of complaint against RCA requesting an extension in the time of the agreement and a restraining order against its termination. Under the chancellor's ruling the agreement is extended until the hearing May 22.

Philadelphia Storage Battery states in that bill that substantially all of its business at present consists of manufacture and sale of radio receiving apparatus and appurtenances in accordance with the licensing agreement, and that its termination would prevent it from continuing its business. It states it has investments of upwards of \$14,000,000 and employs approximately 7,000 persons.

Basic patents for the manufacture of radio held by RCA and used under the agreement by the complainant company are involved in the licensing agreement.

The bill also states that termination of the agreement would be harmful to Philco Radio and Television Corporation of Philadelphia, which acts as a distributing company for the products of the complainant, through subsidiaries in New York, Illinois and California and also through the Transitone Automobile Radio Company.

The bill of complaint states that on April 9 of this year RCA notified Philadelphia Storage Battery that because of alleged defaults in the licensing agreement between the two companies, particularly as to the computation of royalties by the complainant company, the agreement would be terminated in 30 days.

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WISCONSIN COURT SUSTAINS WTMJ IN LIBEL SUIT

Affirming the verdict of a Circuit Court jury, the Wisconsin State Supreme Court denied Walter Singler, head of the State Milk Pool, the \$100,000 libel damages he asked of Station WTMJ, owned by the Milwaukee Journal, and Joseph Beck, Commissioner of Agriculture.

The suit resulted from a radio speech last year in which Beck used the word "racketeer" in connection with State-wide milk strike. Singler sued, charging the Commissioner and station had worked in unison to injure his reputation and thereby libeled him. Neither court sustained Singler.

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COPYRIGHT BILL OPPONENTS CONFER WITH SENATE COMMITTEE

Music publishers, motion picture distributors and others who are opposed to the proposed new Copyright Bill prepared by the State Department, had an informal conference on Wednesday in executive session with the Senate Committee on Patents.

The Senate Committee has not as yet reached a decision as to whether there will be a hearing on this bill, nor has any date been set for a further meeting of the committee, it being left for the call of the Chairman, Senator McAdoo, of California.

Among those conferring with the Senate Committee were Gene Buck and Nathan Burkan of the American Society of Composers; John G. Paine, Music Publishers' Protective Association; Gabriel Hess and Edwin P. Kilroe of the Motion Picture Producing Distributors' Association, and Miss Louise Sillcox, Authors League of America.

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GENEVA GIVES U. S. WORLD'S HIGHEST RADIO RATING

The United States has more radio sets in proportion to its population than any other country in the world, the International Broadcasting Office in Geneva, Switzerland, estimates. This authority reports that we have 162 radio sets here for every 1,000 of our population. The International Broadcasting office credits the United States with 20,750,000 sets, or about 40 per cent of the sets in the entire world. Denmark comes next with 160 radio receiving sets for every 1,000 of her population.

Numerically, however, the United States has three times as many sets as any country in the world. Great Britain ranks second in this succession, but as compared to us has only 6,780,000 sets, closely followed by Germany with 6,143,000. There are altogether in the world, 48,300,000 sets, it is estimated.

A million new sets were added in 1934 apart from the 2,000,000 installed in motor cars in the United States. Mr. Burrows, director of the office, estimates 14,000,000 new listeners will be added during 1935. Except for the rapid increase in motor car radios - there were only 800,000 in 1933 - the increase in sets was about the same as in 1933.

The radio is now developing most rapidly in Germany, 500,000 new sets having been added there in two months of last Winter. According to the Geneva authority, this is due to Nazi pressure, the word having gone forth that no good German lacks the means of hearing Reichsfuehrer Adolf Hitler.

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RADIO ADVERTISING NEW \$8,000,000 MONTHLY HIGH

Broadcast advertising in March, the latest month to be officially reported, soared to what is believed to be the highest level obtained by this form of advertising in any single month, the gross sales amounting to \$8,287,740. Whether this establishes an all-time high is not known, but it is the largest volume reported since the establishment of the National Association of Broadcasters reports.

Also broadcast advertising gained materially during the first quarter of the current year. Total gross time sales of the medium during the first three months of the year were \$22,880,710, a gain of 19.6% over the corresponding quarter of 1934.

National network volume showed a gain of 23.9% as compared to the first three months of 1934. Other gains were as follows: regional networks, 10.4%; national non-network advertising, 10.1%; and local broadcast advertising, 13.3%.

A comparison of gross time sales of various portions of the broadcasting structure during the first quarter of 1934 and 1935, respectively, is as follows:

<u>Class of Business</u>	<u>Gross Time Sales</u>	
	<u>1934</u>	<u>1935</u>
National networks	\$11,365,157	\$14,107,206
Regional networks	175,026	193,299
National non-network	3,664,591	4,035,182
Local	<u>3,943,995</u>	<u>4,545,023</u>
Total	\$19,148,769	\$22,880,710

General seasonal increases were experienced during the month of March. Total advertising volume was 15.0% greater than in February. National network volume increased, 10.8%; regional networks, 32.7%; national non-network business, 10.0%; and local broadcast advertising, 35.5%.

Total broadcast advertising volume in March was 18.0% greater than for the same month of the previous year. National network advertising showed an increase of 23.0%, regional networks 16.1%, and local volume 25.7%. National non-network advertising, alone, decreased. Gross time sales in this field were 2.5% below those of March, 1934.

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5/10/35

RADIO BURLESQUE CALLS FORTH TWO-EDGED CRITICISM

Radio came out somewhat the better of the stage in a criticism of Brooks Atkinson in the New York Times of "The Hook-Up", a satire of the radio, produced at the Cort Theatre in New York last Wednesday night.

"After a glimpse of "The Hook-up", at the Cort, anyone can see that the theatre and the radio have not buried the hatchet", Mr. Atkinson writes. "Being both fantastic the two mediums do not get along. Jack Lait and Stephen Gross are the authors of this feat of horseplay that brings Ernest Truex back for a late Spring engagement.

"In the six scenes of two harum-scarum acts they have settled down to a broad burlesque of all the trade hookum of the radio business. In the interests of a brand of youth-enducing pills they have endeavored to show how a rural philosopher is compelled unwillingly to marry Orphan Nell over a national hook-up, with grotesque sound effects and delirious publicity.

"Ever since 'Remote Control', which was the first radio drama and the best, the stage has been making wry faces at the art of Jack Benny and Burns and Allen, but it is to be feared that the stage invariably comes off second best. The radio provides its own burlesque with considerable suavity. As Victor Vance, the homely uncle from the Down East pastures, Mr. Truex runs through his familiar bag of farcial tricks. As the reluctant bride, Helen Lynd gives a slick burlesque of the whole school of burlesque acting. She is too perfect to seem credible in the average stage cartoon.

"Something of the sort applies to the satire Mr. Lait and Mr. Gross have scribbled, and the shrill feverish performance Frank Merlin has directed. As stage frivolity, 'The Hook-up', is no shrewder than the subject it is belaboring. When the stage is without sin it can cast the first stone that will smash a studio window. But the stage was no better than it should be, which is the common Spring complaint."

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5/10/35

GARDNER QUILTS PHONE INQUIRY AT OWN REQUEST

At his own request, former Gov. O. Max Gardner, of North Carolina, has been relieved as counsel for the Federal Communications Commission's investigation of the American Telephone and Telegraph Company, it was announced at the White House.

not
The President has/as yet selected Gardner's successor.

Mr. Gardner's letter of resignation supplemented others by the Board of Governors and executives of the American Cotton Manufacturers' Association appealing to the President. They declared that it would be easier for the Communications Commission to find a lawyer capable of heading the biggest investigation in history than for the textile industry in its present condition to find a successor to Mr. Gardner.

The former governor, who is also a one-time National Democratic Committee member, is being sought as head of the NRA Textile Code Authority, according to high officials, and is considered the only textile authority who is able to hold together the warring factions of New England and the South.

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BRITISH TO DEVELOP CANADIAN RADIO COOPERATION

C. G. Graves, Director of Empire and Foreign Services of the British Broadcasting Corporation, will visit Canada this month, arriving in Ottawa on May 22. During the course of his week in Ottawa, Mr. Graves will discuss with the Canadian Radio Broadcasting Commission the development of cooperation with the B.B.C.

On May 31, Mr. Graves will go to St. John's, Newfoundland, where during the course of a short holiday he will discuss with the Commission of Government questions affecting the organization of broadcasting in that country.

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RCA SHOWS QUARTERLY GAIN

Consolidated gross income from operations of the Radio Corporation of America for the first quarter of 1935 amounted to \$21,265,789, compared with gross income during the first quarter of the preceding year of \$19,133,919. This represents an advance of \$2,131,870, or an increase of approximately 11% over the corresponding quarter of 1934.

Net profit for the first quarter of 1935, after all deductions, amounted to \$1,618,025, compared with a profit of \$1,235,725 for the same quarter last year, or an increase of approximately 31%. The first quarter of 1935 is the sixth consecutive quarter in which the Radio Corporation has earned a profit.

It was the best quarter experienced since 1930 with the exception of the final quarter of 1934, when net income was \$2,071,493. Final quarters are seasonally the best in the radio business.

The following Directors were reelected for the term of three years, expiring May 1938:

Arthur E. Braun, John Hays Hammond, Jr., Edward W. Harden, and David Sarnoff.

In response to questions, Mr. Sarnoff said that there had been no change in the status with respect to the dividend arrears on the Class B preferred stock, which totaled \$17.50 a share on April 1, 1935, and that there was no plan to retire the Class A preferred stock.

Mr. Sarnoff said that the matter of arrears on the B stock was "close to the hearts" of the Directors and had been under constant consideration and discussion.

In reply to another question Mr. Sarnoff stated that his salary for 1935 was \$75,000 and that of General James G. Harbord, Chairman of the Board, was \$54,000, increases of about 25 per cent over 1934. As debate on this matter continued, with a few unfavorable remarks coming from the floor, Newton D. Baker, a Director, said Mr. Sarnoff's salary was only ninety-three one-hundred thousandths of gross income and that he personally had made the motion to increase the salary owing to the remarkable improvement of earnings in 1934, which he attributed to Mr. Sarnoff's efforts.

Mr. Sarnoff asserted he owned 2,000 shares of Radio Corporation common stock and that the company was preparing papers for permanent registration of its securities with the Security Exchange Commission.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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May 14, 1935.

RMA JUNE CONVENTION TO PROMOTE NEW PRODUCTS

New technical developments in radio and national trade promotion will be major topics of the Radio Manufacturers' Association's Eleventh Annual Convention at Chicago, Tuesday and Wednesday, June 11 and 12.

Final plans were made at Chicago last week in a conference with Leslie F. Muter, President of the Association, and Bond Geddes, Executive Vice-President, of Washington.

An "RMA Cabaret" dinner for members and guests will be a unique closing feature of the convention on the evening of June 12. There will be a radio golf tournament also on the following day, June 13, at the Calumet Country Club.

A large attendance at the convention is expected, especially because of the many problems in connection with new radio products which are of much present interest in the industry and the trade. However, there will be no displays of merchandise during the convention, but manufacturers will discuss plans for merchandising and national trade promotion by the Association on a wide scale.

The RMA will also elect a President, Directors and other officers at the convention, and make plans for many activities during the coming year.

Preliminary to the convention on June 12, there will be meetings of the Board of Directors and also of the Set, Tube, Parts and Accessory, and Amplifier and Sound Equipment Divisions on Tuesday, June 11.

The annual membership dinner closing the sessions will be staged in the Tower Ball Room of the Stevens Hotel. A dance orchestra and excellent night-club entertainers have been engaged. The guests will include ladies and there will be dancing following the floor program. The master of ceremonies and toastmaster will, as usual, be Paul B. Klugh of Chicago. The entertainment committee in charge of the "RMA Cabaret" is headed by Al S. Wells and Paul Galvin, of Chicago, with President Leslie F. Muter, ex officio.

The detailed RMA convention program is as follows:

Tuesday, June 11

10:00 A.M. - Board of Directors

12:30 P.M. - Luncheon, Directors, Ex-Presidents and former Directors

2:00 P.M. - Set Division, Chairman, Arthur Murray

2:30 P.M. - Tube Division, Chairman, S. W. Muldowny.

Tuesday, June 11 (Cont'd)

- 3:00 P.M. - Parts and Accessory Division, Chairman, Arthur Moss.
 3:30 P.M. - Meeting, RMA Amplifier and Sound Equipment Division,
 Chairman, R. A. O'Connor.

Wednesday, June 12 - Membership Meeting

- 10:00 A.M. - Annual Meeting, RMA Members, President Leslie F. Muter, Presiding
 Roll Call - Bond Geddes, Executive Vice-President.
 Address and Annual Report - President
 Address - John W. Van Allen, General Counsel
 Annual Reports of Fred D. Williams, Treasurer; Set
 Division - Arthur T. Murray, Chairman; Tube Division -
 S. W. Muldowny, Chairman; Parts and Accessory Division -
 Arthur Moss, Chairman; Amplifier and Sound
 Equipment Division - R. A. O'Connor, Chairman;
 Special Code Committee - William Sparks, Chairman;
 Credit Committee - Arthur Moss, Chairman; Engineering
 Committee - W. R. G. Baker, Chairman; Legislative
 Committee - Paul B. Klugh, Chairman; Trade Promotion
 Committee - Powel Crosley, Chairman; Traffic Committee -
 J. C. Warner, Chairman, O. J. Davies, Vice Chairman.
 12:30 P.M.--Luncheon Meeting, new RMA Board of Directors - Election
 of President and other officers.
 7:00 P.M.--RMA Cabaret - Annual Membership Dinner - RMA Members
 and Guests, Paul B. Klugh, Chairman.

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CITY FIGHTS RADIO STATION REMOVAL

Although the practice of buying a radio station in one city and removing it to another has become fairly common, objection to this practice has been registered in the case of Station KGFK, which was recently granted permission by the Federal Communications Commission to move from Moorhead, Minn., to Duluth. The City of Moorhead joins Station WEBC, of Superior, Wis., in filing an appeal and a petition for a stay order in the U. S. Court of Appeals for the District of Columbia against the Commission preventing such a move.

It was argued in the petition that Duluth is now well served insofar as radio is concerned, whereas the smaller city of Moorhead is not nearly so well off. In addition to this, Station WEBC claims that the removal of KGFK to Duluth, which is near Superior, would affect it adversely.

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SHEPARD BUYS FULL HEARST SERVICE FOR YANKEE NETWORK

Forced into competition by the rapid growth of Transradio Press Service, newspaper owned news-gathering agencies openly embarked upon sale of news directly to broadcasting stations this past week.

John Shepard III, head of the 13 stations affiliated in New England under the name of the Yankee network, told Editor & Publisher that he had purchased the full International and Universal services for a period of five years. Joseph V. Connolly, President of the Hearst services also authorized Editor & Publisher to announce the sale.

At the same time Mr. Shepard allowed the entry of the United Press and the International News into the competitive radio news field to accomplish one step toward their desired end by announcing that the Network - one of the largest single clients of Transradio - would drop Transradio in a few days. Mr. Shepard said that he would pay slightly more for I.N.S. than he had for Transradio, and rumor was current that the five-year contract would run in the neighborhood of \$200,000. The contract Mr. Shepard said, will give him exclusive radio rights to these services in the six New England States, where there are some 35 stations.

The United Press was reported near a contract with WCAU, Philadelphia, and the I.N.S. was said to be seeking an outlet there.

In the absence of a united program on the part of the Press-Radio Bureau, the commercial news-gathering associations seemed content to aggressively bend their efforts along lines laid down in announcements to their clients last week, offering their news to papers for dissemination over affiliated stations, for broadcast with or without sponsorship.

It seemed unlikely that the Associated Press would long continue its policy of allowing member papers subscribing to Press-Radio to make up their own reports without additional assessment, provision being clearly made that such reports, totaling not more than one hour daily, are not for sponsorship, nearly a dozen newspapers owning stations dropped Press-Radio direct reports last week to make up their own reports from the A.P. service.

Jackson Elliott, Assistant General Manager of the A.P., said that the A.P. had canvassed members who are interested and whose activity led to the creation of the Press-Radio Bureau, on what they think should be done. Results from this survey of opinion were not available in sufficient quantity last week for the Board of Directors to formulate any change in policy. It was pointed out that if quick action were necessary, the Board of Directors could authorize the Executive Committee to act through Kent Cooper, Manager.

National Broadcasting Company and Columbia Broadcasting Company continued to use the Press-Radio report over their chains.

Herbert Moore, head of Transradio, said that he was advising his clients to take on all the service they could get but "to test the sincerity of the motives of the U.P. and the I.N.S.," by refusing to pay "more than a dollar a week."

The conditions of the agreement between I.N.S. and the Yankee Network are likely to form a pattern for the many similar arrangements which are expected. Mr. Shepard said that he had guarded against the possibility that the news services would "clamp down again" if they gained control of the air news, by insisting on the contractual agreement.

