

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF DECEMBER 1, 1936

FCC Engineering Department Speeds Reallocation Report.....	2
Cruse Named FCC Aid; Still In Commerce Department.....	3
Television Developments Lead Industry Merry Chase.....	4
FCC Grants <u>54</u> New Station Permits During The Year.....	4
CBS Raises Rates With Average Increase 9 Percent.....	5
Three Radio Figures In The <u>75th</u> Congress.....	6 ✓
Radio Advertising Gains 22% In September Spurt.....	6
Foreign Language Net Formed In New England.....	7
Television Making Strides In Soviet Russia.....	7
University Finds "Mikes" Increase Class Efficiency.....	8
All Crosley Employees To Get Xmas Bonus.....	8 ✓
Notes.....	9
India Is Growing Market For Radio Sets, Transmitters.....	11
German Gramophone Firms Win Suit Against Radio.....	11
RCA Votes 87½ Cent Dividend On New Stock.....	12
NBC Plans Daily Programs For Latin-America.....	12

No. 985

2
←
g. d. m. p.

December 1, 1936

FCC ENGINEERING DEPARTMENT SPEEDS REALLOCATION REPORT

Aiming to submit a preliminary report to the Broadcast Division of the Federal Communications Commission before Christmas, the FCC Engineering Department is beginning to draft its recommendations after a study of the mass of testimony and evidence presented to the October broadcast hearing.

While it is still too early to predict what policies may be adopted by the Commission, indications are that the engineers will have definite proposals to make with regard to super-power, clear channels, and other controversial issues debated at the hearing.

Taking cognizance of the predominance of economic factors discussed at the inquiry, the engineers probably will recommend the creation of a new section of the FCC to keep in touch with the economic trends in broadcasting just as the engineers follow the technical developments.

Establishment of such a section, it is believed, would enable the Commission to obtain first hand information on the market and trade factors in allocation broadcast facilities. With the quota system abolished, the FCC already is giving more attention to the economic questions, such as whether a community is able to support an additional station and whether a new outlet might undermine the investment in existing stations.

Whatever new policies are adopted by the Commission probably will not become effective before early Spring. Reports now prevalent are that the FCC order may be issued about mid-February to become effective at the end of 30 days.

The super-power and clear channel issues offer much more difficult problems for the engineers and the Commissioners because of the sharply divided opinion among broadcasters. As a consequence, the engineers are expected to recommend that each application for 500,000 watts be considered on its individual merits rather than that any broad policy for handling such applications be adopted.

There are also indications that the engineers may propose the further breaking down of clear channels to make way for a new class of stations using directional antennas. One prediction is that the number of clear channels will be reduced from 30 to 25.

12/1/36

Horizontal increases in power for both regional and local stations is expected in view of the lack of opposition to this demand at the October hearing.

To make room for more broadcasting stations the "high fidelity" band of 1500-1600 kc., now in the experimental category, may be opened with ten channels to accommodate about two-score new regional stations. Applications for assignments in this band have been filed already in anticipation of this change.

As was predicted in October, there appears no likelihood of any general reallocation of facilities such as that of 1928. Existing stations, providing they are performing good service, rather will be given the preference in the allocation of improved channels or power increases, it is believed.

X X X X X X X X

CRUSE NAMED FCC AID: STILL IN COMMERCE DEPARTMENT

Although Andrew W. Cruse, well-known in the radio industry as Chief of the Electrical Division of the Bureau of Foreign and Domestic Commerce, has been appointed Assistant Chief Engineer of the Federal Communications Commission, he had not left his post at the Commerce Department early this week.

While it was assumed that the delay was due to inter-departmental courtesy, Mr. Cruse said that he did not know when he would leave the Commerce Department job.

A graduate of the Naval Academy, Mr. Cruse has been with the Commerce Department since 1933. He has specialized in television research and was the official U. S. Government observer of television on a European tour in 1935.

When he joins the FCC, he will be assigned to the Telephone Division, filling a vacancy created by the resignation of W. G. H. Finch more than a year ago.

X X X X X X X X X X

Venezuela has allocated 2,817.80 bolivars (\$717) to the Caracas Police Corps for 12 radio sets for the use of the motorized police units. The sets are being supplied by an American firm.

X X X X X X X X X X

TELEVISION DEVELOPMENTS LEAD INDUSTRY MERRY CHASE

That the development of the art of televising are changing so fast that the industry is having difficulty keeping apace, was indicated by David Sarnoff, President of the Radio Corporation of America recently in a lecture before the Franklin Institute of Philadelphia, in which he said:

"In our present field tests we are using 343-line definition. In cooperation with the industry, we have recommended to the Federal Communications Commission the adoption of 441-line definition as a standard for commercial operation. Our New York transmitter will be rebuilt to conform to the recommended standards. That also means building receivers to conform to the new standards of the transmitter. The necessity of synchronizing transmitting and receiving equipment carries with it serious responsibilities. On the one hand, standards cannot be frozen prematurely or progress would be prevented; on the other hand, frequently changing standards would mean rapid obsolescence of television equipment."

Speaking along the same line to members of the press assembled at the recent television demonstration in New York, Mr. Sarnoff said:

"In our present field tests we are using 343-line definition. Radio Corporation of America and the radio industry have, through the Radio Manufacturers' Association recommended to the Federal Communications Commission the adoption of 441-line definition as a standard for commercial operation. Our New York transmitter will be rearranged to conform to the recommended standards. That also means building synchronized receivers to conform to the new standards of the transmitter."

X X X X X X X X X X

FCC GRANTS 54 NEW STATION PERMITS DURING THE YEAR

With still several weeks to go, the Federal Communications Commission has granted construction permits authorizing erection of new broadcast stations to 54 applicants during 1936, bringing the total number of stations in the country to 675 according to a compilation by Broadcasting, radio trade magazine.

This total represents an increase of 50 over the number of stations in operation after the reallocation of 1928, but is about 60 under the total that existed in 1927 when the old Federal Radio Commission took over the job of radio regulation.

Of the 54 new stations authorized, 19 are identified with newspapers. California and Texas tied for first place in obtaining the new facilities. Each got seven stations.

X X X X X X X X X X

CBS RAISES RATES WITH AVERAGE INCREASE 9 PER CENT

Following closely on the heels of the similar action by the National Broadcasting Company, the Columbia Broadcasting System has announced a new rate card schedule, effective January 1, 1937, and raising rates on an average of 9 percent. The NBC average increase was 10 percent.

The new rates are applicable immediately, however, only to new advertisers, present sponsors being permitted to renew contracts at present rates until January 1, 1938.

Station WABC, New York, will become the most expensive outlet in the country with an hourly rate of \$1,250 when the new schedule becomes effective.

For the 90 cities listed, the new card specifies a night rate of \$19,920 per hour, \$11,960 per half-hour and \$7,980 per quarter-hour. These compare to the present rates for 96 cities of \$18,395 per hour, \$11,045 per half-hour and \$7,370 per quarter-hour. The new rate card takes into account changes in outlets in certain cities.

The rate for WABC was increased from \$1,000, \$600 and \$400, to \$1,250, \$750 and \$500. The WLW rate is \$1,200 per hour, \$800 per half-hour and \$532 per quarter-hour. Rates for both WEAJ and WJZ, NBC New York keys were increased from \$1,000 per hour to \$1,200 per hour, \$720 per half-hour and \$480 per quarter-hour in the revised schedule announced two weeks ago.

Hugh K. Boice, Vice-President in Charge of Sales for CBS, explained the new schedule thus:

"The new card reflects a year's progress. It lists 19 stations which have increased their power since the last Columbia rate card was issued 12 months ago. It includes 10 strategically located stations which have been added to the network, replacing previous facilities or still further intensifying Columbia's coverage in new areas.

"And in these past 12 months - with an unprecedented total of almost 8,000,000 new sets purchased for the home or the automobile - the radio audience has recorded its increasing interest in broadcasting.

"Many of these new sets were bought by radio families as additions or replacements, to continue and improve their listening; others went to new radio families, raising last year's total of radio homes in the United States (22,869,000) still closer to complete saturation of the country's population.

"These new Columbia station facilities, new sets and new radio families in 1936, following hard on the previous record increases of 1935, have increased the Columbia Network audience by over 30%, in the two years since Columbia's current rates were established."

THREE RADIO FIGURES IN THE 75TH CONGRESS

There will be three graduates of radio's school of experience in the 75th Congress. One of them is a newcomer, and two are hold-overs.

Luther Patrick, of Birmingham, the new addition, until recently conducted the "Good Morning, Neighbor" program on WBRC, Birmingham. The two who were re-elected are Karl Stefan (R.), of Nebraska, formerly a news commentator on WJAG, Norfolk, Nebr., and Frank E. Hook (D.), of Michigan, associate owner of WJMS, Ironwood, Mich.

X X X X X X X X X X

RADIO ADVERTISING GAINS 22% IN SEPTEMBER SPURT

Broadcast advertising during September amounted to \$8,541,218, an increase of 22.1 percent over August, according to the National Association of Broadcasters. Gains were general throughout the medium. National networks showed the greatest increase in volume, rising 29.6 percent over August.

Total broadcast advertising volume in September was 50.6% greater than during the corresponding month of the preceding year. This was the greatest gain to be experienced in many months. Increases were general, with national non-network volume increased to the greatest extent. Volume in this field rose 76.2% above the September 1935 level.

Total non-network advertising increased 13.7% as against August. This was due to substantial increases in the clear channel and regional group stations. While all portions of the country enjoyed increased volume of business, the New England-Middle Atlantic area led with a gain of 31.6%. Compared to last September greatest gains were shown in regional station business and in the South Atlantic-South Central area.

In the non-network field, all forms of rendition increased over the previous month, except announcements, which declined 1.0%. The most important gains over the preceding month were registered in the live talent field. Compared to last September all forms of rendition increased. Transcriptions increased 60.5% and live talent 73.3% as compared to September 1935.

Gains were general in the various sponsor groups compared to August. Automotive and clothing advertising showed the principal increases in the national network field. Regional network confectionery, soap and kitchen supplies and financial advertising experienced significant gains. Department store

advertising rose in both the national non-network and local fields. Radio set advertising increased 60.4% in the latter.

Compared to September of last year, automotive, soap and kitchen supplies, and tobacco advertising showed the greatest gains on the national networks. Gains were fairly general in the regional network and national non-network fields. Local tobacco and kitchen supply advertising showed gains of 73.5% and 161.4%, respectively.

X X X X X X X X

FOREIGN LANGUAGE NET FORMED IN NEW ENGLAND

Viola & Furman, New York foreign-language station representatives and radio production firm, announces formation of a four-station network in New England devoted exclusively to foreign language broadcasts. The network has been in operation for the past month and includes WELI, New Haven; WNBC, New Britain, Conn.; WSPR, Springfield; WCOP, Boston. Arrangements are being made to extend the network into the Providence area.

X X X X X X X X

TELEVISION MAKING STRIDES IN SOVIET RUSSIA

Television in Russia, although introduced comparatively recently, seems to have become popularized far more quickly than elsewhere, according to World-Radio, BBC journal. The State has installed a number of low-definition television transmitters in Moscow and elsewhere, and has placed receivers in large factories and in the halls of communal dwellings; program features seem equally far advanced.

Such events as boxing-matches have apparently been televised, and circus performances were in contemplation, as well as a novel kind of transmission called "Film Talks", in which explorers would speak of their expeditions and slides illustrating their work would be televised. A growing number of amateurs are building their own television receiving sets.

A special "Television Centre" is shortly to be built in Moscow, and is to be equipped with the latest apparatus to work on a 6-metre wavelength with 343 lines definition. Two ultra-short wave transmitters of 7.5 KW capacity will be constructed within the centre, one to broadcast vision, the other sound. The studios, which will cover an area of 320 square metres, are to be erected in another building.

X X X X X X X X

UNIVERSITY FINDS "MIKES" INCREASE CLASS EFFICIENCY

Officials at the Georgetown University School of Law, Washington, D. C., are studying the effects that a newly installed public address system may have on classroom efficiency.

Earlier experiments with the "necklace" microphones worn by professors during lectures proved so satisfactory, the Rev. Francis E. Lucey, S.J. Regent of the school, explained that the system has been installed permanently in the three largest halls.

"No doubt", he said, "other departments of the university may adopt a similar public address system to suit their needs."

From the viewpoint of both professors and students at the law school, Dr. Lucey claimed, the system already has served to facilitate class work. It not only has made lecturing easier on the vocal cords of professors, who sometimes come to class after a strenuous court trial, but it also makes it possible for 175 or 200 students in a crowded hall to hear distinctly every word that is uttered. As a result, he said, the attention of students is less apt to stray.

The microphone worn by the professor is shaped like a small box, about 2 inches square and is attached around the neck by a long cord that makes it possible for him to move about the platform or use the blackboard while lecturing. Instead of the usual megaphone-shaped amplifiers, a new and inconspicuous type has been attached to the rear and two side walls.

X X X X X X X X X

ALL CROSLEY EMPLOYEES TO GET XMAS BONUS

Powel Crosley, Jr., President of the Crosley Radio Company, has announced that the Board of Directors has decided to give each person on the company's payroll between November 20 and December 20 a Christmas bonus check.

Announcement was also made that the management has arrived at a flat increase in the factory hourly rate of pay for men and women that will amount to approximately six percent of the payroll. The increase in the hourly rate of pay will become effective the week beginning November 30.

The Christmas bonus plus the increase in the flat hourly rate of pay to the factory hands will amount, it is estimated, to approximately a quarter of a million dollars in 1937, Mr. Crosley said.

X X X X X X X X X

: : :
: : : NOTES : : :
: : :

Two Washington radio stores are engaged in litigation because one allegedly copied the slogan, front and window designs of the other. The Sun Radio Service & Supply Co., as a consequence, has appealed to relief in the District of Columbia Supreme Court. The defendant is the Metropolitan Radio Co., Inc.

The Columbia Broadcasting System has issued an analysis of what it terms "The Leading Advertisers' Choice of Radio Network Facilities", which lists 100 advertisers, 22 of whom are exclusively on CBS, 7 on the NBC-Red Network, and 8 on the NBC-Blue Network. The total on each network is distributed thus: CBS, 41; NBC-Red, 34; and NBC-Blue, 26.

E.P.H. James, Promotion Manager of the National Broadcasting Company, calls attention to a statement by S. C. Johnson & Son, which cites a sales increase of from 30 to 50 percent and attributes much of the gain to the NBC radio program "Fibber McGee and Molly".

Adolph J. Opfinger has been appointed program coordinator of the Mutual Broadcasting System, effective December 14. Harry Carlson, announcer, has been appointed to the post of Production Manager of WOR, effective December 13, replacing Mitchell Bonson, who is now Assistant Program Director, replacing Mr. Opfinger.

A new and valuable service for the engineering staffs of RMA member companies is the "RMA ENGINEER", a new quarterly publication of important technical data. The first issue was distributed in November and contains a wide variety of technical information.

Michael J. Meehan, who made Wall Street history in 1928 with his coup in FCA stock, a series of deals supposed to have shown profits of \$5,000,000 to \$15,000,000, has been confined to a private sanitarium since last Summer, it was learned last week.

An order has been entered by the Federal Trade Commission directing Sutton Laboratories, Inc., Chapel Hill, N.C., to discontinue misrepresenting the therapeutic value of "Linoil", a proprietary preparation intended for use in the treatment of skin diseases. The respondent corporation has engaged in radio advertising.

David Sarnoff, President of the Radio Corporation of America, will be heard on the air when, as Honorary Chairman, he will address the third joint luncheon-meeting sponsored by the New York Building Congress; the National Research Council and the Producers' Council Club of New York in the Hotel Commodore, on December 9.

Mr. Sarnoff will introduce Dr. Frank B. Jewett, President of Bell Laboratories, who will speak on "Research and Progress in Communications."

Valuable television equipment of the Baird Television Laboratories was destroyed November 30th in a fire that raged the famed Crystal Palace in London. The major BBC television station, however, is in Alexandra Palace.

Costa Rican duties on radios and accessories remain unchanged in the new trade agreement reached between the United States and Costa Rica.

Metropolitan Opera will be broadcast this season to radio listeners throughout the world under sponsorship of the Radio Corporation of America, it was announced this week by David Sarnoff, President of RCA and a Director of the Metropolitan Opera Association, Inc. The regular Saturday matinee performances will be carried to the radio audience in the United States for the sixth consecutive year over the nationwide NBC-Blue Network. In addition, Station W3XAL and other short-wave transmitters affiliated with NBC will make the programs available to listeners in all parts of the world.

Among the Americans disembarked by the U.S.S. Raleigh at Marseilles, France, November 25, were Col. Sosthenes Behn, President of the International Telephone and Telegraph Company; F. T. Caldwell, General Manager of the Spanish National Telephone Company and American employees of the latter company. Colonel Behn and Mr. Caldwell plan to return soon to Spain where the I.T. & T. has an investment in American capital of \$130,000,000 tied up in the Spanish National Telephone Company.

X X X X X X X X

INDIA IS GROWING MARKET FOR RADIO SETS, TRANSMITTERS

American broadcasters were advised this week by the U. S. Bureau of Foreign and Domestic Commerce that India is growing in importance as a market for radio receivers and transmitting equipment.

With the government of India planning to add five more broadcasting stations, Andrew W. Cruse, Chief of the Electrical Division, commented:

"The demand for radio receiving sets in India has increased enormously during the course of the last two years. Total imports of "wireless apparatus" (a high percentage of which is believed to be receiving sets, although these are not separately classified by the Customs) amounted to 2,830,000 rupees during the fiscal year 1935-36, which represents an increase of 75 percent over 1934-35 and 150 percent over 1933-34. The demand for American sets greatly increased, 1935-36 imports amounting to 1,242,627 rupees as compared with 830,348 rupees in 1934-35 and 178,994 rupees in 1933-34.

"Owing to lack of classification, it is difficult to analyze the shares of other countries, but the 1,048,701 rupee share of the United Kingdom is believed to have included a very considerable amount of broadcasting equipment. The Netherlands supplied 381,256 rupees worth of equipment and it is believed that they hold second place after the United States in receiving sets. The rest was made up of some 93,000 rupees from Germany and approximately 65,000 rupees from all other countries.