The tie-up will exist for five years, with one year renewals thereafter, six months notice being necessary before the network can withdraw. Full I.N.S. and U.S. service reports will be run into the Boston office of the network where Leland Bickford and his eight-man news staff will edit it down to broadcast requirements - four 10½ to 12 minute reports. The I.N.S. will give the Yankee Network local coverage in New England, and fuller sports and financial reports than those provided by Transradio, he said.

The I.N.S. news will be available for sponsorship, except by firms selling laxatives or internal medicines or using recorded or dialogue copy. A maximum of 125-word "commercials" three times in each period will be allowed.

Mr. Shepard defended the "smooth" date-lined "commercials" as "clever advertising" and said that any reasonably intelligent person should be able to distinguish the "commercial." He likened them to newspaper and magazine advertisements which simulate the news style of the medium in which they are run.

The Network will retain its staff of local reporters in the various cities where stations are located.

The Milwaukee Journal and its radio station WTMJ will inaugurate an elaborate news bulletin service over the air with four daily news periods. Broadcasts will be heard daily from 9 to 9:15 mornings, 1:05 to 1:15 and 5 to 5:15 and 10:15 to 10:25 p.m., totaling 50 minutes; these broadcasts started May 13. On Sunday news will be broadcast at 10 mornings and the same hour in the evenings.

"We have gone into more extensive news broadcasting for the promotional benefits to the Journal and WTMJ", Walter J. Damm, Promotion Manager, said. "We do not wish to be parties to pay outside news agencies to assist in developing their agencies. We are not commercializing the news broadcasts and they will not be

sponsored by advertisers, according to our present plans. Our decision was also brought about partly as self protection from competition of news broadcasts by other radio stations into the territory which WTMJ covers. With enough news available from A.P. dispatches and our own staff and correspondents to fill our paper, we will have sufficient interesting materials for frequent broadcasts."

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RADIO-TELEVISION CORP. WOULD SELL 300,000 SHARES

The Securities and Exchange Commission in Washington have announced that among the securities for which registration is pending is that of the American Radio and Television Corporation, of New York. It seeks to issue 300,000 shares of \$1 par value common stock, to be offered at par. Joseph La Via, of Astoria, L. I., is President, and Stone & Co., of New York, the underwriter.

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BYRD ENCOUNTERED RADIO SILENCE IN ANTARCTIC

A member of the Byrd Antarctic expedition when asked if the broadcasts from this country got through to them "on the ice", replied that they were able to hear most of them very well. He said, however, that the Byrd expedition in the polar region encountered a phenomenon of what he called "radio silence". At such times there was an invisible barrier and it was impossible to get any kind of a communication out by radio, not even telegraphic code.

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APPARENTLY UNDECIDED ABOUT IT

At one stage of the proceedings of the Council on Radio in Education and the Ohio Radio Education Institute, meeting at Columbus, as one after another of the educators would arise to take part in the discussion, it became apparent that they had widely different views as to what should be done in the matter of educational programs.

The high official of the Communications Commission, who was present, noticing this, remarked to a commercial broadcaster, "These people themselves don't seem to be in agreement as to their needs."

"You have hit the nail squarely on the head", the commercial broadcaster replied. "They themselves do not know what they want."

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TELEVISION BOOMERANG FOR ENGLISH RADIO MANUFACTURERS

An unusual situation has arisen in England affecting radio manufacturers in connection with the announcement that the British Post Office would begin television broadcasts next Fall. A flop in the sale of radio sets is reported to have been started by the announcement. The British public is buying fewer broadcast receivers, according to a report reaching Orrin E. Dunlap, Jr., Radio Editor of the New York Times, from London, on the theory that new sets might soon be obsolete because of television.

"The completeness and enthusiasm permeating the recent report of England's Television Committee seems to give the 'truth campaign' over there a real task, because even in America the impression was created that the television era had arrived; that John Bull was running ahead in the race", Mr. Dunlap writes.

This assertion was challenged recently when David Sarnoff, President of the Radio Corporation of America, in revealing that the RCA expected to spend \$1,000,000 in a television project, said:

"We believe we are further advanced scientifically in television than any other country in the world."

That television is a very live subject was emphasized from the recent report from another quarter that the Farnsworth interests in San Francisco are contemplating a chain of stations in ten cities for television broadcast to be linked together by the new Bell pipe line conductors. This, it was stated, would represent an outlay of \$2,500,000.

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NEW FRENCH TRADE TREATY IMPORTANT TO RADIO

In representing radio industry interests, the Radio Manufacturers' Association is preparing to intervene in negotiations announced by the State Department for a reciprocal trade treaty with France. This is the most important trade agreement action under the reciprocal tariff act yet taken by the State Department.

It affects the largest nation and also the most important radio market since the State Department began its negotiation of reciprocal trade agreements. Also any agreement reached in the French treaty will apply to all foreign countries.

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 ::::INDUSTRY NOTES::::
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Owen D. Young, Chairman of the General Electric Company, David Sarnoff, President of the Radio Corporation of America, and M. H. Aylesworth, President of the National Broadcasting Company, were honored this past week with the "Achievement Award" given annually by the City of Philadelphia.

Marconi will fill a newly established scientific position at Rome, in addition to his other work. The inventor of radio, taking over a professorship, will accept the Chair of "Electro-Magnetic Waves."

The barometer of the Federal five per cent excise tax on radio indicated considerable increase of sales in March with excise tax payments 31 per cent above those during March, 1934. According to the official reports of the Internal Revenue Bureau, the excise tax collections in March were \$350,334.03 against \$268,136.45 in March, 1934. The March excise taxes on mechanical refrigerators were \$495,553.75 as against \$295,307.92 in March, 1934.

Louis G. Caldwell, former General Counsel of the Federal Radio Commission, has been elected President of the Inquirendo Club in Washington, succeeding E. Barret Prettyman, Corporation Counsel of the District of Columbia.

Ration Station WATR, of Waterbury, Conn., became associated with the Yankee Network recently, making a total of thirteen stations now covering the New England States from Yankee Network headquarters in Boston.

The total number of wireless licenses in force in Great Britain and Northern Ireland at the end of March, 1935, the British Broadcasting Company reports, was 7,011,616, as compared with 6,259,653 in March, 1935. This shows a net increase of 751,963 during the year.

The sales staff of WOR who have been responsible for the increase of new business on the station since the opening of the 50,000 watt transmitter at Carteret, N. J., are: Walter Neff, General Sales Manager; William O. Rogow, David Chrisman, George Schmidt, Philip Fuss, Theodore Herbert, Jack Eaton, Allan Miller and Robert A. Catherwood.

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COLUMBIA CUTS AD TALKS TO 10%

Restrictions in the amount of advertising permissible in radio programs is part of a three-cornered plan to be established by the Columbia Broadcasting System, effective July 30.

Although the plan will be put into operation on that date, it will be made effective as rapidly as permitted by fair consideration to advertisers with contracts now in force, William S. Paley, President of the company, said.

Other features of the plan will be a new standard of children's programs and the banning of programs advertising laxatives as such or laxative properties in any other product.

When the plan goes into effect, a maximum of 10 per cent of the broadcasting period may be devoted to the sponsor's commercial announcements, including contests and other offers, on programs after 6 P.M. In the daytime sponsored programs will be allowed a maximum of 15 per cent of the broadcast period for announcements. The single exception will be made on quarter-hour programs, on which an additional allowance, not to exceed forty seconds, will be made in recognition of the fact that the short program necessarily requires as much time as the longer one for routine identification announcements.

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FRENCH RADIO FANS WILL GET THEIR OPPORTUNITY

French radio fans are to be offered a chance of making themselves heard - not by the rest of the radio public, but on the advisory councils that will be a part of the new French radio scheme, according to a U. P. dispatch from Paris.

In each region an advisory council of 20 members will be formed and ten of these members will be radio listeners. The only specification is that the council member be of French nationality, of 21 years of age or more, that he or she has civil rights and proof that the candidate has paid the tax on the radio set.

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INCREASED EXPENSES OFFSET I. T. & T. RADIO-CABLE EARNINGS

Although the total gross earnings increased almost a million dollars, operations of the telegraph, cable and radio companies of the International Telephone & Telegraph Corporation for 1934 resulted in a net loss of \$1,440,979, as compared with a net loss of \$1,796,530 for 1933.

"The improvement of \$825,017 in gross earnings was largely offset by increased operating expenses resulting mainly from the fact that the year 1934 carried the full burden of the partial restoration of wages made effective on July 1, 1933, and of the increased costs resulting from making effective on September 1, 1933, the President's Reemployment Agreement with certain substituted provisions as approved August 30, 1933, by the National Recovery Administration", the annual report states. "The increased expenses resulting from these items were offset to some extent by operating economies effected during the year. A Code of Fair Competition for the telegraph industry as a whole, proposed by the four principal members of the industry to the National Recovery Administration, is still pending adoption.

"The record communication companies continue to be confronted with the effects of declining foreign trade in relation to business in the international communications field and with the harmful effects of the active and illogical competitive situation in the domestic field."

Operations for the year ended December 31, 1934, resulted in consolidated net income after all charges of \$2,079,570, as compared with \$694,126 for 1933, an improvement of \$1,385,444.

"During 1934 most countries of the world experienced a continuation of the moderate upward trend of business activity", the I. T. & T. stockholders were advised. "The volume of world business as indicated by data compiled from various statistical reports was between eight and ten per cent over 1933, which year was approximately thirteen per cent over 1932. Details of these statistics indicate that, in varying degrees, all but relatively few countries participated in the improvement. While internal business activity showed substantial improvement in most countries, resulting in the aggregate in the recovery of some sixty per cent of the ground lost from 1929 to 1932, international trade, due to exchange control restrictions, high tariffs, and numerous other hampering causes, continued to shrink with the result that international trade in 1934 attained only approximately thirty-four per cent of the volume for 1929.

"The majority of units comprising the manufacturing and telephone operating branches of your Corporation benefited from the recovery in internal business in most countries. These benefits, however, were offset to some extent by the shrinkage in international trade which reduced the volume of cable and radio traffic and had a retarding effect on export sales by the manufacturing companies."

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5/14/35

COPYRIGHT HEARINGS STILL UNDECIDED

No call as yet has been issued to the Senate Patents Committee, of which Senator McAdoo, of California, is Chairman, to determine the question as to whether or not hearings will be held on the Copyright Bill. The situation seems to be pretty much in doubt but it would not be surprising if the bill was reported without a hearing.

In view of the opposition of the American Society of Composers and others, it is believed the committee will give the matter of hearings serious consideration. One supposition is that if hearings are held, they will be brief, allowing the persons to be heard to submit briefs.

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CROSLY SHOWS SUBSTANTIAL PROFIT INCREASE

A financial report of the Crosley Radio Corporation and subsidiaries for the year ended March 31, reveals a net profit of \$893,746, after charges and Federal taxes, equal to \$1.64 a share on 545,800 no-par shares of capital stock. This compares with net profit of \$413,107, or 75 cents a share, in the preceding year.

Net sales for the year were \$15,808,737, compared with \$10,637,365 in the preceding year.

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PHILIPS NETHERLAND INDIA RADIO PATENTS REVIEWED

The three patent decisions by Netherland Indian courts against American radio manufacturing concerns, and in favor of the N. V. Philips Gloeilampenfabrieken, are reviewed at considerable length in a "Radio Markets Supplement - Netherland India", issued by the Bureau of Foreign and Domestic Commerce in Washington, and available for 25 cents a copy.

The review is based upon a report received by Consul Walter A Foote, of Batavia, and covers seven multigraphed pages.

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NATIONAL ADVERTISERS DISCUSS RADIO IN CLOSED SESSION

Secrecy surrounded the discussion of radio at the convention of national advertisers at White Sulphur Springs.

According to unofficial reports Duane D. Jones, Executive Vice-President of Blackett-Sample-Hummert, Inc., advertising agency, was the most outspoken in stating his belief that "star" programs are not really a necessity, but a distinct liability to an advertiser. Stars attract audiences interested only in themselves and not to the product, he maintained. It is preferable to have a smaller audience but a buying audience, he said. Star programs are extremely costly and there is no assurance that the audience has any genuine interest in the product being advertised.

W. B. Benton, Chairman of the Board of Benton & Bowles, Inc., New York agency, took the middle view. He felt a successful program could be built either by using a star or by building an "atmosphere offering" which would attract an audience and also help to establish the character of the program and the product.

As an example of the latter type of program he cited the Maxwell House "Showboat" program which has changed its female singing star seven times since it has been on the air with no indication of any appreciable loss of audience.

Chester J. LaRoche, President of Young & Rubicam, Inc., New York, who also spoke on radio, agreed with Mr. Benton that a special radio writer is needed for effective radio programs. He favored a man with theatrical experience, with knowledge of showmanship, who could help stage the program. He felt such a man would create a more effective commercial broadcast than the ordinary copy writer.

Mr. Benton made the interesting statement that there are at present 10 stars who can produce a "ready-made" radio audience.

Two other radio speakers were George Bijur, Director of Sales Promotion of the Columbia Broadcasting System, and Dr. D. P. Smelser, Director of Market Research of the Proctor & Gamble Company, Cincinnati. Mr. Bijur cited cases of use of printed advertising to increase the size of the listening audience, localizing the program, prizes, contests, and close tie-ups with local dealers. Dr. Smelser gave a detailed analysis of methods of checking radio "circulation" and stated that in a few months a superior method of checking listener habits would be developed, but that it would be more costly than present methods.

The emphasis given radio at the A.N.A. convention indicates the importance attached to the medium by the membership.

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BROADCASTERS PONDER OVER SUCCESSOR TO PHIL LOUCKS

The main topic of conversation of members of the National Association of Broadcasters between now and the time of their convention in Colorado early in July, will be the question of who is to succeed Phil Loucks as Managing Director of the Association. Unquestionably there will be dark horses and many added starters, but up to now, comparatively few names have been mentioned. These include James W. Baldwin, Executive Officer for the Code Authority of the Broadcasting Industry, and former Assistant Secretary of the National Association of Broadcasters; Henry A. Bellows, former member of the Radio Commission, and formerly a Director of the NAB; H. K. Carpenter, of Station WHK, Cleveland; former Radio Commissioner H. A. Lafount; William S. "Bill" Hedges, former President of the NAB, and now manager of NBC operated stations; Oswald F. Schuette, formerly in charge of copyright matters for the NAB; and J. C. McNary, Technical Advisor of the NAB, who has been very satisfactorily "pinch-hitting" for Mr. Loucks of late when Loucks has been absent from Washington in connection with organizing State membership committees.

Although he has talked about it from time to time, the resignation of Phil Loucks, who has almost grown up with the Association, came as a distinct surprise to many. It was thought even by those most closely associated with him that at the last minute he would give up the idea of reentering law practice and remain with the National Association of Broadcasters, with which he has been connected for the past five years, indefinitely. The reelection of Phil Loucks as Managing Director was almost automatic and had he chosen to remain, he would unquestionably have been reelected at Colorado Springs in July.

It is yet entirely too early to forecast accurately as to Mr. Louck's successor. There is much to be said in favor of Mr. Baldwin, who not only was formerly Secretary of the old Radio Commission, but at the moment, through his work as Executive Officer of the Broadcasters Code Authority, is continually in touch with practically every broadcasting station in the United States.

The qualifications and outstanding ability of Henry A. Bellows, especially his legislative work in Washington, are too well known to need recapitulation. The same with former Commissioner Lafount. Mr. Hedges was very successful in his work at KDKA and is said to be doing equally as well in his present larger capacity in New York. It was pointed out that there might

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be some objection to Hedges' selection from members of the Association not affiliated with the networks.

Of late there has been considerable talk of developing an organization of the independent and smaller station owners, and the new Managing Director would have to be a man who could meet this situation.

Because of the fact that five of the nineteen Directors, who are to vote on the selection of a new Managing Director, are to be elected at Colorado Springs, and because a new President is likewise to be chosen there, there will be considerable uncertainty until the very last minute as to who is actually to succeed Mr. Loucks. Nevertheless there is considerable discussion on the subject and doubtless politics will be indulged in before the new active head of the industry is finally selected.

The Directors whose terms expire at the next meeting are J. Thomas Lyons, WCAO, Baltimore, Md.; I. Z. Buckwalter, WGAL, Lancaster, Pa.; Stanley Hubbard, KSTP, St. Paul, Minn.; Harold Wheelahan, WSMB, New Orleans, La.; and Powel Crosley, WLW, Cincinnati, O.

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FCC HEAD ENDORSING COLUMBIA MARKS NEW POLICY

Official endorsement by Anning S. Prall, Chairman of the Federal Communications Commission in connection with the Columbia Broadcasting System's new "three-point" program policy, sets a precedent. Up to this time, except where performances have been alleged to be obscene or otherwise objectionable, the Commission has taken no official notice of the character of the program.

Further approval of Columbia's policy was seen when Senator Burton K. Wheeler, Chairman of the Senate Interstate Commerce Committee, which has jurisdiction there over radio matters, asked that the statement of Chairman Prall and that of Columbia be printed in the Congressional Record. This was done on May 14th and copies of the Record may be obtained carrying the full text upon application to Senator Wheeler.