"Bombay remains the largest importer of wireless apparatus, followed by Bengal and Sind, in the order mentioned. It is believed that more wireless apparatus other than radio sets was imported at Bombay and at Sind, while the majority of Bengal's imports was radio.

X X X X X X X X

GERMAN GRAMOPHONE FIRMS WIN SUIT AGAINST RADIO

The German Supreme Court of Appeal, the Reichsgericht, in Leipzig, has reversed the lower courts and given a judgment entirely favorable to the seven leading manufacturers of gramophone records in their suit against the German Broadcasting Company.

The defendant was ordered to pay all costs and damages for infringement for all broadcasts of records manufactured by the plaintiffs since April 5, 1935.

X X X X X X X X X X

12/1/36

RCA VOTES 87½ CENT DIVIDEND ON NEW STOCK

David Sarnoff, President of the Radio Corporation of America, announced last Saturday that a dividend on the outstanding shares of the Corporation's \$3.50 Cumulative Convertible First Preferred stock had been declared by the Board of Directors. The dividend is 87½ cents a share, covering the period from October 1 to December 31, 1936. It is to be paid on December 26, 1936, to the holders of record of such stock at the close of business on December 9, 1936.

Mr. Sarnoff stated that the dividend will also be paid, as soon as practicable after December 26th, to holders to whom \$3.50 Cumulative Convertible First Preferred stock is issued after December 9 and prior to January 1, 1937, upon the conversion of "B" Preferred stock of the Corporation, or upon the surrender of Deposit Receipts for "B" Preferred stock or of script certificates for fractional shares of \$3.50 Cumulative Convertible First Preferred stock.

X X X X X X X X X

NBC PLANS DAILY PROGRAMS FOR LATIN-AMERICA

A daily schedule of programs arranged especially for South American reception, will be inaugurated in the very near future over Station W3XAL, NBC's short-wave transmitter at Bound Brook, N. J. The new schedule amplifies the thrice weekly programs begun last Summer.

This announcement follows up a few days, the declaration of John F. Royal, NBC Vice-President in Charge of Programs, that NBC would broadcast radio programs from the United States into South and Central America to compete with the European programs now dominating the air there.

To facilitate the reception of NBC's programs in South America, a new directional-beam antenna is being constructed at Bound Brook. It is expected to be completed about January 1st. The beam will have a spread sufficient to cover all of the South and Central American regions.

Two Spanish-speaking members of the NBC staff, Dan Russell, announcer, and Charles Carvajal, production man, have been placed in charge of building and producing all-Spanish programs for the broadcasts. The programs are planned to foster a better understanding between the peoples of the North and South American continents.

X X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



A
S
fall

INDEX TO ISSUE OF DECEMBER 4, 1936.

Farnsworth Gets Permit For Electric Television Unit.....	2
India To Inaugurate Educational Broadcasts.....	4
General Electric, FCC To Attack Diathermic Interference.....	5
Coaxial Cable Introduced To The Press.....	5
France Reorganizes Broadcasting Control.....	6
Sponsor Defends "Good-Will Court" In Brief.....	7
FCC Opens U.S.-French Radio Phone Circuit.....	8
DeForest, Radio Pioneer, Declares Bankruptcy.....	9
Publisher Denies Radio Credit For F.D.R. Victory.....	9
Buffalo Gets Bid For First Television Sponsorship.....	10
New D. C. Court Room To Have Radio Outlet.....	10
Germany Introduces New System Of Trade Discounts For Radio....	11
FCC Announces \$12,000,000 Phone Rate Cut.....	11
Cuba Offers Good Radio Market Now.....	12
KGNC And WFEA To Join NBC.....	12

No. 986

S
g
PTH
my
D
P

FARNSWORTH GETS PERMIT FOR ELECTRIC TELEVISION UNIT

A new television station will shortly be erected in Philadelphia and join the growing ranks of practical experimenters in the field of television broadcasting. The builder, however, is not new to the laboratory phase of television.

The applicant, who was granted a permit this week by the Federal Communications Commission, is Philo T. Farnsworth, President of Farnsworth Television, Inc., Philadelphia, who has been engaged in technical research on the subject for a decade.

Upon recommendation of Examiner R. H. Hyde, he was granted a permit to construct an experimental television station for operation on 42,000-56,000 and 60,000-86,000 kc. with 1 KW power. His purpose is to develop an all electric television system as contrasted with the mechanical system ordinarily employed.

The Philadelphia station will become the sixteenth now in operation in the ultra-high frequencies although a number of other former licensees are awaiting assignments in the new bands, set aside for television early this Fall.

Operating stations which are attracting most attention at present are those of the Radio Corporation of America in New York, the Philco Radio and Television Corporation in Philadelphia, and the Don Lee Broadcasting System in Los Angeles.

When he appeared for a hearing before Examiner Hyde, Mr. Farnsworth said he had expended \$800,000 in research work during the last ten years.

Discussing Mr. Farnsworth's background and ability to carry forward his plans, the FCC Examiner said:

"He has spent ten years as Director of Research and as an inventor for Farnsworth Television, Incorporated, and its predecessor, Crocker Research Laboratories, is a member of a number of engineering associations, has appeared before the Commission as an expert in television engineering, and is well known in engineering and scientific fields for his work looking to the development of an all electric television system. He is assisted by a staff of twenty-five to thirty engineers employed by the applicant at all times. Approximately one-third of the members of the organization have been associated with Mr. Farnsworth for eight years and two-thirds of the number have been with him for five years or more.

"Facilities maintained by the applicant for development work include laboratories for tube, circuit, and receiver research, and an experimental television studio having three separate camera channels with provisions for showing transmissions from moving picture film, and from both outdoor and indoor "shots". Opinion testimony by experts, particularly Mr. Farnsworth, holds that the applicant has adequate facilities to carry forward the program outlined in this application. But the accomplishments already achieved probably provide the best indication as to the adequacy of the applicant's technical resources and ability. Patents have been obtained on more than twenty inventions and a number of patent applications are now pending the determination of interference questions in connection with claims of various other applicants. A single patent covers an electron multiplier. A number of other patents relate to the dissector tube. The applicant classes its image dissector, straight line scanning method, and its synchronization system as major contributions to the development of television. Recognition of the applicant's research achievements is apparent in the applicant's testimony to the effect that certain important foreign countries, the Fernesh AG Company of Germany and the Baird Television Company of England, have adopted methods employing the principles and technique of its system, under licenses from the applicant, in preference to mechanical systems previously used.

"The general objective of the work that has been done and which is being done by the applicant's engineers is the development of a complete electronic television system that will be practical for general use. And the program has been advanced in laboratory work with transmission over wire, to a point where, to use Mr. Farnsworth's description, 'an excellent quality image' is transmitted and reproduced with 'absolutely no flicker'. These claims are supported by photographs of transmitted images which were submitted upon request, and by the testimony of an engineer from the Commission's staff who characterized a demonstration transmission of an outdoor scene as remarkable for clearness and detail, stating that the wires on a power line approximately 150 yards distant were visible in the reproduced image. The size of the picture reproduced is $5\frac{1}{2}$ x 7 inches. It has the definition of 341 lines to a picture, 60 pictures per second interlaced.

"Electrical methods, utilizing the extreme speed of the electron and recurring peaks and recessions of high frequency wave motion in modulated electrical current are used in the applicant's system for high definition, high speed scanning seemingly beyond the possibilities of mechanical methods. The image to be transmitted is projected by a lense system to a sensitive surface from which rays of electrons are emitted with variations in intensity corresponding to the variations in the shading between the light and dark areas of the image. This, in effect, reproduces the original image in a complete electron picture which is subject to control by electromagnetic and electrostatic fields. Methods similar to the usual high and

low frequency fields are employed to control the movement of the electron picture in transverse and vertical directions over a sensitive cell, dividing the picture into lines and producing interlaced scanning. Transmission from this point can be accomplished in accordance with the usual methods of radio transmission.

"The applicant contends, through the testimony of Mr. Farnsworth, that radio transmission is necessary to the further study, investigation, and advancement of its program of research. The problem now has to do with the modulation of the television image on the carrier and investigation of coverage with a given amount of power and given frequency band. Little is known about the propagation of ultra short waves with modulation of the type that television requires, and the only possible way to investigate the matter is by transmission of waves of this type. For the purposes of study, the applicant proposes to establish a large number of receivers in as many different locations as possible. In addition to outlining its own program, the applicant indicated a willingness to undertake any special line of investigation the Commission might suggest and make such reports as the Commission may request.

"The evidence regarding the site selected for the construction of the proposed transmitter indicates that due consideration has been given the problem of finding a location that will be satisfactory for the operation of an experimental television transmitter. The site is in Springfield Township, immediately adjacent to the City of Philadelphia and convenient to the applicant's laboratories. There are no residences in the neighborhood of the site due to its zoning classification as commercial area, and it is higher in elevation than the surrounding property. The construction of the transmitter at one side of the City of Philadelphia is expected to facilitate study and experimentation with directional transmission of television signals."

X X X X X X X X X X

INDIA TO INAUGURATE EDUCATIONAL BROADCASTS

With the active co-operation of the University of Calcutta, the broadcasting authorities in India, World-Radio reports, are drafting a plan by which lectures on various educational topics will be broadcast in the colleges and schools in Bengal. Eminent professors of colleges and head masters of big schools will regularly broadcast talks from the studio of the All-India Radio station in Calcutta. A comprehensive curriculum is being drafted for the purpose. The scheme will come into operation in January 1937. The program will be broadcast both on medium and short waves. No political propaganda of any kind will be broadcast from the Calcutta station.

X X X X X X X X X

GENERAL ELECTRIC, FCC TO ATTACK DIATHERMIC INTERFERENCE

The General Electric Company was authorized this week by the Federal Communications Commission to conduct a special program of experimental research in collaboration with the FCC Engineering Department on means of shielding diathermy and other similar equipment, which causes widespread interference to radio reception.

"Such experimentation, if successful", the FCC stated, "would result in the larger and more effective use of radio in the public interest."

General Electric will conduct its experiments on the frequencies of 13000, 13300, 13700 and 15000 kcs.

X X X X X X X X X X

COAXIAL CABLE INTRODUCED TO THE PRESS

What may be the "key" to television, had its first public demonstration this week, namely the coaxial cable installed by the Bell Telephone Laboratories between New York and Philadelphia. Dr. Frank A. Jewett, President of the Laboratories, talked with members of the press over the circuit, looped within itself to cover 3,800 miles, although in reality the cable spans less than 100 miles.

Television was not demonstrated on the line in this initial speech test because the terminal instruments now in use are not suitable for motion pictures.

The "pipe" is designed to handle 240 telephone conversations simultaneously when used with the proper terminal equipment. The speaker talks into an ordinary telephone but his voice is split up twenty different times between New York and Philadelphia. Dr. Jewett explained that if it were possible for the human ear to eavesdrop along the route it would hear "a terrible jumble" but the extremely high-frequency currents make such a test impossible because the transmission is far out of range of the sense of hearing. The complex terminal apparatus does the "unscrambling" so that within the twinkling of an eye the electrical mixup is straightened out and transformed into intelligible speech corresponding to the original.

There are twenty loops in the circuit and each loop has a one-way amplifier. The voice passes through each amplifier twenty times, giving a total amplification of 400. The present cable as set up will handle a frequency band of 1,000,000 cycles but by the use of the proper terminal equipment the path can be widened to 2,000,000 cycles and higher. In fact, it must handle 5,000,000 frequency to produce television effects of good motion picture quality.

"Our main purpose in this preliminary experiment is to reveal the telephone possibilities, not television", said Dr. Jewett. "The performance has been up to expectations and no important technical difficulties have arisen to cast doubt upon the future usefulness of the coaxial-cable system. Much work remains to be done, however, before coaxial systems suitable for general commercial service can be produced."

"This is not a television circuit as we are demonstrating it today. But it is a necessary step forward to television. We think we know how to use it for television, but that is several months off. As far as television is concerned, it is still around the corner, and all we can say at this time is that the cable is a possible network link for television transmitters in the future."

"What we are literally doing along this cable is radio transmission", continued Dr. Jewett, "but we are sending it over what might be called a segregated slice of the ether. In this case, however, all of the ether is in the little pipes of the cable. It is a scheme for making radio transmission free of the elements that bedevil radio, such as static and fading."

X X X X X X X X X

FRANCE REORGANIZES BROADCASTING CONTROL

France is reorganizing her broadcasting. Two decrees recently issued establish a Higher Council and a Council of Management for each station.

The Higher Council, which will have control over the entire system, will have a president and a vice-president appointed for two years by the Government. It will have various sections, dealing respectively with literature, music, science, economics, social question, news and education, with which last subject sport, leisure and touring will be linked up.

At the same time, the Higher Council will not be free to do as it likes. The Government's representatives will be entitled to the first look at any address or statement proposed for broadcasting.

The Councils of Management, each of 30 members, will comprise representatives of the public services, technicians, authors and artists, and also 10 members of the public, whose status will be defined later.

X X X X X X X X X

SPONSOR DEFENDS "GOOD WILL COURT" IN BRIEF

The side of the Good-Will Court radio program in the case of legal ethics, filed recently in the Appellate Division for an opinion governing the appearances of judges as legal advisers on such commercial broadcasts, was disclosed in New York this week in a brief prepared by Charles H. Tuttle, former United States Attorney, representing the program's sponsor and advertising agency, and Louis Nizer, attorney for A. L. Alexander, who conducts the broadcasts.

The brief was filed also with the New York County Lawyers' Association. The sponsor of the broadcast over nationwide radio facilities on Sunday nights, is Standard Brands, a food concern. J. Walter Thompson Company, of New York, is the agency handling the program. The American Bar and other legal associations have criticized the conduct of lawyers, judges and ex-judges who participate in such commercial broadcasts.

The brief-memorandum contends that as a broadcast the court "is distinctly educational in its content and in the manner in which the content is presented", and that it "serves to accomplish effectively and on an incomparable scale one of the objects which bar associations have recently been urging - to wit: the popularizing of the law."

In a letter sent August 11 by Governor Lehman to Mr. Alexander, which was contained in the brief, it was pointed out that Mr. Lehman had declared the Good-Will Court broadcasts "serve a very real purpose in bringing to people a better understanding of the scope and purpose of our courts and of our laws."

Attorney General John J. Bennett, Jr. in July, in a letter to Mr. Alexander, declared:

"The practice of having members of the local judiciary answer and advise is to be commended. * * * The idea of the broadcast is a most humane one, since here is provided a great system of public education."

Other such letters of commendation were received from Attorney General Wilentz of New Jersey, Governor Hoffman and various legislators and city officials.

The brief expressed the opinion that many of the so-called "cases" heard during the broadcasts "illustrate and emphasize the inadequacies of existing laws and sometimes their downright injustice.

"To shut off this method of speech", the memorandum continued, "this medium of education and this incitement to public thinking would be a gross interference with the freedom of speech and of thought. To do so on purely technical and legalistic grounds and for the fancied benefit of some particu-

lar class would be to deny fundamental rights and to restrict the liberties and opportunities of the whole community. * * * If such a force as this for social betterment is contrary to law, then there is something wrong with the law."

X X X X X X X X

FCC OPENS U. S. - FRENCH RADIO PHONE CIRCUIT

Telephonic communication with Paris over a new direct radio circuit 3,600 miles in length was opened December 1st by the American Telephone and Telegraph Company with ceremonies conducted in this country from the office of the Federal Communications Commission.

Anning S. Prall, Chairman of the Commission, spoke first to Robert Jardillier, Minister of Posts, Telegraphs and Telephones in Paris, after which André de Laboulaye, French Ambassador in the United States, talked with Mr. Jardillier and R. Walton Moore, Acting Secretary of State, took official cognizance of the occasion in a message delivered personally to William C. Bullitt, Ambassador in Paris, and through him to Yvon Delbos, French Minister of Foreign Affairs.

The new direct circuit to Paris consists of a short wave radio telephone channel between A. T. & T. Company stations in New Jersey and stations of the French Ministry of Posts, Telegraphs, and Telephones near Paris. The American transmitting station is at Lawrenceville, which is picked up at Noiseau, while the French transmitter at Pontoise sends the voice from Paris to the American receiving station at Notcong. Wires and cables carry the voice impulses from the radio stations in New Jersey to the overseas switchboard in the Long Distance Building, 32 Sixth Avenue, New York City, whence the connection is made to Bell System telephones.

This is the first direct contact which the Bell system has made with continental Europe, telephone service to France having been heretofore handled through London. It will be recalled, however, that Paris was the first to hear a voice by radio from the other side of the Atlantic. In 1915, through the courtesy of the French government, Bell System engineers were permitted to set up receiving apparatus in the Eiffel Tower, in an attempt to pick up a speech sent out by other telephone engineers from Arlington, Virginia. These experiments, ending successfully with the transmission of intelligible speech, marked an important milestone in the development of the radio telephone system which now aids the Bell System subscribers to reach more than 90 percent of the world's telephones.

The cost of a three minute call between New York and Paris is \$21 on week-days and \$15 at night and on Sundays.

X X X X X X X X

12/4/36

DE FOREST, RADIO PIONEER, DECLARES BANKRUPTCY

Listing \$103,943.95 as his liabilities as against \$390 in assets, on which he claims exemption, Dr. Lee DeForest, radio engineering pioneer, filed a voluntary petition in bankruptcy in Federal Court in Los Angeles this week.

Dr. DeForest's action followed by one day a New York real estate concern's suit for \$10,000 in back rent.

His petition listed the Railway Cooperative Building and Loan Company of New York City as the chief creditor, with a claim of \$50,000.

Assets listed by Dr. DeForest included his Hollywood laboratory, where he recently has been conducting television experiments, his experimental library, and his machinery.

X X X X X X X X X X

PUBLISHER DENIES RADIO CREDIT FOR F.D.R. VICTORY

Taking issue with some of his own colleagues and many expressions of opinions, Frederick E. Murphy, publisher of the Minneapolis Tribune, this week denied that radio deserves the credit for the overwhelming reelection of President Roosevelt in the face of a hostile press.