"This new pronouncement of policy by the Columbia Broadcasting System is gratifying not merely because it is one of the most forward looking steps ever undertaken in the great American radio industry but also because it is the considered undertaking of a network serving more than 100 stations from Coast to Coast", Chairman Prall declared.

"Such an example of wise leadership can hardly fail to exert a profound influence on American broadcasting generally. The net effect of such a marked raising of broadcasting standards can only be to enhance further radio's unique influence on our modern ways of living and thinking, and to increase at the same time the interest of the listener and the value of the broadcast service to him."

The new "three-point" policy of Columbia, as outlined by William S. Paley, President, is, first, advertisers must cut down on the length of their announcements effective July 30, to a maximum of 10 per cent of the total broadcast may be devoted to the sponsor's commercial announcements, including contest and offers, on programs after 6 p.m. On daytime programs the maximum will be 15 per cent. Further, "unpleasantly rapid delivery of the sales message, to effect a crowding of excessive material into the period allowed for the commercial announcement, will not be permitted."

Secondly, advertising of articles which "by their nature present questions of good taste in connection with radio listening" will be prohibited. This policy is effective immediately in regard to new business. As to existing business, the policy is effective as the contracts expire. The last of these expires March, 1936.

Thirdly, Columbia cracks down heavily on children's programs. Prohibitions include features that exalt gangsters and criminals, glorify disrespect of parents, present greed and selfishness as a worthy motivation, or make dishonesty or deceit attractive. In an effort to improve these programs Columbia is engaging a child psychologist and an advisory board to steer the programs into proper channels.

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LABOR BOARD DISMISSES CHARGES AGAINST RCA RADIOTRON

The National Labor Relations Board has dismissed charges of violation of Section 7(a) brought against the R.C.A. Radiotron Company, Inc., by the Radio Metal Workers Industrial Union, Local No. 5. The case involved the dismissal of three employees at the company's Harrison, N. J. plant.

Upon appeal by the company from a recommendation by the New York Regional Labor Board that the three workers be reinstated, the National Board conducted a hearing on April 1, 1935. Evidence was found lacking, in the opinion of the National Board that the company was influenced in its discharge of the workers by any knowledge, or prejudice against, their union activities, and the Regional Board decision was hence reversed.

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NEW STATION RECOMMENDED FOR INDIANAPOLIS

A favorable report has been submitted to the Federal Communications Commission with regard to granting the application of L. M. Kennett, for the construction of a new 1000 watt station in Indianapolis, Ind., to be operated daytime on a frequency of 600 kc.

The Communications Commission will pass upon the recommendation at a later date.

The conclusions of George H. Hill, who was the Examiner in the case, were as follows:

"1. The applicant is legally, financially, technically, and otherwise qualified to construct and operate the proposed station.

"2. There is need in the Indianapolis area for the service of a radio station devoted to the broadcast of local programs, and there is adequate local talent to meet the requirements of such a station.

"3. No substantial interference would be caused to any existing service by the operation of the proposed station in Indianapolis, Indiana.

"4. Public interest, convenience, and necessity would be served by the granting of the application of L. M. Kennett for a construction permit."

There are two broadcast stations now located in Indianapolis, WFBM operating on 1230 kilocycles with 1 KW power unlimited time and WIRE operating on 1400 kilocycles with 500 watts night, 1 KW day power, unlimited time. However, both of these stations are chain outlets, WFBM being affiliated with the Columbia Network and WIRE with the National chain, and it appears that during 1934 WIRE devoted 40% of its total time to National Network programs while WFBM devoted 60% of its time to the Columbia Network. During the period from January 1, 1935 to the date of the hearing WFBM carried network programs 70% of the time and WIRE carried such programs 50% of the time. The only consistently satisfactory daytime service received in Indianapolis from stations located elsewhere is that afforded by Station WLW in Cincinnati, Ohio, which station also is a chain outlet being affiliated with the National and Mutual Systems.

The State of Indiana is due 7.7 units in daytime broadcast facilities and is assigned 5.52 units while the Fourth Zone is due 65 units and is assigned 64.20 units. The granting of the proposed application would increase the daytime quota of the State and Zone by .5 units. There are 9 other applications pending from Indiana, involving an increase in the daytime quota of the State and Zone.

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BROADCASTERS AND EDUCATORS AROUND KILOCYCLE MAYPOLE

With members of the Broadcast Division of the Federal Communications Commission looking on, educators and broadcasters joined hands to peacefully dance around a May Pole of kilocycle accord.

Representatives of the two groups met in Washington at a conference called by the Commission to formulate plans for mutual cooperation in presenting educational programs over the radio.

Among the broadcasters in attendance at the meeting were John Royal, NBC Vice-President and Program Director; Alfred J. McCosker, of Station WOR, Newark; Frederic K. Willis, Assistant to the President of Columbia; H. K. Carpenter, of WHK, Cleveland; Joseph Ries, Educational Director WLW, Cincinnati; Harry C. Butcher, Washington representative of Columbia; Frank M. Russell, Vice-President, NBC, and Edwin M. Spence, Director of WBAL, Baltimore.

Of the many suggestions offered at the conference, one which apparently met with most favor among the delegates was that offered by Allen Miller, Director of Radio at the University of Chicago, and head of the University Broadcasting Council.

He pointed out that the University Council was formed in Chicago to act as a coordinating link between the Universities and the broadcasting stations in that area. It will stage educational programs from a central studio in downtown Chicago. This studio will be linked with sub-studios at the various universities and will also be connected by wire with the various radio stations airing its programs. The schools joined in this radio venture are Northwestern, Chicago and De Pauw.

The cost of operation was estimated by Miller at \$55,000 a year. Both the stations and universities will contribute to the operating expenses. The matter of programs will be left entirely up to the Board operating the Council.

This Board, according to Miller, hopes to overcome what it deems the reasons for the failure of educational broadcasts to date. They are: lack of expert guidance and supervision, inadequate financial support, lack of cooperation between broadcasters and educators and poor program design.

Educators who have been the leaders in a fight for the reallocation of radio frequencies to give educational groups a larger percentage of wavelengths indicated at the hearing that they would drop this demand if the broadcasters would work with them. Broadcasters present at the meeting announced through J. Truman Ward, President of the National Association of Broad-

casters, that they were ready and willing to do this. Both Ward and John W. Studebaker, U. S. Commissioner of Education, favored the appointment of a committee to develop a plan favorable to the two groups.

"If there could be appointed some sort of committee to consider the viewpoints presented at this Conference and then to study the situation there might no longer be such a lack of unity in plan and philosophy concerning education by radio", Mr. Ward said. "There might then be a greater organized effort on the part of our universities and school systems in developing the use of radio at the reception and to supplement their regular class room work. This might then result in the development of approved educational broadcasts meriting the wide public interest accorded the best commercial programs.

"Thus we believe that the chief constructive consideration of this Conference should be the thought of organizing a committee for the cooperative study of this problem and to present some suggested plan for the application of the radio to education, and for the coordination of the educators' efforts."

Studebaker commended the Parent-Teacher groups for their fight to raise the standard of juvenile programs. He called upon the Commission to assume more responsibility on this matter than it has in the past.

Patent medicine advertising on the radio was attacked by Drs. W. W. Bauer, and Arthur J. Cramp, both of the American Medical Association. They asked for the right to attack over the air statements made by these advertisers. Dr. Bauer also asked for the right of medical men to discuss the cause and prevention of social diseases, on the radio.

In pointing out what he termed "misstatements of medical facts", in commercial announcements on certain patent medicine programs, Dr. Cramp stated:

"Radio advertising is more objectionable than newspaper advertising of the same product. The public has developed a defense mechanism against this type of advertising print. Sponsors of these products are also much more cautious about statements they make in the newspapers. Young people don't read them, but they do hear them on the air. Broadcasting stations are far behind newspapers and magazines in handling this type of advertising."

That the intelligence of the average listener is three years older now than it was, was the assertion of Dr. J. H. Upham, Dean of the School of Medicine of Ohio State University. Dr. Upham said the intelligence of the average listener today is between 15 and 16 years old instead of 12 and 13 as it used to be.

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Dr. Arthur G. Crane, President of the University of Wyoming, and a representative of the National Committee on Education by Radio, called for the establishment of a public broadcasting system to supplement, but not supplant, the present commercial system. This plan was offered to give American listeners programs free from advertising and to present entertainment and information to promote public welfare.

The plan calls for the following: A national radio system to be managed by a series of national, regional and State boards, about 50 in number, with representatives of agriculture, labor, music, drama, schools, religion, science, medicine, law and arts on the boards. Members of the State boards are to be nominated by the Supreme Courts of the various States and confirmed by the Governors. The system shall be available for public forums and operated by a chain of non-profit welfare stations. The Government shall make provision for operating funds and allocation of radio channels. The various State Boards shall study the desires of listeners and prepare programs to appeal to them.

Dr. Crane believes that \$3,600,000 can be raised for the operation of such a supplementary radio chain through the contribution by the Government of a penny a month for each pupil enrolled in the public schools of the land.

Support of the plan was voiced by Frederick A. Ballard, representing the American Civil Liberties Union. He also offered a resolution for the formation of a new Radio Commission to investigate the American Radio System from the ground up to determine what future action should be taken.

The Rev. Fr. John B. Harney, representative of the Paulist Fathers, who operate WLWL in New York, demanded 25 percent of the available radio facilities for non-profit groups and 50 percent of the evening time on commercial stations for educational broadcasts. He also attacked a program on NBC sponsored by the Mexican Government and praised Columbia's recent plan for program purification. He suggested that the Commission adopt the Columbia plan and make it binding on all stations under its jurisdiction.

Broadcasting of alien propaganda and obscene programs should be penalized by immediate revocation of license, Father Thorning, who represented America, a national Catholic review, told the Commissioners. He said thus far the Mexican Government was the only foreign nation to put foreign propaganda on the radio, but he pictured Japan and Russia as doing likewise in an effort to obtain the aid of the United States.

After the shouting had all died down, Judge E. O. Sykes, Chairman of the Broadcasting Division of the Commission, announced that a committee would be formed to further study the matter of cooperation between educators and broadcasters. He appointed U. S. Commissioner of Education John W. Studebaker Chairman of the Committee. What the Commission, or anybody else for that matter, will do with the report of this committee, was not revealed.

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ASCAP READY TO BEGIN GOVERNMENT BATTLE NEXT MONTH

With Federal Judge John C. Knox, of New York, heading the Government anti-trust suit against the American Society of Composers up for trial on June 10th, the Composers have indicated that they are ready to go ahead. The progress of the suit naturally will be followed with great interest by the broadcasters.

One report is to the effect that there will be a continuance of existing broadcasting station contracts with the Composers for six months beyond September 1st when the present licenses expire. This decree would mean that the Composers under court offices would consent to the elimination of certain practices subject to court action if violated.

As it stands now, the broadcasters pay 5% of their net receipts each year, plus arbitrary sustaining fees, making the annual payment to the Composers something like \$2,500,000.

In his argument for an early trial, Andrew W. Bennett, Special Assistant to the Attorney General, in charge of the Government suit, said that past experience led the owners of the businesses involved to believe that greatly increased royalties will again be demanded by the American Society of Composers, and that they will be forced to pay such increased amounts or go out of business.

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CENTRAL BROADCASTING BUILDING FOR VIENNA

At a recent meeting, the Board of Management of the RAVAG, the Austrian Radio Company, resolved on the construction of a central broadcasting building on the land of the "Theresianum" in the center of Vienna at an estimated cost of 6,700,000 schillings. This building is to contain all the offices, the technical rooms and the studio of the RAVAG, which are now located in two separate buildings. Construction will be started this summer so that the buildings can be completed before next winter sets in, Commercial Attache Gardner Richardson at Vienna, reports.

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GOVERNMENT WAKING UP ON TELEVISION

About the first interest in television officially shown by the Government, is the Commerce Department sending Andrew W. Cruse, Chief of the Electrical Division, abroad to see what England, France and Germany are doing.

Mr. Cruse has been instructed to get first-hand information on television developments in these countries with a view to presenting them to American industry. How long he will remain abroad is not known.

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PROPOSED CATHOLIC STATION SHIFT MUST AWAIT HEARING

The Federal Communications Commission has turned down a petition from Rev. John B. Harney, Superior General of the Paulist Fathers of New York, owners of WLWL for immediate action in connection with a proposed shift of eight or nine stations which would allow WLWL to share time with WWL, another Catholic station, Loyola University, of New Orleans, La.

A hearing on this case had previously been set for the latter part of June, and the Commission ruled that Father Harney would have to await the outcome of this.

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SHRINE CONVENTION TO HAVE LARGEST SOUND EQUIPMENT

The setup being installed for the Shrine Convention to be held in Washington early in June is believed to be the largest sound installation of its kind ever employed in the United States.

The amplification devices will be set up to cover the line of march on Pennsylvania Avenue from Fourth Street to Seventeenth Street; the water sports carnival off Haines Point; divine services on Temple Heights and the National Theater headquarters for the Shrine.

The system on Pennsylvania Avenue is to be operated on a complete network or as 12 separate units for the carnival features. More than 75 R.C.A. high fidelity speakers and 55 velocity microphones are to be used.

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One of the first efforts made to amplify the speeches and to carry the music of bands playing along the line of march through loud speakers was attempted when the Shrine held its convention in the National Capital a number of years ago. This was thought to be a marvelous thing at the time but in the light of future developments was looked upon as a faint carbon copy of what will be done at the forthcoming convention.

"The reproduction of music of the Shrine bands and of voices of the speakers through the system being installed for the June convention will be natural and not be discorded", said F. N. Chase of the National Electrical Supply Co. "There will be no over-amplification and the reproduction will be correct. When John Smith talks, it will sound like John Smith.

"We gave this system a tryout when Admiral Byrd arrived at the Washington Navy Yard recently. Also, it was used at the White House with highly satisfactory results, when President Roosevelt addressed a large group of farmers from the south portico of the Executive Mansion. We have every expectation that the system will establish a new high standard of amplification when the Shriners assemble in Washington in June."

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ALL-WAVE RADIO RECEIVING SETS POPULAR IN EGYPT

The introduction of all-wave sets into Egypt has resulted in a noteworthy stimulation to radio sales in that market, according to a report from Consul General H. Earle Russell, Alexandria, Egypt.

While American makes have shared in the increased business, they have been somewhat at a disadvantage, it is pointed out, as while prices of European sets have been declining, the cost of American sets has advanced. Furthermore, American manufacturers have usually demanded terms of cash in advance or cash against documents, whereas European firms have been granting a certain amount of credit, the report states.

Midget types of all-wave sets were most in demand in the Egyptian market during the past year, the report shows. The native trade demanded a low-priced apparatus, while the more expensive units were favored by the foreign element. Wherever electric current was available, electric sets were in demand, but in many of the interior villages, where current was not obtainable, battery sets were called for.

Imports of radio receiving sets into Egypt during 1934 amounted to approximately 25,000 units, valued at £156,000 (Egyptian), with the United States accounting for 13,460 units valued at £80,000, the Consul reported.

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"LEAGUE FOR RADIO DECENCY" OPENS UP

There has been formed an organization in New York City known as the "National League for Decency in Radio." Its purpose is "to eliminate unclean and indecent items in radio programs."

The League issued a statement to the press which reads, in part, as follows:

"The publishing and distribution of a successful newspaper or magazine requires a tremendous expenditure of energy, worry and money. The service you have rendered, and the employment you have made possible, merits you something better than that which is permitted to your competitor to monopolize at little expense, namely, the broadcasting of news items to your readers.

"In addition, you are further handicapped in that your competitor is able to offer a combination of radio and newspaper advertising at a rate which surely does not help you. Such a condition is not tolerated by either the public, or the workers in newspaper and magazine offices of Great Britain, or Canada. Why should it be permitted to exist in the United States?

"Surely, the Power Trust does not as yet control the press?

"The amount of advertising diverted in 1934 from newspapers and magazines to radio approximated \$77,000,000. Based on the first four months of 1935, it is estimated that nearly \$100,000,000 will be spent by commercial sponsors in radio advertising. In addition, and no doubt of far more interest to you, is the fact as the enclosed broadside indicates, that unclean and offensive utterances, as well as alien propaganda, of a type that no self-respecting publisher would originate, is now being broadcast by radio.

"We would appreciate your cooperation and endorsement in making possible the purposes herein set forth by the National League for Decency in Radio."

The League has its offices in Suite 2515 at 11 W. 42nd Street, New York City.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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EDUCATORS-BROADCASTERS' COMMITTEE TO BEGIN SOON

Judge E. O. Sykes, Chairman of the Broadcast Division of the Federal Communications Commission, said that the Educators-Broadcasters' Committee, agreed upon at the conference in Washington last week, would doubtless be selected and ready to go to work within the next week or ten days. The Chairman of this committee, to which may be added representatives of the Communications Commission, will be John W. Studebaker, U. S. Commissioner of Education.