Speaking at the annual convention of the Associated Grocery Manufacturers of America, Inc., in New York, he asserted that the newspapers have not lost their influence over the public. The recent election, in which 80 percent of the newspapers opposed the President, merely demonstrated that the remaining 20 have more influence than the other 80 percent.

Mr. Murphy asserted that there was no basis for comparison between radio and newspapers. The radio, he said, is a neutral information transmitting agency, while the newspaper is both an information transmitting agency and a protagonist.

Admitting that radio speeches of President Roosevelt were effective, Mr. Murphy added that "it was the President that was influential and not the radio." He called attention to the complete political collapse of Father Coughlin, who, he said, was the only political opponent of the President comparable to him as a radio speaker."

X X X X X X X X X X

BUFFALO GETS BID FOR FIRST TELEVISION SPONSORSHIP

The Buffalo Broadcasting Corporation has received the following letter, but it hasn't figured out whether it's from a forward looking business concern or a prankster:

"Mr. L. H. Avery,
Buffalo Broadcasting Corp.,
Buffalo, N. Y.

"Dear Mr. Avery:-

"My client, the Golden Rule Children's Shop at 473 Main Street, Buffalo, has authorized me to make you an offer of up to three times their present rate for a televised broadcast of their present program, 'The Golden Rule Hour' on WGR, Saturday at 10 A.M.

"We are ready to sign a 'when, as and if' contract at any time.

"Yours very truly

(Signed) Robert P. Mendelson,
The Radio Advertising Co."

X X X X X X X X X X

NEW D. C. COURT ROOM TO HAVE RADIO OUTLET

One of the six court rooms to be provided in the new Police Court Building to be erected in Washington, D. C., will be wired so proceedings there may be broadcast, if the judges so decree.

Plans have been drawn for installation only of the necessary wiring and outlets, in anticipation of the day when the judges may approve the broadcasting, it was said. The decision would rest with members of the bench, rather than with members of the District Commission. The fact that plans call for wiring only one of the court rooms in the new building suggested that the broadcasting might be considered particularly for Traffic Court proceedings.

Police Court judges have received petitions to broadcast cases as a part of drives for reducing traffic deaths and accidents. In the past, however, the judges have refused to consider such proposals. One of the judges said he would not oppose broadcasting of court proceedings but that some of the other judges were in opposition.

With the wiring and outlets in place, it would be a simple matter to set up equipment needed for a broadcast.

X X X X X X X X

12/4/36

GERMANY INTRODUCES NEW SYSTEM OF TRADE DISCOUNTS FOR RADIO

The German Minister of Economy has decreed that a new schedule of maximum trade discounts is to be introduced in the German wholesale and retail radio trade.

According to this decree, manufacturers of radio receiving sets, tubes and loudspeakers can only grant certain specified rates of maximum discounts on the retail values to wholesalers and retailers doing business on the domestic market.

The maximum allowable discount rate in the case of each dealer is based on their certified turnover in radio receiving sets, tubes and loudspeakers achieved by that dealer in a specified period of 12 months.

X X X X X X X X X X

FCC ANNOUNCES \$12,000,000 PHONE RATE CUT

The second major reduction in long-distance telephone rates since the Government's investigation of the American Telephone & Telegraph Co. began was announced December 2nd by the Federal Communications Commission.

The reduction - amounting to \$12,000,000 a year - will become effective, Commissioner Paul Walker said, as soon as new rate schedules can be prepared "and in any event not later than mid-January."

Both Mr. Walker and Walter S. Gifford, A. T. & T. President commended the method in which the rate reduction was negotiated, without long drawn out legal battles. In New York, Mr. Gifford noted it was the ninth reduction in the past ten years.

"The new cut", Mr. Walker said, was the result of informal conferences between the Commission and the company, and followed a \$10,000,000 reduction by the company last September, just prior to the first hearing in the Commission's far-reaching study of the company's capital structure.

Mr. Walker disclosed the Commission was running short of funds and would ask Congress for a new appropriation of \$350,000 to assure completion of the inquiry. Funds now on hand, he said, would finance it only through January.

X X X X X X X X

12/4/36

CUBA OFFERS GOOD RADIO MARKET NOW

The outlook in the radio market in Cuba appears very favorable for a good volume of sales this season, according to U. S. Assistant Commercial Attache Charles H. Ducote, Habana.

Imports of radio sets into Habana in October, according to private compilations from ships' manifests, numbered 3,436 units valued at 98,903 pesos. These data compare with 2,914 sets valued at 70,425 pesos entered in September, and 2,452 sets with a value of 65,120 pesos, corresponding to incoming shipments in October of last year.

More than 33 brands were represented in the total imports for October. There was also received a shipment of 45 used sets, the makes of which were not indicated in the compilations. No Philips sets were imported during the month.

X X X X X X X X X X

KGNC AND WFEA TO JOIN NBC

Stations KGNC, Amarillo, Texas, and WFEA, Manchester, N. H., have been added to the networks of the National Broadcasting Company, it was announced December 1st at NBC's Radio City headquarters. They will bring the number of NBC affiliate stations up to 110.

KGNC will join NBC as an optional member of the Southwestern Group, effective Friday, January 1st. It will use both Red and Blue Network programs, intensifying NBC's coverage in Northern Texas. The Amarillo Globe-News owns the station, which operates on a frequency of 1410 kilocycles, with a power of 2500 watts daytime and 1000 watts at night.

Effective March 1, 1937, WFEA, at Manchester, will become an optional outlet of NBC, using both the Red and Blue Networks. The station is owned by the New Hampshire Broadcasting Company.

WFEA is the only broadcasting station in Manchester. It operates on a frequency of 1340 kilocycles, with a day time power of 1000 watts and a night time power of 500 watts.

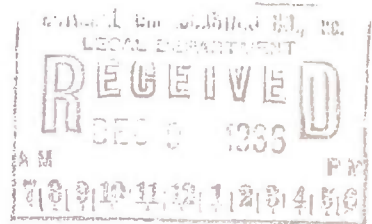
X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF DECEMBER 8, 1936

FTC Report Shows Improvement In Radio Advertising..... 2

Cruse Still Not Released By Commerce Department..... 4

Payne Sues Broadcasting For \$100,000 On Libel Charge..... 5

Oral Argument Heard In Mackay-RCA Oslo Fight..... 7

Publishers Worried By Radio Legislation Threat..... 8

"Bill" Hedges Takes Charge Of Crosley Broadcasting..... 10

Newspapers, Network Linked In California Net..... 10

FCC Order On Phone Accounting Sustained..... 11

RCA Wins Ruling In Tube Suit..... 11

WOR Gives Extra Week's Salary To Employees..... 12

Radio Rates To Honolulu, Manila Cut..... 12

No. 987

L g m
J P

December 8, 1936

FTC REPORT SHOWS IMPROVEMENT IN RADIO ADVERTISING

Substantial improvement in radio advertising has been brought about during the past year, according to the annual report of the Federal Trade Commission, just released this week.

Out of 299,334 commercial broadcasts by individual stations and 38,109 by networks, only 19,572 were marked as containing representations that appeared to be false or misleading. This, of course, does not mean that all of these continuities were finally disapproved or led to stipulations.

This proportion of commercial programs questioned by the FTC represents about 6 percent of the whole and is 4 percent under the percentage of continuities marked during the previous year.

It proves a better record than that of the newspapers and magazines; for of 96,939 advertisements examined by the FTC, 9,074, or more than 9 percent, were noted as "containing statements that appeared to be false or misleading."

"The Commission is receiving the helpful cooperation of the nearly 600 active commercial and radio stations and of newspaper and magazine publishers generally", the report stated, "and notes a desire on the part of these broadcasters and publishers to aid the Commission in the elimination of false and misleading advertising."

The FTC's complete review of radio advertising follows:

"The Commission began the review of advertising copy broadcast over the radio at the beginning of the fiscal year 1934-35. At the outset, the Commission, through the Special Board of Investigation, made a survey of all commercial continuities, covering the broadcasts of all radio stations during July, 1934. The volume of returns received and the character of the announcements indicated that a satisfactory continuous scrutiny of current broadcasts could be maintained with a limited force and at small expense, by adopting a plan of grouping the stations for certain specific periods.

"Consequently, beginning with September, 1934, quarterly calls have been issued to individual radio stations according to their licensed power and location in the five radio zones established by the Federal Communications Commission. These returns cover specified 15-day periods.

"National and regional networks, however, respond on a continuous weekly basis, submitting copies of commercial

continuities for all programs wherein linked hook-ups are used involving two or more affiliated or member stations.

"Producers of electrical-transcription recordings submit regular weekly and monthly returns of typed copies of the commercial portions of all recordings manufactured by them for radio broadcast. As the actual broadcast of a commercial recording is not always known to the manufacturer of a commodity being advertised, the Commission's knowledge of current transcription programs is supplemented by special reports from individual stations from time to time, listing the programs of recorded transcriptions with essential data as to the names of the advertisers, and the articles sponsored.

"The combined material received from the individual stations for specified periods, from the weekly returns on regional and national network broadcasts, and from the special transcription reports, furnishes the Commission with representatives and specific data on the character of radio advertising which has proven of great value in its efforts to curb false and misleading trade representations.

"During the last fiscal year, the special board received copies of 299,334 commercial broadcasts by individual radio stations and 38,109 commercial broadcasts by networks, or chain originating key stations. The broadcasts from the independent stations averaged $1\frac{1}{2}$ pages each and from the networks 10 pages each.

"The special board and its staff read and marked about 947,000 pages of typewritten copies during the year, an average of 3,105 pages every working day. Of these, 19,572 commercial broadcasts were marked as containing representations that appeared to be false or misleading. These broadcasts were assembled in 1,314 prospective cases for further review and procedure in instances that appeared to require it.

"In its examination of advertising, the Commission's purpose is to prevent false and misleading representations. It does not undertake to dictate what an advertiser shall say, but rather indicates what he may not say. Jurisdiction is limited to cases which have a public interest as distinguished from a mere private controversy, and which involve practices held to be unfair to competitors in interstate commerce."

Stipulation procedures were instituted in only 823 cases for both printed and broadcast advertising. The FTC negotiated 247 stipulations, and settled and closed by its various methods of procedure a total of 883 cases. The special board recommended that complaints be issued in 35 cases for failure to execute stipulations and in 9 cases for violating stipulations. In eight cases the board recommended that complaints be issued without giving the advertisers an opportunity to stipulate because of gross deception or danger to the public involved in the practices in which they were engaged.

In 584 cases the board recommended filing the assembled data and closing the cases without prejudice to the right of the Commission to reopen them at any time the facts warranted. A few of these cases were closed because the Post Office Department had issued fraud orders against the respondents concerned. Others were closed because the parties respondent had discontinued advertising or selling without intent to resume, and others because the advertisers were able to justify their claims.

At the beginning of the fiscal year 344 cases were pending before the special board, and at the end of the year 284 cases were pending.

X X X X X X X X X X X X

CRUSE STILL NOT RELEASED BY COMMERCE DEPARTMENT

Despite the fact that the Federal Communications Commission has indicated to Secretary Roper that it desires to appoint Andrew W. Cruse, Chief of the Electrical Division of the Bureau of Foreign and Domestic Commerce, Assistant Chief Engineer of the Communications Commission, Mr. Cruse has not as yet been released by the Commerce Department. There is a rule that one department must consult another government department before taking an employee away from the latter.

Mr. Cruse refused to comment upon the matter but it was learned from another source that Secretary Roper evidently highly pleased with the work of Mr. Cruse had demurred at the suggestion of losing him and was not apparently trying to work out some plan whereby he could be kept by the Commerce Department. The present salary of Mr. Cruse is \$5,800 a year, whereas at the Communications Commission it would be \$7,500.

"Andy" Cruse, although only 38 years old, has had about as wide experience in that length of time as anyone could well imagine. For instance, there are many who didn't seem to know that he was an engineer. As a matter of fact, Mr. Cruse, after taking a course in Electrical Engineering in the Carnegie Institute of Technology, graduated from the United States Naval Academy at Annapolis, resigning two years later to go with the Bell Telephone Company of Pennsylvania as Toll Development Engineer. He then accepted the position as Commercial Engineer with the International Telephone & Telegraph Corporation and was in charge of the inauguration of international telephone service between Cuba and Mexico, Mexico and Canada, and Sandiego and Buenos Aires and Montevideo.

Mr. Cruse was Commercial Engineer for the Cuban Telephone Co. at Habana, General Manager of Station CMC in Habana; General Sales Manager of the Mexican Telephone Co. in Mexico City. He was subsequently General Sales Manager for the Postal Telegraph Co. in New York City and subsequently became Assistant to Vice-President to the International System. He resigned in 1933 to accept his present position with the Department of Commerce.

X X X X X X X X

12/8/36

PAYNE SUES BROADCASTING FOR \$100,000 ON LIBEL CHARGE

Federal Communications Commissioner George Henry Payne this week filed a suit for \$100,000 damages against Martin Codel, publisher, Sol Taishoff, editor, and Broadcasting magazine in the U. S. Court for the District of Columbia. The Commissioner alleged that he was libelled in the magazine in an editorial published on October 15, 1936.

While attention was called to frequent and previous attacks on Commissioner Payne in a memorandum, the editorial "Strange Interlude", concerning the Commissioner's questioning of Powel Crosley, Jr., owner of WLW, Cincinnati, at the October broadcast hearing, was the only instance of alleged libel cited in the suit.

The suit recites the Crosley incident and states that Mr. Payne questioned the WLW owner "with reference to various criticisms and complaints which had been officially received by the plaintiff as a member of the said Commission".

The interrogations were "in connection with and for the purpose of effectuating the business and purpose of said hearing, and were confined and germane to the statement made by said Mr. Crosley and to the said complaints and criticisms aforesaid, and was in every way proper, lawful, and relevant to said proceedings and said hearing before the Commissions."

The complaint then states:

"That the said defendants on October 15, 1936, with malicious intent to injure this plaintiff in his good name, fame and credit, both as a private citizen and as an employee and official of the United States, published and caused to be published on page 50 of the issue of October 15, 1936, of the said 'Broadcasting and Broadcast Advertising', a false, malicious, scandalous, defamatory and libelous publication concerning this plaintiff and his work and duties as a Commissioner upon the Federal Communications Commission, particularly with reference to the statement and interrogation of the said Crosley, under the circumstances and occasion, and at the time and place, hereinbefore set forth, a true copy of which said publication is in matter and form as follows, to wit:

STRANGE INTERLUDE

We would be remiss in our editorial obligation if we did not take notice of perhaps the most brazen piece of political demagoguery we have ever seen perpetrated at a public hearing on radio. We refer to the baiting of Powel Crosley, Jr., WLW head, by Telegraph Commissioner George H. Payne, publicity-seeking New York politician, during the FCC allocation hearing. We are not trying to defend Mr. Crosley, for he demonstrated he did not need it. But we do like to see fair play.

First, be it known, Telegraph Commissioner Payne had the bureaus of Washington newspapers and press associations notified that he was going to put on a show with Mr. Crosley on the stand and that front page news would follow. He has done that before.

The issues raised by the politico-commissioner (meaning this plaintiff) had not the remotest connection with the subject of allocations or super-power. (See report elsewhere in this issue). It was simply an attempt to throw mud for the purpose of getting newspaper headlines. It was bureaucracy at its worst, perpetrated by a member of the FCC (meaning plaintiff) who has nothing to do with broadcasting. Nominally his duty is that of a member of the Telegraph Division (meaning plaintiff), but apparently he prefers to meddle in broadcasting because of its greater publicity possibilities.

In justice to the other members of the FCC, we trust that it will not be judged too harshly for the outlandish, utterly uncalled for performances of a member (meaning plaintiff) who evidently has forgotten not only his function of public office, but, judging from the sharp temper of his remarks, also the behavior of a gentleman. For the broadcasting industry, we can only bow in gratitude that this man (meaning plaintiff) does not serve on the Broadcast Division.

"That the said publication of the said Broadcasting Publications, Inc., the issue of October 15, 1936, was published, mailed and circulated by the defendants in great numbers throughout various states in the United States and to various persons in the District of Columbia, by mail and otherwise, for the express purpose of wilfully, wrongfully, maliciously and unlawfully attacking, impugning and defaming the character and reputation of the plaintiff, and bringing him into public and private contempt, ridicule and disrepute, both as a private citizen and a public official, and particularly with respect to the work and duties of plaintiff as an official and employee of the United States, as aforesaid.

"That by reason of the foregoing having been done and committed by the said defendants as aforesaid, the plaintiff in his good name, character and reputation as a citizen and as an official and employee of the United States, and as a member of the said Federal Communications Commission as aforesaid, has been greatly and permanently injured by the acts of the said defendants as aforesaid, and by reason of the allegations herein contained is entitled to punitive as well as compensatory damages; and the plaintiff has been damaged thereby in the sum of Fifth Thousand Dollars (\$50,000.00) damages, compensatory, and Fifth Thousand Dollars (\$50,000.00) as punitive damages, or a total of One Hundred Thousand Dollars (\$100,000.00).

"Wherefore plaintiff brings this suit and claims of the defendants the sum of One Hundred Thousand Dollars (\$100,000), besides his costs."

X X X X X X X X X X

ORAL ARGUMENT HEARD IN MACKAY-RCA OSLO FIGHT

The Federal Communications Commission on Monday, December 7, heard oral arguments in a rehearing of the petition of the Mackay Radio & Telegraph Company, to open a radio communication circuit to Oslo, Norway, where R.C.A. Communications, In., already has an office.

The rehearing was before the full Commission and constituted an appeal from the FCC's ruling of last Summer denying the Mackay application.

Attorneys for the Mackay company, headed by Howard Kern, general counsel, contended that the Commission's decision would establish a precedent as to whether the Radio Corporation of America was to maintain the only direct radio-telegraph service with Norway and several other European countries.

The telegraph traffic between the United States and Norway is divided among R.C.A. Communications, Western Union, Commercial Cables, French Cable and Mackay Radio (via Denmark) and the Mackay company is applying for permission to duplicate the radio-telegraph service of R.C.A. Communications with Norway.