The selection of Mr. Studebaker will mark a closer working relation between the Office of Education and the Commission having jurisdiction over radio. Judge Sykes said that the exact number of the committee had not as yet been determined but that it could be depended upon to represent all the interests concerned. He said that the first meeting of the Committee would be called soon after the personnel had been selected. At that time the main question of how, under its existing arrangement, an agreement could be reached to better utilize the present radio facilities would be taken up.

The new Educators-Broadcasters' Committee will also consider the proposal made by Dr. Arthur G. Crane, President of the University of Wyoming, and Vice-Chairman of the Committee on Education by Radio of a system of radio broadcasting to supplement the present profit-sustained system which would give the American people a combined system embodying the desirable features of both public and private broadcasting.

"Listeners would have the privilege of turning either to programs such as we now have or to those which not only had been arranged by public boards interested in American culture, information, and entertainment, but were entirely free from advertising or from the influence of the advertiser", Dr. Crane explained in presenting his idea to last week's conference.

"With few exceptions, the countries of the world either operate all broadcasting as a public enterprise or provide a parallel publicly-operated system such as the one proposed for the United States. Broadcasting, except in America, has been appreciated and conserved as a great public instrument to serve the people's welfare and entertainment. The new proposal is a most promising and happy combination of the values inherent in both the European and American systems.

"The listener's freedom of choice would be increased by a supplemental, publicly-controlled broadcasting chain presenting programs paralleling the present commercial programs. This could

be effected without any hardship upon the existent system. The supplemental chain would interfere with the present broadcasters only insofar as a few of the existing air channels were allocated to and reserved for the government system. The band of frequencies reserved for the government system could undoubtedly take care of most of the present educational and non-profit broadcasting stations. By means of a proper allocation of channels, and their division among stations of varying power, the non-profit stations could probably serve the country better than at present and with less interference to those which are commercially operated."

"The cost of construction and operation by the people themselves of a broadcasting system would not be excessive.***** Financed by the Federal Government on a national basis, it would be negligible.

"There are several ways by which the cost of the public broadcasting system could be met. A manufacturers' tax on new equipment, supplies, and replacements has been suggested.

"An equitably adjusted license fee to be paid by all commercially operated stations could yield a sizeable return. Such a fee could be based upon the power of the station, the population of the primary area served, the time privileges, and the desirability of the channel allocated. Such a payment would be fair and reasonable in return for the protection which such stations now receive from the Federal Government. An offset to this fee would occur when the Government system buys time from a private station. Such charge could be credited to the station's license fee.

"At present the Federal Government spends large sums of money each year to protect private stations in a monopoly of the radio channels. The number of available channels is limited. These must be parcelled out by the Government. Each station must be protected in its rights against interference and against encroachments by other broadcasters. By this process the Federal Government is creating a monopoly of the air for each station within the allocation of time, power, and frequency accorded to the station. For this service, which is costing the Federal Government heavily, the station pays nothing in return."

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SHORT-RANGE RADIO FOR N. Y. STOCK QUOTATIONS

The radio set, which is to be carried by quotation boys on the New York Stock Exchange has what is said to be the shortest range designed for practical operation in the world. It covers only the ten-foot circle around the trading posts in which members congregate. Instead of working his way in and out of this melee, the quotation boy may, by use of the new set, broadcast prices from the edge of the crowd to a receiving and amplifying device at the top of his post. His voice is relayed from this point to the telephone operators on the fifteenth floor, who supply member firms, but member firms only, with quotations.

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U. S. EXPLAINS EUROPEAN TELEVISION STUDY

The Commerce Department has given out the following statement with regard to the survey which it is now making on the television situation in Europe:

"Alert to the possibilities of selling television apparatus to the world with profit to the United States, the Bureau of Foreign and Domestic Commerce is to be represented during the next two months in each of the three foreign television capitals - London, Paris, and Berlin - by Andrew W. Cruse, Chief of the Bureau's Electrical Division.

"Functioning in close cooperation with radio exporters, the Division has been instrumental in aiding the development of the foreign markets for American radio apparatus, amounting in 1934 to nearly \$25,000,000. Foreign restrictions on importation, affecting the sales of American radio goods, failed to hold sales below a new record.

"Television promises a similar development, and although total units to be placed in use each year may not equal those for comparative years in the development of sound sets, a tremendous dollar volume of turnover will not greatly surprise the industry.

"Developments will necessarily be slower for television than for sound broadcasting, as transmitters are not yet capable of covering great distances and pending the discovery of improvements increasing effective range must be considered as local in effect.

"Television experimentation has been in progress in Europe for about the same length of time as in the United States. A greater proportion of this experiment has been in the form of transmissions for public reception, however, resulting in some practical problems of public relations which have as yet been studied only in theory in the United States. A principal problem is the question of making television self-supporting, utilizing experience in solving the same question regarding sound broadcasts.

"Mr. Cruse proposes to study the subject from all angles, but particularly in the matter of technical methods, program construction, and television financing, insofar as information on those subjects may be developed.

"The itinerary includes studies to be made in the television centers of England, Germany, and France. Mr. Cruse will return about June 30."

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B.B.C. TO ADD HIGHER POWER SHORT-WAVE TRANSMITTERS

The British Broadcasting Corporation announces that in view of the success achieved by the Empire Service, it has been decided to extend the station at Daventry by the addition of two short-wave transmitters, which will be of higher power than the two now in use.

There will also be extensions to the aerial system, based on the data collected in the experimental work which has been carried out at Daventry by the B.B.C. during the past two and a half years.

When the two new transmitters are in operation, the two existing transmitters will be combined to form one transmitter of higher power, making available three transmitters in all. Construction work on the building to accommodate the additional transmitters will begin shortly.

The present transmitters at Daventry are listed at 20,000 watts in the Commerce Department's "World Short-Wave Radiophone Transmitters".

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RCA ENTERS SALARY LIST WITH SECURITIES COMMISSION

The Radio Corporation of America paid to David Sarnoff, President, remuneration of \$52,330, and to Gen. James G. Harbord, Chairman of the Board, \$51,160, its registration statement has informed the Securities and Exchange Commission at Washington. Otto S. Schairer, Vice-President, got \$24,125. Rockefeller Center, Inc., was the largest security holder listed, with 100,000 of the "A" preferred as of March 22, comprising 20.2 per cent of the issue. G. E. Employees Securities Corporation owned 50,000 "A" preferred.

Shareholdings of officers and Directors included: General Harbord, 1,130 "B" preferred; Newton D. Baker, 10 common, 10 "A" preferred; Cornelius Bliss, 2,833 common; Arthur E. Braun, 19,532 common, 13,500 "A" preferred; Edward W. Harden, 1,000 common; Mr. Sarnoff, 2,000 common; James R. Sheffield, 1,193 common.

Westinghouse Electric and Manufacturing Company paid \$78,805 to A. W. Robertson, Chairman of the Board, and \$58,763 to F. A. Merrick, President. L. A. Osborne, Vice-President received \$33,436, and Walter Cary, Vice-President and President of the Westinghouse Lamp Co. got \$46,257 from the latter concern.

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WRVA WOODEN TOWER DECREASES FADING

Although it has only been in use a short time, a favorable report has been received with regard to the all-wood radio tower of Station WRVA, at Richmond, Va.

"What we hear from our listeners in many sections is most encouraging", said C. T. Lucy, in charge of the station, "and we are particularly impressed with the fact that fading has been materially decreased.

"Reception at points which heretofore have had difficulty listening to us with any satisfaction is also noteworthy, and it is expected that changes in our present ground system will show further marked improvement."

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U.P. AND I.N.S. ADD NEW RADIO CLIENTS

The muddled radio "newscasting" situation began to smooth out this week as definite programs for supplying news to radio stations were being shaped up by the United Press and the International News Service. With staff men being added to supply specially prepared broadcasts, the entry of the commercial news gathering agencies upon a new phase of their history appeared to be an accomplished fact, according to Editor & Publisher.

That this move was hastened by pressure from newspaper owned stations was further indicated in several sections last week. The Associated Press reported inquires from papers in nine cities seeking to know what use they may make of A.P. news. The answer, varying only in minor detail, has been that until some program is adopted, A.P. members owning radio stations may meet their competition, where necessary, by making up newscasts from the A.P. wire. No commercialization will be permitted, and the member is charged with the responsibility for protecting the integrity of the A.P. news.

The United Press has adopted a policy of selling its news specially prepared in program form. Webb Artz, U.P. mail editor, was detailed this week to Philadelphia to organize preparation of a newscast for Station WCAU and then to Boston where U.P. has sold Station WEEI.

The major chains, having failed to exercise leadership in carrying out the Press-Radio agreement, were reported as the key to the situation in the fight between Trans-Radio and the newspaper news gathering agencies. The U.P., according to Mr. Baillie, President of the U.P., has decided, for the present, not to sell news for chain broadcast as such.

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07/21/50

BELLOWS NOT A CANDIDATE TO SUCCEED LOUCKS

Henry A. Bellows, who has been suggested as a possible candidate to succeed Philip G. Loucks, who will resign as Managing Director of the National Association of Broadcasters next July, states very positively that he does not seek the position.

"I would like to make it perfectly clear that I am not a candidate for this office", Mr. Bellows writes, setting forth his views on the subject.

"As you will recall at the Cincinnati convention, I very urgently advised the Association to enlarge its Washington staff in order to provide adequately for certain services which the Managing Director, no matter who or how efficient he may be, cannot possibly maintain in connection with his other duties. I specifically urged the maintenance of a Federal and State legislative service on a permanent basis and a material expansion in the public relations and educational work of the Association.

"As a specific example of the importance of such work, I may point out that in connection with the hearings before the Broadcast Division of the Federal Communications Commission last Fall, it was necessary for the Association to take on an additional full time employee and secretary, who worked for three months exclusively on the presentation of material and the preparation of the brief in connection with these hearings. Since January 1 the maintenance of an adequate State legislative service has been very nearly a full time job. Wholly irrespective of any personal connection, I feel more strongly than ever that the National Association of Broadcasters urgently needs to increase its permanent personnel to care for such matters as these. This is particularly true in the light of the investigation to be carried on by the new Federal Committee under the Chairmanship of Dr. Studebaker. It is perfectly apparent that the Managing Director of the Association cannot, without seriously neglecting the regular duties of his office, give anything like adequate attention to such legislative, educational and public relations activities as these.

"I have, frankly, been glad to serve the Association in such capacities as I have indicated, and I am ready to continue to do so if the Association, recognizing the need, really desires to expand its activities in the directions I have suggested, and wants me to carry on this kind of work. I do not feel, however, that this sort of thing can be adequately done by any Managing Director on the present basis of organization, nor do I feel that it can best be done by the Managing Director even with an enlargement of the staff. For many reasons, therefore, I do not care to be regarded as a possible candidate for the position which will be left vacant by the resignation of Mr. Loucks. I have too high an appreciation of the splendid work he has done to feel that it could possibly be carried on satisfactorily by anyone whose primary interests in the broadcasting industry are in legislative, educational and public relations fields.

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ASHBY BECOMES OFFICER OF BAR ASSOCIATION

A. L. Ashby, Vice President and General Attorney of the National Broadcasting Company, was elected last week as one of the Directors of the New York County Lawyers' Association. This Association was organized by Charles Strauss and among its officers have been such distinguished lawyers as Charles Evans Hughes, John W. Davis, Charles A. Boston, Samuel Seabury, William M. Cromwell, and others.

Mr. Ashby was elected for a term of three years. He is also Chairman of the Committee of Communications.

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WOR SHOWS 30% INCREASE IN BUSINESS

Since the installation of WOR's new 50,000 watt high-fidelity transmitter, the number of commercially sponsored hours broadcast over WOR increased 30% the first four months of the year over last year, according to a statement from WOR's Press Department, which continues:

"During this period 68 new sponsors came on the air, thus raising the total commercial time for the first third of the year to 838 hours - a 30% increase over commercial hours broadcast during the corresponding period last year. Commercial time on the station during April was larger than any other month of 1935.

"A total of 247 hours were sponsored by 87 different advertisers, compared with 68 advertisers using WOR in April, 1934. During April, the independent 50,000-watt broadcast 247 hours of commercial time, a 9.5% increase over the March 1935 total and 56.8% gain over sponsored time in April 1934.

Part of this increase may be attributable to the affiliation of WOR with the Mutual Broadcasting System which started operation last September. Also a greater use of local or spot programs on the part of national advertisers is indicated. In this respect about 80% of WOR's commercial time is sponsored by national advertisers.

"WOR has contracts for Summer use of the station by sponsors which show a definite increase of business of 40% over the Summer of 1934."

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 :::INDUSTRY NOTES:::
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The Securities and Exchange Commission has set May 24th at 10 A.M. for a hearing to give the American Radio and Television Corporation of New York City an opportunity to appear and show cause why effectiveness of registration statement filed May 1, 1935, should not be suspended because the Commission finds reasonable grounds for believing that the facing sheet, twenty items, three exhibits, and the prospectus contain untrue statements or omit to state certain required material facts.

A favorable report has been submitted to the Communications Commission by Examiner Ralph L. Walker on the application of the Riverside Broadcasting Co., of Riverside, Cal., for a construction permit for a 250 watts station, daytime operation on 820 kc.

The telephone which President Walter Gifford, of the American Telephone and Telegraph Co., used in the first round-the-world conversation has been presented to the Smithsonian Institution in Washington. Those who took part in the presentation were: Dr. C. G. Abbot, Smithsonian Secretary; Dr. William Chauncey Langdon, of the A. T. & T.; Mrs. Gilbert Grosvenor, daughter of the late Alexander Graham Bell, who made the presentation, and Dr. Gilbert Grosvenor, head of the National Geographic Society.

Examiner Melvin H. Dalbert has recommended that the application of the Helena Broadcasting Co., of Helena, Mont. for a construction permit of 100 watts station, 1420 kc., unlimited hours of operation, be granted. He has reported unfavorably upon the Montana Broadcasting Company at Boulder, Mont., and E.B. Craney, of Helena, who sought the same frequency.

Three broadcasting stations are to begin almost immediately an investigation of transmission on the ultra-high frequencies, the Associated Press reported from New York. Broadcasters to install the necessary equipment are KDKA, of Pittsburgh, KYW, of Philadelphia, and WBZ, of Boston.

Herman Paley and Jack Klotz have joined the WOR Artist Bureau staff. Paley will represent artists for motion pictures, musical comedy and dramatic productions, and will also sell talent to advertising agencies. Klotz will represent WOR artists for vaudeville engagements, presentation houses and night clubs.

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DISCOUNTS IMPROPER NEW DEAL RADIO USE

Manipulation of the radio by President Roosevelt and the New Deal is taken lightly by Elmer Davis of the New York Times in reviewing the book "Handout", which was expected to "blow the roof off of Washington", in its expose of the New Deal usage of publicity.

"It is in the chapters on radio and movies that the neurosis breaks all bounds", Mr. Davis writes. "Radio was controlled by a Federal Commission long before Roosevelt became President; then and now an administration could shut off all radio criticism if it chose (and dared); yet one still hears Republicans and Socialists on the radio, when they have money enough to buy the time. But say the authors, there is a subtler way of suppressing radio critics; a station, by turning on more power than it is supposed to use, can 'spray' competing stations and silence their programs - something which Government engineers are supposed to prevent. Last Winter the authors had trouble getting Father Coughlin's speeches through the Washington station of his network; another Washington station was spraying them out, and they are sure it was a plot. Well, last Winter this reviewer had trouble getting the Philharmonic programs; the New York station of Coughlin's network was spraying them out. If there was a plot, it seems to have backfired in New York, which, after all, has more radio listeners than Washington. But possibly a reviewer who thinks the country needs Toscanini more than it needs Coughlin is not competent to judge of such matters."

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TELEVISION IN FRANCE

The Minister of Posts and Telegraphs, Georges Mandel, announced recently that regular broadcasting of televised pictures will begin in France before the end of the month. The new emission which will accompany ordinary broadcasting will be made at first on 175 meter waves at the rate of 25 images per second, scanned horizontally by 90 lines per image.

"This is expected to give as good pictures as any system contemplated in either England or Germany, according to the French Minister, but after 3 months the French system will be further improved by increasing the scanning rate to 180 and even 240 lines", Assistant Trade Commissioner Lestrade Brown reports. "The broadcasting of televised pictures will be in the nature of an experiment at first. The sending apparatus has already been installed and will begin to function within a week. The improved model which will be installed 3 months later will be set up on the top of the Eiffel Tower. All equipment is made in France."

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R.C.A. COMMUNICATIONS TRAINS THEM UNDER DIFFICULTIES

On a recent visit to the main offices of the R.C.A. Communications, Inc., it was noted that the "schoolroom" for training novice operators was located in the very center of the largest, busiest, noisiest and most hectic of the several traffic-handling rooms, a writer in the Naval Communications Bulletin observed.

"The students were seated at a long practice table, banging away at their typewriters and yet obviously having enough trouble with the incoming code without being bothered by the running of messengers to and fro, the whirring of carrier-belts, the clicking of several dozen typewriters and a general air of confusion which is more readily associated with a boiler factory than with a communication office", the writer added.

"That", said the executive who was acting as guide, 'is just the point. They've got to get used to the noise and confusion before they'll be worth anything to us and we think that they might just as well do it at the beginning of their careers rather than later on.'

"Judging by the proficiency of the finished product, the system must be good and we might well profit by it.

"Material difficulties may stand in the way. We certainly have no communication offices which offer the same amount of hectic distraction. On the other hand, it would be perfectly possible to hook up every position in a receiving room to an oscillator circuit, preferably keyed from outside the room. Then, whenever, a few positions could be spared from routine operation, the strikers could take their places in the receiving room and copy practice transmissions under exactly the same conditions as they will eventually be called upon to encounter with real transmissions. If greater noise is desired, the supervisor might stand close by and beat a dishpan with a monkey-wrench. But the ingenuity of our radiomen may be depended upon fully to furnish such realism, should it prove necessary in the turning out of operators such as we most assuredly need, and always will."

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A list of importers and dealers of radios and radio equipment in Czechoslovakia has been compiled by the Commercial Intelligence Division from data prepared and submitted by American consular officers abroad under the direction of the Secretary of State. Copies of this circular may be obtained from the Bureau of Foreign and Domestic Commerce or from its district and cooperative offices. Price 50 cents each.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WPAX, H. Wimpy, Thomasville, Ga., C.P. to make changes in equipment and increase day power to 250 watts, transmitter site to be determined; WJAX, City of Jacksonville, Jacksonville, Fla., C.P. to install new equipment, increase day power to 5 KW, transmitter location to be determined; WMAQ, National Broadcasting Co., Inc., Addison, Ill., modification of C.P. to extend completion date from 7/4/35 to 9/4/35, for approval of antenna system and to correct geographical location; WORK, York Broadcasting Co., York, Pa., modification of license covering special authority to operate on 1320 kc., 1 KW night, using directional antenna, unlimited time; WMFJ, W. Wright Esch, Daytona Beach, Fla., license to cover C.P. authorizing new station to operate on 1420 kc., 100 watts, unlimited time; KXYZ, Harris County Broadcast Co., Houston, Tex., license to cover C.P. authorizing changes in equipment and increase in power from 500 w. to 1 KW, 1440 kc., unlimited time.

Also, WMFD, Richard Austin Dunlea, Wilmington, N. C., license to cover C.P. authorizing construction of new station to operate on 1370 kc., 100 watts, daytime only; KHSL, Wm. Sshield, Sydney R. Lewis, Harold Smithson, Trustees of Golden Empire Broadcasting Co., Ltd., Chico, Cal., license covering C.P. authorizing new station to operate on 950 kc., 250 watts, daytime only; KRNT, Iowa Broadcasting Co., Des Moines, Ia., license to cover C.P. authorizing changes in equipment; KPLC, Calcasieu Broadcasting Co., Lake Charles, La., license to cover CP for new station to operate on 1550 kc., 100 w., unlimited time; WPRO, Cherry & Webb Broadcasting Cl., Providence, R. I., modification of license to cover special Exp. Auth. authorizing new equipment, moving station locally and change frequency from 1210 kc., to 630 kc., 250 w., unlimited time; WSAN, WASN, Inc., Allentown, Pa., modification of license covering increase in power from 250 to 500 watts, and set for hearing application to operate with 500 w. additional; WCBA, B. Bryan Musselman, Allentown, Pa., modification of license to increase power from 250 to 500 watts, and set for hearing application to operate with 500 w. addition;

Also, WMC, Memphis Commercial Appeal, Inc., Memphis, Tenn., modification of license to increase night power to 1 KW, using directional antenna, 2.5 KW day using conventional antenna, and to cover changes in equipment; WKBB, Sanders Bros. Radio Station, E. Dubuque, Ill., license to cover C.P. authorizing installation of new equipment, increase in day power to 250 w. and hours of operation to unlimited 1500 kc., 100 w. night; WSVA, Marion K. Gilliam, Harrisonburg, Va., Consent to Voluntary Assignment of license to Shenandoah Valley Broadcasting Corp.; WOSU, The Ohio State University, Portable-Mobile, C.P. (Exp. Gen. Exp. Broadcast pickup station), frequencies 31100, 34600, 37600, 40600, and 8600-400000 kc., 10 watts.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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EXPECT MORE STATIONS CITED IN ADVERTISING CLEAN-UP

It is believed in official circles that the citing of twenty-one radio stations, with the threat that their licenses may be cancelled, for the most part because the stations carried a program entitled "Marmola", a preparation represented to reduce fat, is only the beginning of further drastic moves on the part of the Commission in a national advertising clean-up.

Indications of what might possibly be the basis of further action was the submitting by Dr. Arthur J. Cramp, Director of the Bureau of Investigation of the American Medical Association, to the Broadcast Division, of a transcript of the advertising of part of five "patent medicine" broadcasts made during the last two or three weeks.

Anning S. Prall, Chairman of the Commission, has had his eye on the advertising situation ever since he took office. Shortly after Mr. Prall took up his new duties a complaint came in about the medical broadcasts on a certain station. Ordinarily the procedure in such a case would have been a lot of checking and double-checking. Then when the station came up a month or two hence for the renewal of its license, it would have been told that it would have to clean house before another license could be secured.

In this case, Mr. Prall "shot from the hip" by sending a telegram to the station warning it that if the offensive program was not eliminated immediately, he would move to cancel the station's license.

The stations cited to appear in connection with the Marmola advertising which, according to the Commission, has been under the ban of the Post Office Department for some years, and also is in disfavor with the Federal Trade Commission, are:

KNX, Los Angeles; WBAP, Fort Worth; WGAR, Cleveland; WBAL, Baltimore; WGR, Buffalo; WHEC, Rochester; WHO, Des Moines; WIOD, Miami; WIND, Gary, Ind.; WIRE, Indianapolis; WJAS, Pittsburgh; WJJD, Chicago; WJR, Detroit; WKBW, Buffalo; WOW, Omaha; WOWO, Fort Wayne; WSMB, New Orleans; WTMJ, Milwaukee, KKRC, San Francisco; KMBC, Kansas City; KNOX, St. Louis.

The products which Dr. Cramp, of the American Medical Association, has complained of to the Commission, are: "Peruna", "Willard's Tablets", "Ex-Lax", "Alka-Seltzer" and "Crazy Crystals".

"Peruna has always been highly alcoholic, the amount of alcohol varying from 27 per cent to the present 18 per cent", Dr. Cramp set forth to the Commission. "The drugs that are alleged to be in it, in addition to alcohol, have varied at different times. Thirty years ago the Office of Indian Affairs forbade the sale of Peruna to the Indians because they got drunk on it. About the same time the Bureau of Internal Revenue notified Hartman, who then put the stuff out, that he would have to put some drugs in Peruna or take out a liquor license. He added senna. This cut down the sale to such an extent that Hartman attempted to recoup his losses by putting the old Peruna back on the market under another name - 'Ka-tar-no' - to be sold under liquor license restrictions. The Peruna broadcast recommends that 'a tablespoonful or two' be taken about half an hour before each meal and before going to bed. Two tablespoonfuls is an ounce, or about half a wineglassful. As Peruna contains twice the amount of alcohol to be found in champagne, the amount of alcohol the purchaser may get is by no means negligible.

"The Willard Tablets radio advertising theme is that the preparation is a home treatment for poor digestion, heart-burn, acid dyspepsia and stomach ulcer. It isn't necessary to point out the very serious danger that is run by a person who attempts to treat himself for such a condition as stomach ulcer. The tablets themselves were reported in THE JOURNAL of the American Medical Association to be just another one of the ant-acid preparations containing, essentially, baking powder, bismuth subnitrate and magnesium oxide, a combination that is put up in non-proprietary form by most of the pharmaceutical houses and sold, not, of course, for stomach ulcer, but for the symptomatic treatment of hyperacidity.

"Ex-Lax is broadcast as 'the delicious chocolate laxative that will not form a habit.' The purgative drug in Ex-Lax is phenolphthalein, which, like all chemical purgatives, may form a habit. There have been numerous cases reported in medical literature of serious results following the use of phenolphthalein, albuminuria, cardiac weakness, irregular respiration, gastro-intestinal disturbances, blood in the urine, and especially skin eruptions. It is said that one of the most common causes of recurring ulcers of the mouth lies in the ingestion of drugs and that phenolphthalein comes first in the production of such untoward effects.

"Yet this preparation Ex-Lax is put up in the enticing form of a candy and sold to all who wish to buy. In 1932 a case was reported in THE JOURNAL of the American Medical Association of a ten-year old boy who ate the contents of a box of Ex-Lax in mistake for candy and died. The medical profession has gone on record as being opposed to the indiscriminate sale of powerful drugs put up in the form of candy or chewing gum, because it knows that the public has a general idea that even products of an obviously medicinal character, when they are sold as package medicines for self-administration, are supposed to be more or less harmless. Dr. F. J. Cullen of the Federal Food

and Drug Administration issued a warning in 1933 against the dangers to the public health in the widespread exploitation of phenolphthalein put up in the form of confections.

"Alka-Seltzer is advertised so as to play up the idea that it is an 'antacid' and that it will relieve the pain and discomfort of every-day ailments caused by what is described as an 'over-acid condition.' The essential drug in Alka-Seltzer is aspirin. When you dissolve two tablets of Alka-Seltzer in a glass of water, as is suggested in the trade package, you get, according to the analysis of the chemists of the American Medical Association, nearly 9 grains of aspirin and nearly 1 grain of salicylic acid, together with the citric acid and baking soda that produce the effervescence. A person who follows the directions and takes 16 tablets a day would obviously consume over 70 grains of aspirin and over 6 grains of salicylic acid in that period. Originally the Alka-Seltzer advertising made not even a remote reference to the presence of aspirin.

"Since THE JOURNAL of the American Medical Association published an article on the subject, the Alka-Seltzer broadcasting has vaguely and incidentally referred to an acetylsalicylate being present in the preparation. Also, if one reads the small type on the trade package, he may learn that Alka-Seltzer, when dissolved in water, produces an acetylsalicylate of sodium described as a salt of aspirin. Nowhere, however, is any hint given as to the amount of aspirin present, and it is difficult to avoid the conclusion that the vast majority of people who take Alka-Seltzer are still quite ignorant of the fact that they are taking aspirin. While the public generally believes that aspirin is harmless, the medical profession has long known its potentialities for producing alarming symptoms in many instances, swelling of the lips, tongue, eyelids or the entire face, the production of hives, depression, nausea and sometimes cyanosis, while there have been reported in medical literature several cases of death from the use of aspirin.

"Crazy Crystals are said to be 'just the minerals taken from the natural water.' The water in question is Crazy Water, a preparation that in the past has been the subject of action by the Federal Food and Drug officials in at least sixteen cases. A large number of these cases were brought because the water contained, filthy, decomposed and putrid substances. Some of the cases were brought because Crazy Water was sold under the claim that it was curative in rheumatism, functional stomach diseases, infections of the bladder, diabetes, Bright's disease, etc., claims that were declared in court to be false and fraudulent.

"From the various published reports of the Crazy Water concern itself, it is admitted that the chief ingredient is sodium sulphate, commonly known as Glauber's salt or the horse salts of the veterinarian. It also contains some magnesium sulphate, or epsom salt, and sodium chloride, or table salt.

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Salts or saline cathartics are among the most abused medicaments used by the public. They should be classed among habit-forming drugs, for there is no question but that they are responsible for a large proportion of cases of cathartic habit. They are especially objectionable in those cases of chronic constipation where the intestines lack muscular bone, for they not only fail to overcome that condition, but tend to increase it."

According to a report from New York, because of "ad" copy restrictions under the Columbia Broadcasting System's new rules, "Ex-Lax", which has been on the network three years, will conclude its broadcasts early in June and will not fulfill its originally contracted time to expire next February.

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BALDWIN LIKELY NEW NAB MANAGING DIRECTOR

Apparently the selection of James W. Baldwin, Executive Officer of the Broadcasting Industry Code Authority, as the successor of Philip G. Loucks, Managing Director of the National Association of Broadcasters, is "in the bag". Although it will be a matter of more than a month until the new Managing Director is elected at the Colorado Springs Convention, most of those mentioned to take the place of Phil Loucks, whose resignation does not take effect until after the convention, have been eliminated for one reason or another.

Mr. Baldwin seems to have the field to himself.

Now 36 years old, Baldwin was born in Scott County near Seymour, Indiana, and was in the Department of Justice for 10 years, finally as Chief Clerk and Administrative Assistant. His first service in radio was as Secretary of the Radio Commission, leaving there in 1933 to become a member of the executive staff of the National Association of Broadcasters. Since that time Mr. Baldwin has been Code Officer.

Phil Loucks has been suggested as Advisory Counsel for the NAB, possibly to take charge of the copyright situation.

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PRALL 7-YEAR REAPPOINTMENT QUIETS POLITICAL OPPOSITION

The action of President Roosevelt in reappointing Anning S. Prall, Chairman of the Federal Communications Commission for a 7-year term to begin at the expiration of his present temporary appointment, puts a quietus on the political rumors that Chairman Prall would eventually go. One of these was to the effect that his principal backer, Senator Bob Wagner, of New York, had gone back on him, and that Dr. Irvin Stewart, Vice-Chairman of the Commission, would be groomed for the Chairmanship.

Dr. Stewart informally denied this, and while Senator Wagner was non-committal, it was noted that recently, following the appearance of Chairman Prall at the Fifth Annual Assembly of the Council of Radio in Education at Columbus, the Senator moved to have Mr. Prall's speech printed in the Congressional Record, which was done on May 20th. This was construed as a friendly gesture for if Senator Wagner did not have a personal interest in Senator Prall, it is not believed that he would have gone to the length of having the latter's speech read before the members of Congress.

This is really President Roosevelt's fourth appointment for Mr. Prall in the comparatively short space of time since the latter lost out for renomination in Congress. The New Yorker was first named as a member of the old Radio Commission, but that body expired at about the time Representative Prall concluded his term in Congress. On January 17 of this year, the President honored Mr. Prall with an appointment to the Federal Communications Commission; then on March 4th, President Roosevelt designated him as Chairman of the Commission.

Mr. Prall took over the Communications Commissionership under physical difficulties inasmuch as he was still suffering from an automobile accident which occurred last Summer, in which both he and Senator Wagner were severely injured. He was born in New York and is 64 years old. In 1918, he was appointed as a member of the Board of Education of New York City. For three years he served as President of that Board. In 1921, he became Commissioner of the Board of Taxes and Assessments. Two years later he was elected to Congress where he served continuously for 12 years.

Mr. Prall's new term beginning in July to run for seven years will not expire until 1942.

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W. U. AND POSTAL OPPOSE A. T. & T. TELEVISION CABLE

Opposition to granting the application of the American Telephone & Telegraph Company permission to install the latter's new telephone-television cable between New York and Philadelphia has been registered by the Western Union and Postal Telegraph. The A. T. & T. has applied for the privilege on an experimental basis but if the time comes to use it commercially, the telegraph companies ask for the opportunity to be heard before this permission is granted.

The reason for this is that the invention of Bell Laboratory engineers, the "coaxial" cable will make it possible to transmit the equivalent of 200 or more telephone calls simultaneously between New York and Philadelphia over one circuit. Single-wire lines now in use, with the aid of all modern contrivances such as "carrier-current multiplex systems", are each limited to about four simultaneous telephone conversations.

The new "wire" is really a wire in the centre of a metal tube. Because it is capable of transmitting a wide range of electrical vibrations and, therefore, "television images of good definition" are held possible.

The cost of the experimental installation by the telephone company would be pretty close to \$6,000,000.

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MUSIC COPYRIGHT LICENSES EXTENDED TO AWAIT SUIT OUTCOME

Awaiting the outcome of the Government suit the American Society of Composers, Authors and Publishers has agreed to extend all existing broadcast licenses from September 1, 1935, to December 31, 1935.

This announcement was made during a conference between the NAB Copyright Committee and the Committee of the ASCAP Board held in New York recently.

All contracts are to be extended under present terms and conditions and the ASCAP will send to all stations a brief form of extension provision which, when executed by the station, will become a part of the contract itself.

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TRANSRADIO SUES NETWORKS AND NEWSPAPERS FOR \$1,100,000

The Transradio Press Service, Inc., and its affiliate, the Radio News Association, began suit last Tuesday in United States District Court in New York City, for more than \$1,100,000 damages. They charge that three major press associations and two radio network systems have conspired to destroy their business of selling news to be broadcast.

The plaintiffs not only charge violation of the Sherman and Clayton Anti-trust Laws, but appeal for relief under provisions of the Federal Communications Act in the first action of this kind to be instituted here.