On behalf of R.C.A. Communications, it was protested by Frank W. Wozencraft, General Solicitor, that the Mackay company, in return for the proposed grant, was offering no cheaper, faster, more accurate or more dependable service; that any traffic which Mackay might obtain would be only by diversion from the present carriers, and that its application "simply constitutes a step in the program through which the International System seeks to increase its already large volume of business by the destruction of its smaller radio competitor, even at the cost of jeopardizing America's control over the foreign radio-telegraph service."

X X X X X X X X

PUBLISHERS WORRIED BY RADIO LEGISLATION THREAT

A dual threat of legislation being enacted in the coming Congress to prevent newspapers from gaining a dominant hold on the broadcasting facilities of the country is causing the publishers a great deal of alarm but is meeting with favorable comments from most broadcasters.

Senator Burton K. Wheeler (D.), of Montana, Chairman of the Senate Interstate Commerce Committee, is the sponsor of the latest threat, but Representative Wright Patman (D.), of Texas, stated last Spring that he was studying such restrictive legislation.

Whoever introduces the first bill, it is likely that the legislation will arouse a storm of controversy on both sides of Capitol Hill. Public hearings would certainly be held before an attempt is made to enact the proposal into law.

Senator Wheeler holds that the legislation is necessary to prevent the rise of a gigantic monopoly in the dissemination of news in the United States.

"Radio and the newspapers should be divorced", Wheeler declared. "Each is a popular and valuable agency for informing the public and molding opinion. For that very reason they should not be controlled by identical interests.

"There is a growing tendency for newspapers to own and operate radio stations. In hundreds of communities all the information the public gets, either in its newspapers or from its radio broadcasts, reflects the opinion of a single owner.

"This is patently unfair both to the public and to the advertisers, and creates a very ominous situation. Not infrequently the single owner does not serve the public interest. He should have competition. Monopoly of the two most important channels of information is not healthy."

Senator Wheeler said he was still undecided whether he or some one else would introduce the proposed legislation. Regardless of who sponsors it, however, he made it clear the measure will have strong backing both in the House and Senate.

"If Congress or some other Federal agency fails to take steps to halt the monopolistic tendencies of the radio", Mr. Wheeler said, "the people eventually will demand full Government control of the air. I am in favor of doing something immediately to avoid both private and public monopoly."

Mr. Wheeler said he had no doubt about the constitutional right of Congress to keep newspaper publishers out of the broadcasting field, although this has been questioned by private interests.

12/8/36

The Montana Senator explained that he considers special legislation necessary because the Communications Commission will never, on its own initiative, halt the growth of newspaper control over the air waves. More than 180 stations already are owned in whole or in part by daily newspapers. Some 670 stations now hold Federal broadcasting licenses.

Editor & Publisher in an editorial this week charges that "emotion rather than information" has dominated the discussion of the subject.

"The fear of monopoly, for instance, would seem to be purely emotional, for the fact is that less than 30 percent of the existing broadcast facilities are under newspaper control, and not a single charge or a spark of evidence has been brought forward to show monopolistic abuse where such control exists. The media are natural adjuncts. They are not natural competitors, and regulation that essays to make the broadcasting station a means of communication on a par with the printed word does a disservice to the national welfare.

"Considered as a means of news communication, radio is essentially dependent upon newspapers and newspaper-maintained services for the intelligence it broadcasts. Individual local units, barred from newspaper relationships or from networks, as Senator Wheeler seems to intend, are physically incapable of adequate news service. If the great networks are broken up, the broadcasting structure seems destined to become an impotent public nuisance, providing mediocre entertainment, supported by worse than mediocre advertising.

"The outcome of that situation would be a demand for creation of a new relationship, monopolistic, but under government auspices, for broadcasting has become too important an element of communications to permit its decay under unnatural and artificial restrictions.

"Support of radio by advertising has its obvious defects, but the results of the American system are incomparably superior to anything so far developed under foreign government monopolies. The non-network stations, with weak power, small audiences, and a limited field from which to solicit advertising, are more preponderantly commercial than the major chain stations. Many small stations, competing with the local daily and weekly newspapers, deprive the press of vital revenues and weaken its public service ability without offering anything of equal value.

"Monopoly there is, and it might operate against the public welfare, if all newspapers and all radio facilities of a community are in one hand - but we know of no such situation. The FCC has all the power it needs to prevent abuses through this or other causes, and Congress has the power to see that the FCC exercises its authority fairly, fully and without political bias.

"Legislation which would supplant mature discretion in the award of radio privileges, and bar newspapers from acquiring an addition to their facilities, is unnecessary, and probably unconstitutional."

X X X X X X X X X

"BILL" HEDGES TAKES CHARGE OF CROSLY BROADCASTING

William S. Hedges, formerly manager of NBC's operated stations, has been appointed Vice-President in Charge of Broadcasting of The Crosley Radio Corporation, it was announced last week by Powel Crosley, Jr., President. The appointment is effective January 1, 1937.

The appointment of "Bill" Hedges brings together two of the founders of the National Association of Broadcasters which was established in 1923. At the original meeting Mr. Crosley represented station WLW and Mr. Hedges represented the Chicago Daily News station WMAQ, of which he later became president when that station was separately incorporated. Mr. Hedges has been with the National Broadcasting Company for the past five years, joining the company when WMAQ was purchased in November 1931 by NBC. During the five years he has been manager of WMAQ and WENR, manager of KDKA, and has held the position of General Manager of all stations operated by NBC, since April 1934.

Mr. Hedges has been active in the broadcasting industry, having served as President of the National Association of Broadcasters for two terms, as Chairman of its Executive Committee, Legislative Committees and Copyright Committees. In his new work, Mr. Hedges will have complete charge of stations WLW, WSAI, W8XAL and all of the broadcasting activities of The Crosley Radio Corporation. Mr. Hedges, through his constant activities in the industry, of which he is a pioneer having been in it since 1922, is one of the best known men in the industry and will have the best wishes of a great host of friends.

X X X X X X X X

NEWSPAPERS, NETWORK LINKED IN CALIFORNIA NET

Cooperative operation of a network of radio stations in California owned by Hearst Radio and the McClatchy Newspapers will begin Dec. 29. Six stations will be operated jointly under the plan. The network will be known as the California Radio System.

Stations affected are KYA, San Francisco, and KEHE, Los Angeles, operated by the Hearst organization; and KFBK, Sacramento; KMJ, Fresno; KWG, Stockton, and KERN, Bakersfield owned by McClatchy Newspapers.

In addition, the McClatchy stations will become affiliated with the National Broadcasting Company on the same date. McClatchy Newspapers publish the Sacramento Bee, Fresno Bee, and Modesto Bee.

X X X X X X X X X X

12/8/36

FCC ORDER ON PHONE ACCOUNTING SUSTAINED

The "original cost" provisions of the Federal Communications Commission's order for a uniform system of accounting by telephone companies were unanimously upheld by the U. S. Supreme Court on December 7th in an opinion presented by Justice Cardozo.

The "original cost" order, together with one stipulation that certain charges shall be "just and reasonable" and another dividing plants in present use from those held for future use, both likewise sustained, had been fought by the American Telephone and Telegraph Company, thirty-six other companies under the Bell System and seven independents.

They had complained that the orders were "harsh and arbitrary", but Justice Cardozo, in his opinion, denied the allegations as applied to the three rules laid down. Victorious in the suit along with the Communications Commission was the National Association of Railroad and Utilities Commissioners, intervening as representatives of forty-six State regulatory bodies.

X X X X X X X X

RCA WINS RULING IN TUBE SUIT

The Appellate Division of the New York Supreme Court by unanimous decision denied on Friday last the application of the National Union Radio Corporation, maker of radio tubes, to restrain the Radio Corporation of America from terminating National Union's license to manufacture the tubes.

National Union declared that refusal to grant it the temporary injunction, pending trial of a suit for permanent injunction, would "mean that the National Union would be put out of business without having its day in court." The RCA replied that "the nub of the case is that National Union is not able to do business and pay its debts", and asserted that granting the injunction would cause "irreparable injury" to RCA and to the industry. The Appellate Division rendered no opinion but upheld a previous ruling of Supreme Court Justice Charles B. McLaughlin.

X X X X X X X X

12/8/36

WOR GIVES EXTRA WEEK'S SALARY TO EMPLOYEES

Alfred J. McCosker, President of the Bamberger Broadcasting Service, Inc., announces that about 150 of the present employees of WOR who have been employed continuously since July 31, 1936, or before, will receive one week's basic salary as a bonus. Those present employees who were employed after July 31, 1936, will receive approximately one-half day's pay for each month worked between August and December 1936. Payments are to be made Thursday of this week.

X X X X X X X X

RADIO RATES TO HONOLULU, MANILA CUT

A substantial reduction in radio and cable rates between the United States and Honolulu and Manila, together with the introduction of a new Day Letter service between the same points, is announced to take effect on January 7th next, by Mackay Radio, R.C.A. Communications, Commercial Pacific Cable Company, Postal Telegraph-Cable Company and Western Union Telegraph Company.