The defendants are The Associated Press, Inc.; United Press Association, Inc.; International News Service, Inc.; The American Newspaper Publishers' Association, Inc.; The Columbia Broadcasting System, Inc.; and the National Broadcasting Company, Inc.

Named as co-defendants are Lloyd Stratton of The Associated Press; Hugh Baillie, of the United Press; Roy Howard of the Scripps-Howard Newspapers; Joseph V. Connolly of the International News Service; Merlin H. Aylesworth, of the National Broadcasting Company; William S. Paley, of the Columbia Broadcasting System; E. H. Harris, Chairman of the Press Radio Committee; G. B. Parker, Paul White, Frank E. Mason and J. D. Gortatowsky.

Transradio demands judgment for \$977,500 and Radio News judgment for \$192,500, each alleging that it is a victim of a combination and conspiracy "which has eliminated and excluded from the plaintiffs a large market for their services."

The suit attacks a so-called "Press Radio Agreement" drawn up among the defendants in March of 1934 to govern the broadcasting of news. The two broadcasting stations, it is alleged, agreed not to send out news except "under the control or domination of the American Newspaper Publishers' Association" and the press associations.

The networks, it is also charged, agreed not to allow their stations to be used by any present or future competitor of the press associations. As a result, it is held, newspapers ceased to give notice of broadcasts of the plaintiffs.

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MANY STATES REPRESENTED IN CONVENTION COMMITTEE

All parts of the country are covered in the Convention Committee selected by Edwin M. Spence, of WBAL, Baltimore, for the Thirteenth Annual Meeting of the National Association of Broadcasters to be held at Colorado Springs July 6th. The members of Mr. Spence's committee are as follows:

Guy Earl, KNX, Hollywood, Cal.; Ed Craney, KBIR, Butte, Mont.; Ralph Brunton, KJBS, San Francisco, Cal.; Glen Snyder, WLS, Chicago, Ill.; P. J. Meyer, KFJR, Bismarck, N. D.; William West, WTMV, East St. Louis, Mo.; Hugh Half, WOAI, San Antonio, Tex.; Hoyt Wooten, WREC, Memphis, Tenn.; E. D. Gluck, WSOC, Charlotte, N. C.; Crede Harris, WHAS, Louisville, Ky.; Campbell Arnoux, WTAR, Norfolk, Va.; Roy Thompson, WFBG, Altoona, Pa.; Paul W. Morency, WTIC, Hartford, Conn.; Chas. Burton, WEEI, Boston, Mass., and C. D. Mastin, WBNF, Binghamton, N. Y.

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CHICAGO RADIO CONCERN GETS GOVERNMENT CALL-DOWN

Broadcaster Radio Co., Chicago, has entered into a stipulation with the Federal Trade Commission to cease and desist from representing to prospective salesmen that there are opportunities to make money in excess of what has actually been accomplished by regular salesmen.

This company also agrees not to represent its sales plan as a "brand new give away deal" or the "greatest value ever offered". The company agrees to desist from distributing to prospective purchasers any plan designed for conducting a lottery.

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RADIO ENGINEERS TO MEET IN DETROIT

Preparations are under way for a three-day meeting of the Institute of Radio Engineers to be held in Detroit beginning July 1st.

Because Detroit is the automobile center of the country, it is expected that automobile radio installation will be one of the topics of discussion.

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ROOSEVELT BONUS VETO SPEECH ELECTRICALLY REPRODUCED

The bonus veto speech of President Roosevelt delivered to Congress was electrically recorded and the same evening at a more convenient hour for listeners, was broadcast over Station WMAL in Washington. Owing to the unwritten rule that the networks have against broadcasting records, the electrical recording was not used on the chain.

When President Roosevelt last addressed Congress, the speech was electrically recorded and reproduced over Station WJSV in Washington. Nevertheless the electrical recording of noted events or speeches is still a comparatively rare thing in this country.

It is safe to say that had King George made a speech of equal importance to England as President Roosevelt's bonus veto, or, in fact, any kind of a speech, or had Chancellor Hitler done the same thing in Germany, it would have been electrically recorded and produced at intervals throughout the day not only over the long-wave stations of those countries but sent to the rest of the world by short-wave.

It was said by one of those who listened to Mr. Roosevelt that the radio audience heard more than did the audience actually in the House of Representatives.

"Applause sounded louder and the radio listeners could not see the rows of Senators and Representatives sitting with grim mouths, hands folded, on the occasions when a loyal few clapped their hands", he said. "Microphones scattered about the hall picked up the applause and carried it out to the country, but it was too weak to reverberate strongly through the vast chamber."

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PREDICTS TELEVISION ADVERTISING PREDOMINANT

Frank Presbrey, noted advertising man of New York, who has made a fortune in the business, said on his 80th birthday that the biggest thing the future held for advertisers was television. Mr. Presbrey predicted that we would sit in our homes, both men and women, and see either tailors or dress-makers demonstrate a new garment and then having seen this garment in its natural colors, and knowing exactly what it was like, the price and all, we would go to that particular store and buy it.

The aged advertising man said that advertisers, alert for new business, were always the first to avail themselves of innovations.

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AUDIT BUREAU FOR NAB SEEN

The possibility of the creation of an independent bureau to authenticate broadcasting stations' advertising information is now being actively considered by the broadcasters, advertisers and agencies.

The Committee appointed at Cincinnati to represent the National Association of Broadcasters in this are Arthur B. Church, KMBC; Edgar Kobak, NBC; John Karol, CBS; A. J. McCosker, WOR; John Elmer, WBCM; J. O. Maland, WHO-WOC, and J. V. L. Hogan, W2XR.

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ROXY SUES R.-K.-O. CORP.

Samuel L. Rothafel, better known as Roxy, filed a bill of particulars in United States District Court on a claim for \$211,404.33 against the Radio-Keith-Orpheum Corporation.

The sum, he asserted, is owed to him on a contract calling for the payment of \$2,000 a week. R.-K.-O., he charged paid him only \$1,000 a week for the first fifty-two weeks of the contract, and this resulted in a loss to him of \$57,333.33. The last \$1,000 payment was made, he said, on Feb. 6, 1934 though the contract was for two years and fifty-one days. As a result, his loss, he charged, was \$222,571. Receipts outside of his R.-I.-O. contract, he said, came to \$68,500, and this sum was deducted from the total loss.

From the Paramount Publix Corporation he received \$15,000; from Cletcher's Castoria \$49,500; and from the Roxy Philadelphia Corporation, \$4,000.

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COURT HOLDS UP MOVING STATION TO DULUTH

A stay order has been granted to the City of Moorhead, Minn., and Station WEBC, of Superior, Wis., against the decision of the Federal Communications Commission which recently granted permission to KGFK to move from Moorhead to Duluth.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WKBB, Sanders Bros. Radio Station, E. Dubuque, Ill., consent to transfer control of Sanders Bros. Radio Station license of Station WKBB, from R. W. Hoffman to Walter E. Klauer; WLVA, Lynchburg Broadcasting Corp., Lynchburg, Va., license to cover C.P. to make changes in equipment; KINY, d/b as Northwest Radio Advertising Co., Juneau, Alaska, modification of C.P. (as amended) approving studio and transmitter sites to Goldstein Bldg., and changes in equipment; also to change frequency from 610 to 1310 kc., and power from 250 watts unlimited to 100 watts night and day; KWBG, W. B. Greenwald, Hutchinson, Kans., modification of C.P. to change type of equipment; WDAG, National Radio & Broadcasting Corp., Amarillo, Tex., consent to voluntary assignment of license to Plains Radio Broadcasting Co. (1410 kc., 1 KW, S. H.)

Also, W9XES, Midland Broadcasting Co., Inc., Portable-Mobile, Kansas City, Mo., license to cover C.P. (Gen. Exp. station), frequencies 31600, 35600, 38600, 41000, 86000-400000 kc., 50 watts, unlimited time; Isle of Dreams Broadcasting Corp., New, Miami, Fla., Portable, C.P. for new broadcast pickup station, frequencies 1606, 2020, 2102 and 2760 kc., 50 watts power; New, WBNS, Inc., Portable-Mobile (Columbus, O.), (2 applications), C.P. (Exp. Gen. Exp.), frequencies 31100, 34600, 37600, 40600 kc., 2 watts; New, WCBD, Inc., Portable (Waukegan, Ill), same as for WBNS above, except 5 watts.

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R.T.D.G.A. ISSUES RADIO BROADCASTING MANUAL

The "Radio Broadcasting Manual - The Radio as a Publicity Medium for Retailers. An Appraisal with a Resume of Experience", has been published by the Sales Promotion Division of the National Retail Dry Goods Association. This manual, according to the foreword, is based on experiences of many department stores during the past five years.

The headings of the 11 chapters give a good idea of the contents and treatment of the material presented: Radio as a Publicity Medium; The Retail Store and Broadcast Advertising; Relative Popularity of Programs; Selection of Station, Announcer, Hours; What Merchandise to Feature; Use of Music in Retail Programs; Other Program Problems; The Budget and Results; Radio Promotional Ideas; A resume of Retailers' Experiences; A Glimpse into the Future Appendices contain typical continuities and a bibliography.

The book is available from the Association, 225 W. 34th St., New York City, at \$2.50 a copy.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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PAYNE SEES CHAIN CONTROL UP TO COMMISSION

One of the problems confronting the American people, and therefore the Communications Commission, is that of the control of the large broadcasting chains and the character of the programs that are given, not only on these chains but by the independent operators, George Henry Payne, Federal Communications Commissioner said, addressing the Harvard University Graduate School of Business Administration.

"With regard to the latter condition, there have been some very frank statements made, not the least direct being that of Senator Wheeler when the confirmation of the Communications Commissioner was before the Interstate Commerce Committee of the Senate", Commissioner Payne declared. "The Chairman of that Committee, Senator Wheeler, went into many phases of the work of the Commission, and did not hesitate to discuss abuses of the past and the present with refreshing disregard for the personal feelings of some of the large figures in the radio industry.

"As Senator Wheeler said, 'more and more, as you pick up your radio now, you find some fellow who is selling boots and shoes or clothes and giving prices, and it seems to me that the programs over all stations have materially deteriorated in the last 2 years. * * * * I do not think you ought to censor, for instance, as much as they do some talks that go over the radio, but it is getting to the point where they are just making some of the programs that come over the various stations nothing but advertising schemes, and they are selling shoes and old clothes and everything else, like a pawn shop.'

"One of the dangers of the present program system is its tendency to crush individuality and individual expression and to extend the deal level of dullness.

"I realize that possibly I may seem a pathetic object when I refuse to listen to the man who wants to relate to me in minute detail all that had been said the previous night by Amos and Andy and Madam Queen, but I, too, see something pathetic in the fact that an appetite for more intelligent things is being destroyed by the foisting of programs on millions of defenseless citizens with a capacity for a better grade of humor and more intelligent ideas. It is hardly necessary in this country, or in any civilized country, to point out the value of individuality, but the resistance of individuals to the lower grade of entertainment is bound to be weakened where an entire nation is being fed from a few broadcasting centers under the direction of a group intent on catering to the more unintelligent rather than to the more intelligent, simply because the unintelligent are the more numerous."

Mr. Payne said that he realized that for the first five years of radio when there was no advertising, the programs were, with few exceptions, far below, in character and merit, the best that we have now.

"Great credit should be given to those who provided the opera of the Metropolitan of New York, the symphony concerts, and similar entertainment to radio listeners", Mr. Payne said in conclusion. "But all of these instances of fine broadcasting simply go to show that the public will accept and patronize the better type of entertainment.

"To understand how serious is the problem and what shall be the character of broadcasting, it is necessary to realize that, as has been said, broadcasting constitutes 'the cheapest, speediest, and most ubiquitous mode of communication achieved by man', and it is also necessary to keep in mind that the development of broadcasting was left primarily to the patent owners and the equipment manufacturers.

"As the President of the National Broadcasting Company has stated, very frankly, this company was established 'as an indirect sales promotion agency for the radio manufacturing industry.'

"Naturally with such a beginning the character of the program offered was purely commercial, and if really fine things have crept in, it has been largely as a sop to Cerberus, and only because there has been growing, and growing rapidly, a demand that the cultural aspects of radio should be given more consideration."

Commissioner Payne's address was printed in full in the Congressional Record of May 24th.

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ITALIAN SCHOOL PROGRAMS

There are 2,130 schools in Italy which are taking programs sent out by radio.

Italy has 180 radio companies which in 1934 manufactured 100,000 radios, and in whose factories 4,000 workers are employed.

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NO TEARS ON CODE FOLD-UP IN RADIO INDUSTRY

As in the Supreme Court NRA Code decision itself, there was apparently no dissenting opinion insofar as either the Broadcasting Industry Code or the Radio Manufacturers' Association were concerned regarding the Code demise. The news seemed to be hailed with particular satisfaction by the manufacturers because they were under the Electrical Code dominated by the National Electrical Manufacturers' Association. It is alleged that NEMA used the code as an excuse to try to put the Radio Manufacturers' Association out of business.

James W. Baldwin, Code Authority of the Broadcasting Industry, said that he would naturally await instructions from the Code Chairman before proceeding with liquidation. Evidently it is a lucky break for Baldwin that Phil Loucks should pick out this time to resign as Managing Director of the National Association of Broadcasters. Mr. Baldwin is strongly mentioned as his successor.

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WOULD HAVE NEWSPAPERS BACK RADIO FREE SPEECH

The Southern Newspaper Publishers' Association meeting at Hot Springs, Ark., referred to the Resolutions Committee, without action, a resolution by Ted Dealey, of the Dallas News and Journal, urging that newspapers rally to the support of broadcasting stations which had been deprived of their licenses by the Federal Communications Commission, on the ground that if free speech is impaired on the radio, it is a short step toward limiting freedom of press.

Radio matters were discussed informally, sale of news by press associations for broadcasting received considerable attention, the prevailing opinion apparently being that this recent move holds no threat for newspapers so long as the wire services are conscious of the newspapers prior property right in such news and discreetly control its sale for radio use.

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A publication devoted to the study of television in its relation to the educational moving picture called "Comite Permanente de la Television" will be published by the "Instituto Internacional del Cinema Educativo", located in Rome, Italy.

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RADIO FREE AND UNTRAMMELED, MC COSKER DECLARES

"Radio is as free and untrammelled as the ethereal blue", says Alfred J. McCosker, former President of the National Association of Broadcasters. Thus Mr. McCosker challenges the allegations made by Howard Davis, former President of the American Newspaper Publishers' Association, recently.

Mr. Davis said:

"In effect the party in power by invisible pressure and unspoken threat obtains a maximum service on the air and holds opposition to a minimum'."

"Such an accusation is entirely unjustified", Mr. McCosker replied. "No fair maind should mistake growing pains for decadence. In my experience covering twelve years as operating head of America's leading independent radio station, I have never encountered any basis for such allegation. Radio is as free and untrammelled as the ethereal blue in the makeup of its broadcasting programs. Broadcasters have never been circumscribed by Government censorship.

"The adroit working of Mr. Davis' speech might have left the impression of merely potential evils in present radio regulations had he not stated unequivocally, 'speech magnified a thousand-fold, clothed with a new persuasiveness and unprecedented power through the marvel of the machine, was being curbed for political ends while we watched. In this new field (radio) lacking the traditions which newspapers have inherited*** the political process of restriction which I described at the outset of my remarks, operated instinctively and infallibly,*** The battle for a free press has been won at least temporarily; the battle for a free radio has yet to begin. It must not end until the regulatory body at Washington has been established on a high plane*** and functioning in such fashion as to free the air from political restrains and open it to every legitimate voice.'

"Throughout the Coolidge and Hoover administrations and up to the present day of the Roosevelt regime, because of my executive radio duties, I have had frequent contact with the personnel of the regulatory radio bodies. I say emphatically and in mere justice that I found them to be able, intelligent, patient and honorable public servants continuously faced with a multiplicity of complex problems. Neither radio legislators, administrators nor broadcasters have claimed perfection for present radio law. All these elements are constantly at work on the ever-changing, ever-increasing problems of the art.

"We have reassurance of our freedom of speech over the air waves from President Roosevelt himself. In a letter to me dated September 14, 1934, the President wrote:

5/28/35

"A year ago in a brief message to you, I made the statement that I was looking forward to your continued cooperation in assisting the Government to present to the people of the United States honest discussions of all phases of national problems we would face and their solutions.

(the National Ass'n of Broadcasters)

"The cooperation given by your members/in these discussions, over the past twelve months, has given me great faith in the American system of broadcasting. I know, as you must, that the American system of broadcasting is a regulatory system and by its every fundamental principle relegates the thought of censorship to the background of the minds of everyone who really knows and appreciates your policies and daily problems. The American system of broadcasting assures an equality of freedom similar to that freedom which has been and is the keystone of the American Press.

"I am not unmindful of another benefit which radio gives all the people and to all classes of business. That is, a stimulation of buying power and its assistance to commerce generally."

"Talk by Government censorship of radio is a fantastic 'bogey-man'. WOR has scrupulously adhered to a policy of giving both sides an opportunity to present their views, political, governmental or otherwise. Moreover, in my capacity as President of the National Association of Broadcasters, and more recently as Chairman of the Board of the Mutual Broadcasting System, Inc., for two terms, I have had full opportunity to observe a complete absence of any Federal attempts at censorship of broadcasters.

"The radio broadcasting stations have, without interference from the Federal Communications Commission or the prior regulatory bodies, allotted equal times to speakers in opposition as well as to those favoring the policies of the administration.

"While the industry would welcome a longer licensing term, for the three year period permitted under the law for the reason that it would give better warrant to the large expenditures demanded by present day radio operation, I am of the opinion that continuance of the six months licensing period is not motivated by any insidious purpose of controlling freedom of the air."

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WREN'S APPEAL NOT UPHELD

The Federal Communications Commission this week won a signal victory in the U. S. Court of Appeals for the District of Columbia in the case of the Jenny Wren Company, operators of Station WREN, located at Leavenworth, Kansas. In that case the Jenny Wren Company sought to intervene and block the application of Station WHB, at Kansas City, Mo., who were seeking to obtain from the Commission authority to operate during night hours.

The opposition in the Wren case was based on the claim of WREN that if WHB were permitted to operate at night, it would result in such competition to WREN as to, first, reduce its listening audience; second, reduce its income from advertisers, and, third, reduce the available talent in its service area. WREN asked the Commission to allow it to intervene and be heard in opposition to WHB's request for more time. This request was denied.

WREN then appealed to the Supreme Court of the District of Columbia which upheld WREN's contention. The case was then carried to the Court of Appeals of the District of Columbia which court upheld the Federal Communications Commission in refusing to allow WREN to be heard, and reversed the Supreme Court. The Commission argued that competition was not a legal objection to adding facilities in a given area.

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FRANCE NOT INTERESTED IN HIGH FIDELITY

High fidelity is a feature of radio receiving sets of no definite value in the French market, according to a report to the Commerce Department from Assistant Trade Commissioner Lestrade Brown, Paris.

Radio manufacturers in France have concentrated more on making sets easier to operate and at the same time have endeavored to reduce the cost. At the present time, although French radio engineers are well acquainted with high fidelity, it is practically unknown and unused in the trade. Their claim is that high fidelity in France is not practical, due to the fact that the intervals between two broadcasting stations are merely 9 kilocycles.

The cheaper radio receivers in France, it is pointed out, are built for 150 to 3,000 cycles while the better sets range from 60 to 5,500 or 6,000 cycles which in this case is considered quite good. On the other hand, the broadcasting equipment handles from 50 to 9,000 cycles with average results.

It would seem that at present, the report states, American receivers built under high fidelity specifications may not use this characteristic as of great sales value.

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NBC POLICY ENDORSED BY ADVISORY BOARD

Program policies of the National Broadcasting Company, as interpreted and carried out by the company, were unanimously endorsed Monday at the annual meeting of the Advisory Council of the NBC, composed of leading representatives of religion, agriculture, labor, education and public affairs.

M. H. Aylesworth, President of the company, gave a report of his stewardship covering the entire nine years of the NBC's history, and after the meeting Owen D. Young, Chairman, announced that the report had been completely approved.

The Advisory Council, in addition to Mr. Young, consists of Newton D. Baker, Paul D. Cravath, Dr. Henry Sloane Coffin, Dr. Walter Damrosch, John W. Davis, Dr. Francis D. Farrell, William Green, Gen. James G. Harbord, Dr. Robert M. Hutchins, Judge Morgan J. O'Brien, Dr. Henry S. Pritchett, Henry M. Robinson, Elihu Root, Felix M. Warburg and Miss Ada Comstock. All were present with the exception of Mr. Cravath, Dr. Farrell, Dr. Hutchins and Mr. Root.

In addition to reporting on company policies in general, Aylesworth placed before the Council ten policy decisions made during the year on matters concerning religion, agriculture, labor, education, and public affairs, and these illustrations of policy judgment also were unanimously approved.

In closing his report, Mr. Aylesworth pointed out that "after all, the American people control the Government and they control the radio. The service of radio broadcasting is an essential service to American home life and our people will never permit it to be coerced, manipulated or destroyed."

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FOOD AND DRUG BILL TAKES ON NEW LIFE

Apparently the passage of a Food and Drug Bill at this session is now a part of the Administration's program. Although on the Senate calendar, and again temporarily withdrawn, passage at the present session is predicted.

While the broadcasting industry does not favor the Copeland Bill, it is now actively opposing it. One section to which the industry objected, the discrimination of broadcast advertising as against newspapers and other media, has been eliminated.

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JULIUS SEEBACH NEW WOR PROGRAM DIRECTOR

Julius F. Seebach, Jr., has been appointed Director of Program Operations for Station WOR, effective June 10.

Seebach, who is resigning as Director of Program Operations for the Columbia Broadcasting System to join WOR, said he plans to experiment in building programs of particular interest to the metropolitan audience, programs intended primarily for the concentrated listening public served by WOR. Seebach also said that he is very interested in the vast opportunity for building new program ideas which the Mutual Broadcasting System offers, with its cooperative plan of exchanging programs. WOR is the Eastern member of Mutual. Other stations are WLW, Cincinnati; WGN, Chicago, and WXYZ, Detroit.

It is almost exactly ten years ago that Seebach entered the radio field as an announcer at WOR, one of the pioneer broadcasting stations of the country. He served there in practically every capacity known to radio, working first as an announcer and becoming Manager of evening programs before joining the Columbia Broadcasting System in January 1928 as Program Production Manager.

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CANADIAN DEMAND FOR AUTOMOBILE RADIO SETS INCREASING

Sales of automobile radio sets in Canada registered a substantial increase during March compared with the preceding month, according to a report to the Commerce Department from Assistant Trade Commissioner A. F. Peterson, Ottawa.

Increased demand for this item together with relatively good sales of alternating current dual wave mantel sets and battery sets other than console model dual wave units accounted for a slight gain in volume and value of radio receiving set sales to dealers in March. Statistics compiled by the Radio Manufacturers' Association of Canada show that total sales in the month amounted to 8,966 units having a list value of \$781,718 compared with 8,220 units valued at \$764,985 during February.

Inventories reported by manufacturers, jobbers and branches of manufacturing companies at the end of March were slightly less than 35,000 units, a small reduction from stocks reported at the end of the preceding month, it was stated.

Radio sales in Canada during the Summer season, it is pointed out, are rather quiet, but the market for automobile units appears to be developing steadily, although demand is relatively small as compared with the United States. At this season there is also a fair movement in the Canadian market of battery sets for Summer cottage and resort use.

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FLAMM PUTS IN NEW WMCA PROGRAM DIRECTOR AND ANNOUNCER

Donald Flamm, President of the Knickerbocker Broadcasting Company has announced the appointment of Alfred Hall as Program Director of Station WMCA, succeeding Lewis Reid, who has resigned.

Radio was in its infancy when Mr. Hall joined the staff of Station WRNY in 1925 as announcer, and several months later became successively Chief Announcer, Production Manager and finally Program Director of Station WOV where he remained for five years. For the last six months he has been on the announcing staff of WMCA.

Bob Carter has joined the announcing staff of WMCA. Born in Ashland, Kentucky, some thirty odd years ago, after working on several newspapers he took his first chance at radio joining the staff of WCDA, New York, in 1927 as an announcer. He then did more radio work at WNJ, Newark, and WOV, New York, and finally WIP, Philadelphia, where he had been for the past three years.

Mr. Carter holds an F.A.I. license and has more than 1800 hours of solo flying to his credit.

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FRENCH FIX TUBE QUOTA ON SEASONAL BASIS

The quarterly quotas for radio tubes to be imported into France from the United States in 1935 have been fixed at the following season amounts, according to a notice published in the French Journal Officiel and a report of the same date from Acting Commercial Attache D. J. Reagan at Paris:

	<u>Percent of</u> <u>annual total</u>	<u>Allotment by</u> <u>Quarter</u> <u>(Metric Tons)</u>
First Quarter	25	9.6
Second "	15	5.76
Third "	20	7.68
Fourth "	40	15.36

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ULTRA SHORT-WAVES IN RADIOTYPE TESTS

An ultra short-wave radio transmitting antenna, which represents the latest development in aeriels for the emission of the "micro-waves", usually 4 meters, has just been erected on the roof of the Home Office Building in New York City by engineers of the Radiotype Division of the International Business Machine Corporation, under the direction of Walter S. Lemmon, General Manager of that division.

"Immediately after the success of the experiment in receiving Radiotype pulses from the Byrd Expedition in the Antarctic, President Watson encouraged me to push forward our research plans for the development of new radio waves for use with our Radiotype machines when they are further perfected", said Mr. Lemmon. "Due to the fact that most of the difficulties reported by radio engineers in the accurate reception and transmission of these micro-waves has been in large metropolitan centers such as New York City, our Home Office Building on lower Broadway offers a splendid opportunity to study these characteristics. Under previous radio systems, a large group of steel buildings tended to bend and twist these extremely short waves. Elevated railroads, subways, flashing signs and thousands of automobile spark plugs all tend to contribute like little miniature transmitting stations to a so-called 'electrical fog' which seems to exist in large cities. From the roof at 270 Broadway, we have an ideal location to try our experiments in new methods of piercing this 'fog' with these Radiotype pulses and exploring reception conditions throughout this entire territory."

While these radio tests are being conducted in New York, the further mechanical developments of the machines themselves will be transferred to the company's Research Laboratory in Endicott, N. Y. The development of the radio and electrical circuits has been pushed rapidly in the temporary Radiotype laboratory in New York and now the final perfection of the details of these machines demands the unusually large facilities provided at Endicott.

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COPYRIGHT BILL HEARINGS STILL UNDECIDED

As yet no decision has been reached by the Senate Patents Committee, of which Senator McAdoo, of California, is Chairman, with regard to holding hearings on the Copyright Bill. No date has been set for the next meeting of the Committee.

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DX'ERS CALL NEW 10 TUBE ZENITH REMARKABLE SET

Charles A. Morrison, of Bloomington, Ill., President of the Dx'ers Alliance, has the following to say in the "Globe Circler" published by the Alliance, with regard to tests made of the new 10-tube Zenith all-wave receiver #935:

"The Model #935 is a powerful Superhet employing T.R.F. on both BC, and all SW Bands. The #935 has a class AB power amplifier capable of delivering 16 watts of power to the 10" loud speaker. The following tubes are utilized: three 6D6's one 6A7, one 75, one 76, three 42's, and a 5Z3 rectifier. All frequencies between 530 and 46150 kc ($6\frac{1}{2}$ m) are covered by five separate band changes.

"Considering the number of tubes and price, the #935 is a remarkable receiver.

"A unique tone control gives four separate tone shades. In deep base position there is an actual gain in signal strength. No high notes are at any time removed so that a true tone balance is maintained.

"The Red Split second hand which turns 36 times as fast as the black calibration hand permits extreme simplicity of operation, accuracy in logging, and that valuable asset of being able to re-locate a station in exactly the same spot again.

"A Shadow-tuning device aids in tuning.

"The General Outstanding features of the #935 are:

"(1) Extreme simplicity of operation; (2) Unusually rich and realistic tone; (3) Very wide frequency range permitting field for experimentation on the ultra-high frequencies; (4) Excellent BCB performance; (5) Ultra selectivity; (6) the proper degree of sensitivity to permit a low noise level for DX.

"On the BCB such stations as WEA, WJZ WABC WBAP and KOA could often be tuned in at noon (during March) and although late in the season for foreign BCB DX, several South Americans could still be logged in the evenings.

"On the Short-waves all Continents with the exception of Africa were logged frequently. Japan was logged every afternoon, except two during the tests. VIZ3, VPIA and PLV are some of the more unusual ones heard.

"Foreign stations actually logged during the three weeks with the little time we could spare were: CJRO CJRX YV3RC VE9GW, GSA-B-C-D-E-F-G-L DJA-B-C-D-E DJN, Pontoise (on 3 frequencies) HJ1ABG HJ1ABE HJ4ABE HP5B HP5J XEBT YV2RC YV5RMO HJ2ABC HIX TIGPH YV6RV COC COH OAX4B HJ1ABB PRADO HC2RL TIEP YN1GG HJ5ABD LSX EAQ ZFB 2RO KKP LSM RNE RKI KKQ PHI PCJ CGA4 VIZ3 VK2ME VK3ME VK3LR JVF JVE PLV HVJ TIU HPF YVQ TGF HJB 2RO HJY LU6AP VP5PA G5ML CT1BY."

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No. 830

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STATE COURT HOLDS BROADCASTING INTRASTATE COMMERCE

In what was probably the most important decision of the year, so far as commercial broadcasting is concerned, the Supreme Court of the State of Washington reversed the lower court in the case of Fisher's Blend Station, Inc., KOMO, Seattle, versus the Washington State Tax Commission, holding that broadcasting is intrastate commerce for the purposes of taxation. This information was received by Henry A. Bellows, of the National Association of Broadcasters in a telegram from the West Coast. It was a five-judge decision with one judge dissenting.

The litigation began when the State of Washington included broadcasting among the industries upon which a general sales tax was imposed. When the State endeavored to collect from Station KOMO, that station secured an injunction restraining the collection. A lower court made the injunction permanent and the Tax Commission appealed to the Supreme Court of the State.

The case was argued at great length and very ably on both sides. The decision came as a great surprise to the broadcasters and was considered most unfortunate as it had seemed that their arguments were unanswerable.

In view of the precedent the decision sets, and the country-wide importance of the case, it seems assured that it will be appealed to the United States Supreme Court.

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R.M.A. EXECUTIVE BELIEVES CODE BLOW-UP HELPS EMPLOYEES

Larger pay envelopes for many radio employees were an immediate and beneficial result of the Supreme Court's decision annulling all NRA codes, including the electrical manufacturing code under which radio manufacturers have been temporarily operating, in the opinion of Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association.

Compulsory compliance under the Electrical Code having terminated, radio manufacturers will not be requested by the Code supervisory agencies and are not obligated to file the labor and other statistical reports. At the RMA convention in Chicago June 11-12, the many important pending problems and future procedure will make the meeting of unusual importance.

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Members of the RMA will consider the voluntary continuation of procedure under the Code which has been helpful. This will include possible voluntary continuation of price-filing by set and other manufacturers if desired, collection by the RMA of industry statistics and other procedure.

"Relieved from the 36-hour minimum weekly restrictions of the Electrical Code, some radio manufacturers immediately instituted a 40-hour week for their employees", Mr. Geddes set forth in a bulletin to members. "The Electrical Code was one of very few codes restricting employees' hours to a maximum of 36 hours a week and was one of the most severe code handicaps under which radio manufacturers operated. Overtime restrictions of the Electrical Code also were removed.

"Another immediate effect for radio manufacturers of the Supreme Court decision was to suspend the many Code reports required, including monthly labor reports, sales and other statistical reports and special reports of 'emergency' and 'seasonal or peak' overtime. These code restrictions were ended as the radio industry enters its seasonal peak operations.

"The RMA may salvage from the Code wreckage the beneficial features of Code operations, including the open price-filing system of set manufacturers and also radio industry statistics. Future operations, however, would be under the RMA independently and without connection with National Electrical Manufacturers' Association, the Electrical Code authority.

"Set manufacturers have been requested to voluntarily continue filing all their prices with Arthur T. Murray, Chairman of the RMA Set Division and Code supervisory agency for set manufacturers.

"Compulsory powers of NRA and NEMA, the Code Authority, having ended under the Electrical Code, there will be no future Code reports by radio manufacturers or Code relations with NEMA.

"RMA members are fortunate in exemption from any Code assessments or expenses. All of these have been carried for Association members from the Association's treasury. In the case of other codes, there is discussion of liability by Code Authorities for return of assessments now asserted to be illegal in view of the unconstitutionality of the Codes.

"The Manufacturers' Association emerges from the Code operations with a larger membership, a stronger and more stable organization, with complete industrial independence as a result of past policies followed by the Board of Directors and its Code Committees, and with independent position to continue its service to the industry.

"While the future plans of the Administration, Congress and NRA remain at the present date unsettled, there is no uncertainty regarding the termination of the Electrical Code so far as compulsory compliance is concerned. The Supreme Court held that 'manufacturing' is intrastate commerce and apparently this removed radio manufacturing from any future Code and also probably much other legislation pending. The labor problem is the most difficult and important. Labor organizations have immediately turned to the 30-hour week bill of Senator Black and to the Wagner Labor Relations Bill but with the outcome, and their constitutionality also, uncertain."

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COMPOSERS-BROADCASTERS AGAIN FAIL TO AGREE

Apparently another impasse has been reached in the exchanges between the Broadcasters and the Composers. After the rejection of several suggestions by both sides, the Composers have turned down the final proposal of the Broadcasters that the licensing agreement be continued on the present basis to await the outcome of the Government anti-trust suit against the ASCAP. Just what the next move will be is not known, but there is still time as a temporary extension of the copyright agreement is now in force until December 31.

At the recent meeting in New York between the Composers and Broadcasters' Committees, the former proposed a 5-year extension of the present contracts with one modification, that each station pay 5% of the card rate of stations for chain as well as local programs. For instance, if WBAL, in Baltimore were getting \$50 from the chain for carrying the program, but the program were actually sold for \$250, ASCAP would get 5% of \$250 rather than 5% of \$50. The Broadcasters rejected this proposal.

Then the Broadcasters proposed a system of measured service in accordance with what the Government is seeking in the present suit. This was unacceptable to the Composers. Then the Composers offered a 5-year extension of the present contract, with minor modifications, but the Broadcasters did not agree to this.

Finally, the Broadcasters proposed an extension of the present contracts until the termination of the ASCAP Government litigation. E. C. Mills, General Manager of the Composers, called a meeting of the Board on this, but Friday (May 31) notified Philip Loucks, Managing Director of the NAB, that the proposal had been rejected.

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DRUG BILL WOULD CARRY LARGE ADVERTISING REGULATORY POWERS

Although liability for false advertising in the Copeland Food and Drug Bill, as it passed the Senate, would rest on the manufacturer who furnished the advertisement, and would affect publishers and broadcasters only insofar as they would be required to furnish the name of the party supplying the "ad", the Bill was apparently looked upon without enthusiasm by the broadcasting industry.

"While it has been modified to meet the objections of the broadcasters to such a point that there is nothing they could logically object to", said Henry A Bellows of the National Association of Broadcasters, "yet the Copeland Bill is clearly objectionable in that it sets up the general machinery for a new Government bureaucracy with vague but broad powers to regulate advertising."

Modified to overcome sharp Senate objections, but still rigidly regulating the manufacture, shipment and sale of foods, drugs and cosmetics, the Copeland Pure Food Bill last Tuesday unexpectedly slipped through the Senate without a dissenting voice.

Passage followed complete rout of a more drastic measure, sponsored last session by Undersecretary of Agriculture Rexford Guy Tugwell, and apparent sidetracking of more limited regulations at the present session.

The approved measure conferring wide powers on the Secretary of Agriculture, and reputedly carrying the endorsement of President Roosevelt, now goes to the House, where the Interstate Commerce Committee will open hearings in a few days. House passage was generally forecast by Senate sponsors.

False advertising would be punishable only through civil action in district courts, with a maximum \$1,000 penalty, if the violation did not involve danger to health, gross deception, or was established only by opinion evidence. In cases of wilful violation, however, maximum penalties of \$10,000 or three years' imprisonment were provided.

The revised bill sets out a short list of a half-dozen diseases for the treatment of which no so-called curative drug or device may be advertised. The list includes Bright's disease, cancer, tuberculosis, infantile paralysis, venereal diseases, heart and vascular diseases.

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FATHER COUGHLIN BRINGS IN 50,000 TELEGRAMS IN DAY

There have been many guesses as to the extent of the telegraphic deluge which Father Coughlin brought upon the Senate in connection with the bonus vote, but the first official expression on the subject is from George Henry Payne, Federal Communications Commissioner, who said:

"Anyone who believes in a democratic form of government cannot help but welcome gladly the addition of radio to methods of informing the people of the country on their Government and on public questions. Only a week ago there was an extraordinary evidence of its power when members of the Senate were deluged with 50,000 telegrams in one day as a result of a speech delivered the night before by Father Coughlin.

"I do not believe that any harm will come to the American Republic or the American people by the discussion of public questions and whether we are in sympathy or not with the ideas of the person who has the power to express himself with clarity over the radio, we must admit that in our form of Government the greater the number of people that are informed and stirred to take an interest in public questions, the safer are the foundations on which this Government is laid."

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TYPHOONS MAKE FILIPINOS WANT WIRELESS INSTEAD OF WIRE

The Secretary of Public Works and Communications in the Philippines is preparing a bill to be introduced into the next session of the Legislature in July to appropriate money for the installation of a new radio-telegraph service to replace the present telegraph service throughout the Islands. It is not certain just how large an appropriation will be required, Trade Commissioner J. Bartlett Richards, in Manila, reports, but it will probably be between P250,000 and P500,000. The plan contemplates the establishment of radio stations at the principal centers throughout the Islands, including stations at Brooks Point, Palawan, and Sitangki, Jolo, to combat smuggling of aliens. New transmitting and receiving sets would be purchased. The Secretary of Public Works and Communications is convinced that the radio service could be operated more economically than the telegraph service and that it would also be more reliable, being less vulnerable to typhoons.

This plan for installation of a beam radio service has no connection with the proposed plan, which it is believed will ultimately be realized, for installing a Government-owned broadcasting system for purposes of propaganda and instruction or, alternatively, taking over the broadcasting stations already in operation.

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CONTINUED GAINS RECORDED FOR RADIO SET SALES

New designs and improvement, augmented by the most entertaining programs that broadcasting companies ever have devised, are the leading factors which have caused an extension of the gains made by the radio industry last year, according to a survey of the radio industry which has just been completed by Dun & Bradstreet, Inc.

Perfection of the short-wave sets and progress made in the development of radios for motor cars forced some manufacturers to increase their output from 75 to 300 per cent above that for the first quarter of 1934. Sales in nearly all parts of the country have expanded, the increases running from 15 to 70 per cent.

A particularly encouraging phase of this year's sales has been the higher profit margin obtained on household sets, because of the trend toward the larger and more expensive models. Many distributors are stocking only the long and short-wave combination sets and are increasing the proportion of their inventories represented by units ranging from \$300 to \$1,000.

Following increases of 50 to 100 per cent in sales of radios in 1934, when compared with the 1933 figures, the expansion of demand has been extended thus far in the current year. Dollar sales in most parts of the country averaged 15 to 50 per cent larger than during the first four months of 1934. The introduction of all-wave sets, designed for use with batteries in sections not electrified, has created considerable interest among farmers, and sales in rural districts during the first two months of this year nearly equalled the total for the entire twelve months of 1934.

The phenomenal increase in radio sales this year is attributed to the greater demand for foreign reception, which has made every owner of the long-wave set a prospect for either the short-wave unit or a combination of the two. As manufacturers have succeeded in combining short-wave reception with standard broadcasting, at only a slight additional cost, fully 80 to 90 per cent of the radio purchases are of this type. In the nationally-advertised sets, the best-selling items are the console models with foreign bands, and in this field approximately 60 to 85 per cent of the total is accounted for by short-wave sets. In the popular-priced grades, the short-wave models make up 75 to 95 per cent of the total.

Although sales of automobile radios in 1934 established an all-time high, the increase over that record thus far this year has ranged from 20 to 40 per cent, with the gain in some districts as high as 75 per cent. During the first four months of the current year, sales of automobile sets made up 10 to 30 per cent of the total radios sold, but this ratio is expected to be lifted rapidly during the Summer.

After strengthening during the Fall and early Winter months, the price level has been comparatively firm since the first of the year at a level 5 to 10 per cent higher than that of a year ago, with the current trend upward.

Prices of the better grade sets are as much as 20 per cent higher than a year ago. It is expected that the new models to be brought out next Fall will carry higher prices due to the introduction of metal tubes by some of the large producers. Recent developments in the tube industry indicate that further recessions may be expected.

Wholesalers report collections as more prompt than during the comparative period of 1934, and a number of old accounts, which had been outstanding more than a year, have been liquidated. Retail collections in many centers are making the best showing in several years, due to the steady increase in cash sales.

The total of failures for manufacturers and wholesalers and retailers of radios in 1934 was reduced to 46, the fewest recorded for any year in the industry's history. During the first four months of the current year only 2 failures were listed for manufacturers and 19 for wholesalers and retailers.

For the money lost because of bankruptcies, the reduction was not pronounced in the manufacturing division in 1934, as the defaulted indebtedness dropped to \$941,338, which was the first year that it has been held under a million dollars, and was 74.7 per cent under the 1933 total of \$3,719,519. While the number of wholesalers and retailers that failed in 1934 was nearly two-thirds fewer than in 1933, the involved liabilities rose to \$2,207,408, or an increase of 21.7 per cent over the \$1,813,980 in 1933, due to the bankruptcy of one large wholesaler during the early part of the year for more than \$1,000,000.

The industry's total defaulted indebtedness for 1934 of \$3,148,746 was lower by 43.1 per cent than in 1933, when it amounted to \$5,533,499, and marked a record low. Since 1931, when the peak was reached at \$9,067,804, bankruptcy losses have been cut 65.3 per cent.

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CLIMATE DOESN'T HOLD RADIO BACK IN MEXICO

While the climate ranges from the temperate to the tropical, the bulk of radio users is found in Mexico City, where climatic and other conditions do not interfere with good reception to the point of restricting to any noteworthy extent the use of receiving sets, Assistant Trade Commissioner Horton Henry, Mexico City, reports. Of course, interest in radio noticeably diminishes during the rainy season, which normally extends from May to October, owing to static.

"Mexico City, situated on a plateau at an altitude of 7,434 feet above sea level, offers the most ideal location in the country for broadcasting stations and it is reported that the reception from even the comparatively low power stations of Mexico City is clear in certain sections of the United States, particularly in the Mississippi Valley", Commissioner Henry continues. "It should be pointed out, however, that reception at a few of the coastal cities from Mexico City broadcasting stations is far from satisfactory, owing to causes of a technical nature. During the winter months fairly strong signals are received from high powered stations in the United States with sets of good selectivity and sensitivity.

"Radio programs of Mexico correspond closely to those offered in the United States with the exception that much less emphasis is placed on sporting events, short sketches, and speeches. The American sponsored-program system is followed. The Communications Law restricts advertising to 20 percent of the total time consumed and any selection advertising medicinal or hygienic products may only be transmitted under the express authorization of the Department of Health. Strict vigilance is exercised by the Government to insure compliance of these provisions of the law.

"While chain broadcasts have been made through linking stations in Mexico City, where programs originated to stations in Guadalajara, Monterrey, Veracruz, and Tampico, they have not proved satisfactory owing, it is alleged by broadcasting companies, to the fact that the tone range of the present wire lines is decidedly limited, and it is claimed that until this defect is remedied chain broadcasting in this country will remain undeveloped. Agreements between some of the large broadcasting stations of Mexico City and smaller stations in other cities are in force whereby the latter are permitted to relay broadcasts from Mexico City, but it seems the relaying of Mexico City broadcasts is intermittent and is resorted to only when an especially notable program is being presented or when the smaller stations need "fillers."

"Sixty private commercial broadcasting stations are officially reported to be actually operating in the Republic, with 20 stations located in the Federal District. Only seven of the total number of stations are operating at over 5,000 watts and only one official station and one private station, insofar as is known, are broadcasting programs by short waves.

A marked increase in the purchasing power of the country, together with improved programs and more continuous service rendered by domestic broadcasting stations, has been reflected in a sharply expanded market for radio receiving sets in Mexico. In 1933 imports of radio receiving sets totaled 2,521,322 pesos and reached 3,696,701 pesos in 1934, which represents an increase of more than 46 percent. The estimated number of radio receiving

sets in use in Mexico is now placed at 130,000, and with a continuance of prevailing favorable business conditions the demand for radios should increase at a rapid rate.

"The last 2 years have witnessed an increasingly larger sale for all-wave receiving sets, it being estimated that at present from 50 to 60 percent of the total demand is for this type of instrument. The accelerated trend in the demand for sets capable of receiving distant programs confirms other indications that Mexican listeners are manifesting greater interest in distant reception. Reception of short-wave programs originating in the eastern part of the United States is characterized as satisfactory during the rainy season and good during the winter months.

"Five and six tube alternating current sets find the largest demand and while an increasingly larger number of automobiles are being equipped with radios, as yet the sale for this type of radio is comparatively small. Insofar as is known, no trains, airplanes, or motor busses in this country are equipped to receive broadcasts, but receiving sets have been installed in a limited number of taxi cabs.

"American radios enjoy a virtual monopoly in this market, with the Phillips radio, with a share of the total annual business of less than one percent, being the only competitor worthy of mention.

"The bulk of retail sales of radios in Mexico are made on the instalment plan. The general practice calls for an initial payment of from 10 to 20 percent, depending upon the sales price, with the balance payable in monthly instalments over a period of a year."

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"FORTUNE" MAGAZINE WRITES UP COLUMBIA

The June issue of "Fortune" magazine gives quite a spread to the story of the rapid growth of the Columbia Broadcasting System. The article is captioned "And All Because They're Smart".

The magazine brings out the fact dramatically that the sales of the network increased from \$5,00,000 in 1929 to \$19,000,000 in 1934.

There are sidelights on William Paley, the still young president of the company, Ed Klauber, and others.

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PHILCO 1935 HAVANA CONVENTION CRUISE

The Philco Radio and Television Corporation is now enjoying its 1935 convention cruise to Havana. Philco radio dealers and other representatives embarked from New York on the "Monarch of Bermuda" last Tuesday and are due back on Tuesday, June 4.

Convention sessions were held aboard the ship while it was enroute to and from Cuba. One of the speakers was J. R. Poppele, chief engineer of WOR, who explained the workings of the station's new 50,000 watt, high-fidelity transmitter.

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CABLE AND WIRELESS AND MARCONI SHOW PROFIT

The annual report of Cable and Wireless (Holding), Ltd., of London, shows gross revenue of £1,080,392, for 1934 and a net profit of £986,901 after expenses, directors' fees, income tax, interest and organization expenses written off. Including £99,276 brought forward from 1933, £1,086,177 was available for dividends and surplus.

The Directors recommended payment of a dividend of 4-1/8 per cent less income tax on the cumulative preference stock, being the remainder of the dividend for 1932 and a payment of 1-3/8 per cent on account of 1933.

Marconi's Wireless Telegraph Company, Ltd., subsidiary of Cables and Wireless, Ltd., reported a net income of £225,732 for 1934 after all deductions, comparing with a profit of £126,553 in 1933.

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A visitor to Washington this week was Frank E. Mullen, of New York, in charge of Public Relations for the Radio Corporation of America. Mr. Mullen now has his feet well in the stirrups and has already succeeded in bringing about a decided improvement in the RCA press service in both New York and Washington.

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C O R R E C T I O N

In the story on page 8 of the May 28 issue, "Food and Drug Bill Takes On New Life", the first sentence of second paragraph should read, "While the broadcasting industry does not favor the Copeland Bill, it is not actively opposing it."

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RMA URGES ABOLISHMENT OF FRENCH RADIO QUOTAS

Abolishment of the French import quota system restricting American radio sales in France was urged in a brief submitted by the RMA to Government officials in connection with the June negotiations between the United States and France for a reciprocal trade agreement.

Reduction of the French tariff on American radio products was an alternative recommended by RMA, and individual letters from many American manufacturers were appended to the RMA brief filed with the U. S. Tariff Commission. The brief and data of individual radio manufacturers will be used in the Government's negotiations with France.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WBZA, Westinghouse E. & M. Co., Boston, Mass., C.P. to make changes in eqpt.; WDZ, James L. Bush, Tuscola, Ill., C.P. (amended) to make changes in eqpt; change freq. from 1070 to 1020 kc., power from 100 watts to 250 watts daytime, and to determine transmitter site; KFH, The Radio Station KFH Co., Wichita, Kans. C.P. to make changes in eqpt. and increase power to 5 KW day; WHIS, Daily Telegraph Printing Co., Bluefield, W. Va., Mod. of CP to cover changes in eqpt.; also license, 1410 kc., 250 w. night, 500 w. day, S-WRBX; WGCM, WGCM, Inc., Mississippi City, Miss., CP (amended) to change freq. to 1120 kc.; make changes in eqpt. increase power to 500 watts, change hours to unlt'd. time except from 8 to 9 PM on Monday and Friday nights; WDAY, WDAY, Inc., Fargo, N. Dak., license to cover CP. 940 kc., 1 KW night, 5 KW day, unlt'd. time; KFRC, Don Lee Brdcstg. System, San Francisco, Cal. Mod. of CP to extend commencement date to 5/1/35 and completion date to 12/1/35; this extension, however, does not constitute a finding by the Commission in anywise with reference to the issues involved in the renewal application "The extension of the permit is granted only for the purpose of preserving the status quo concerning the permit heretofore granted and authorizing the installation of new equipt. and increase in power only"

Also, WJEJ, Hagerstown Brdcstg. Co., Hagerstown, Md., extension of special temp. auth. for period of 30 days, to operate with 50 watts from LS to 11 PM, EST, on Tues. Thurs. Sat. and Sun. in order to broadcast local civic and political activities; KWEA KWKH, International Broadcastg. Corp., Shreveport, La., application for consent to transfer control of International Brdcstg. Corp licenses to the Times Publishing Co., Ltd. from Samd D. Hunter, KWEA and KWKH; KSO, Cedar Rapids Broadcast Co., Des Moines, Ia., license to cover CP authorizing changes in eqpt. and extension of commencement and completion dates; 1430 kc., 250 w. night, 500 w. day, unlt'd.

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