The new rate for the regular fast service between San Francisco and Honolulu will be 15 cents a word as against the present rate of 20 cents a word, while the new schedule provides a rate of 39 cents a word between San Francisco and Manila compared with 53 cents a word now being charged and proportionate reductions will be made in the code (CDE) and deferred (LC) messages. Corresponding reductions will be put into effect in the other zones in the United States.

The new Day Letter service, which is being instituted in place of the present night letter service now to be discontinued, will offer a much faster service than the night letter and at a very considerable reduction in cost to the public. The rate on this service starts at 4 cents a word between San Francisco and Honolulu and 6 cents a word between San Francisco and Manila, and advances as the zones progress eastward to the Atlantic Coast where new low rates of 8 cents and 10 cents a word, respectively, will be in effect. In all zones there is a minimum charge for Day Letters of \$1.00 to Honolulu and \$1.50 to Manila.

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

KA
- L
fall

RECEIVED
DEC 11 1936

INDEX TO ISSUE OF DECEMBER 11, 1936.

Geddes Sees All Radio Industry Records Broken.....	2
Ickes Warns Educators Against Standardized Programs.....	3
Van Loon Chides Educators On Over-Enthusiasm For Radio.....	5
Craven Cites Limitations Of Present Broadcast Band.....	7
Radio Advertising Up 32.7% For Third Quarter.....	8
Conference On Blanket Field Intensity Called.....	8
Industry To Have Hand Selecting <u>Cruse</u> Successor.....	9
500 Delegates At First Parley On Educational Broadcasting.....	10
Injunction Signed In Television Corp. Suit.....	10
Metropolitan Life Magazine Plays Up McDonald Interview.....	11
Say British Crisis Increased S. W. Set Sale.....	11
KARK, Little Rock, Joins NBC Networks.....	11
Notes.....	12

No. 988

g f m y d
pot

GEDDES SEES ALL RADIO INDUSTRY RECORDS BROKEN

The radio industry this year will break all records in production of radio sets, tubes and also export sales, according to Bond Geddes, Executive Vice-President and General Manager of the Radio Manufacturers' Association.

"All previous records in radio production will be eclipsed in 1936 when the records are complete", said Mr. Geddes in a statement estimating this year's production of receiving sets would be 7,600,000 and 96,300,000 radio tubes. The previous peak was in 1935 when 6,300,000 sets were produced and 65,500,000 tubes.

"On January 1, 1937, it is estimated that there will be 24,269,000 radio families equipped, a new high record, but 17,500,000 radio families, or 70 percent, have obsolete sets, without the modern receivers for short-wave foreign broadcasting. In addition there are about 4,000,000 automobile radio sets in use and many thousands of families have two or more radio sets in their homes.

"Improved business conditions, increased buying power, the 'radio election' campaign, wide increase in interest in short-wave international programs, larger purchases of battery and other sets in rural districts and increased foreign buying of American radio all have contributed to the industry peak being established this year. Improvements in radio broadcasting programs both in the United States and also foreign short-wave broadcasting have been a tremendous stimulus to the trade and the usual holiday sales of large volume are again occurring.

"Other outstanding factors in the 1936 records are the increasing use of two, three or more radios in the home and the tremendous popularity of automobile radio. About 1,500,000 automobile radio sets were sold this year through an investment by the American motoring public of \$65,000,000.

"In foreign countries American radio also is proving more popular. Exports of U. S. radio sets this year will be more than \$28,000,000, including about 650,000 sets shipped abroad, an increase of 10 percent over last year's previous high record.

"In excise taxes the government will be paid over \$6,000,000 this year by radio manufacturers, compared with \$4,436,000 in 1935.

"Radio prospects for 1937 are also encouraging, including such outstanding features as the inauguration of President Roosevelt next month and the coronation of a British King.

"The 1936 industry records demonstrate that the so-called 'saturation' point of radio is a myth. New sales largely are for replacement but it is estimated that 1,400,000 new homes were equipped this year with radio, an increase of about 6 percent. Of the 24,269,000 estimated radio families, only about 6,700,000 have modern short-wave receivers to hear international broadcasting, leaving an enormous replacement market.

"Statistics show that 1936 sales increased about 30 percent over last year to an estimated retail value, including exports, of about \$430,800,000, compared with \$332,300,000 last year. It is estimated these sales will be divided as follows: receiving sets, \$315,800,000; tubes, \$70,000,000, and radio parts and accessories, \$45,000,000. While the 1936 set production of 7,600,000 is a new record in number, the dollar volume is comparatively smaller because of the greatly reduced prices, despite vast improvements in radio products in recent years, but the 1936 dollar volume is the largest since 1930."

X X X X X X X X X

ICKES WARNS EDUCATORS AGAINST STANDARDIZED PROGRAMS

The aim of educational broadcasting should be to develop programs for young and old so as to constitute a university of the air, Secretary of Interior Harold L. Ickes told the First National Conference on Educational Broadcasting in Washington this week.

At the same time he warned the educators against dullness and standardization of educational programs.

"Even in mass education", he said, "and educational broadcasting would be just that, there is a real danger of standardization, of regimentation, of putting everything on the same level, resulting in the destruction, or at least the serious impairment, of individuality of thought and action."

Declaring that radio "is both a national and a local institution", Secretary Ickes added that "the appeal of the salesman who forms the backbone of our present radio set-up frequently causes irritation.

"Often with a feeling of despair, not unmixed with disgust, do I snap off my radio, which I had turned on in the hope that I could pick from somewhere in the air something besides blaring discords, rough and tumble dialogue and ecstatic panegyrics of some commercial product", he continued. "This same privilege of 'tuning out' is shared by all and I trust that

eventually its exercise will have the effect of overcoming the ebullience of the advertiser, whose legitimate rights no one will dispute. I believe that in course of time, under the pressure of public opinion, the uses to which the radio may be put will strike a reasonable and satisfactory balance. Even now radio advertisers who are alert to public sentiment sugarcoat their sales talks with programs of good music. Whatever the sponsorship, the radio, because of its educational and entertainment value, must be kept available to serve the best interests of the people.

"The aim of educational broadcasting should be to develop programs for young and old so as to constitute a university of the air. In order to accomplish this it is important that those who participate in the programs should be informed persons who know intimately the subjects with which they are dealing and who have the important knack of being able to transmit their information to their audience. It must be recognized that there are many who have a vital message but who nevertheless cannot get it over to their audience, although if they could be seen the magnetism of their personalities might turn the trick. A radio personality is the result of training applied to native ability.

"Just as in any classroom, certain fundamentals must be adhered to and one of them, if I may be permitted to indulge a personal prejudice, should be that an absolute prerequisite to any educational broadcasting should be correct grammar and proper pronunciation. I regard the radio as the greatest instrumentality that we have for the cultivation of good English. Most grammatical errors are transmitted from mouth to ear. After all, the first consideration in educational broadcasting should be the correct use of our native language. Fortunately, rising standards make failures on this score so glaring that they will be self-eliminating.

"The radio presents a magnificent chance to solve some of the problems of child education as well as of adult education by offering facilities to those who, by force of economic circumstances, have been denied opportunities that every American ought to have as a matter of course.

"Any educational system on the air would be but a hollow thing if it were not fundamental in it that those participating in the program were free at all times to seek the truth wherever it might be found, and, having found it, to proclaim it. Unless the people in their might stand firm to protect educational broadcasting from the witch-hunters, then it had better not be undertaken at all. Freedom of the press, freedom of assemblage, freedom of speech and that academic freedom which is implicit in freedom of speech, constitute the piles driven to bedrock upon which our institutions securely stand. These rights must, as a matter of course, extend to and be inseparable from any program of educational broadcasting that is worth the snap of a finger. While the radio should not be subjected to

abuse, neither should it suffer from the strangulation of either standardization or censorship.

"In the never ending process of education, the radio is a new and powerful instrumentality. Like many another implement its uses and capacities are discovered only through the time honored system of trial and error. In the Office of Education, we have been experimenting with educational broadcasting. Essentially, what we have done is to bring together those trained in broadcasting and those trained in education and let them work out together programs for the radio which have a definite educational value.

"It appears to me that this work of the Office of Education has made definite contributions in the field of educational broadcasting. We have found that it is necessary, in a unique degree, first to get and then to hold the interest of an audience. A radio program is, as a usual thing, heard only once. There is very rarely a second chance to win the interest of an audience if a broadcast does not have a considerable measure of appeal to those listening in for the first time. For this reason we have experimented with and checked as far as possible a variety of forms for presenting educational material ranging from speeches by individuals to dramatized presentations. We are beginning to get facts upon which we hope to be able to base a conclusion as to the proper use and results of each form."

X X X X X X X X X X

VAN LOON CHIDES EDUCATORS ON OVER-ENTHUSIASM FOR RADIO

Hendrik Willem Van Loon, the author, stuck his tongue lightly in his cheek last week and very urbanely warned educators gathered for the Washington conference against expecting too much of the radio in the way of mass education.

"There is only one way in which to give a person a real education, and today, as a thousand or ten thousand years ago, a school consists of just two things: of a teacher and pupils sitting - the one teaching, the other learning", he said.

"This, however, does not in any way weaken or defeat the role the radio can play in our general scheme of education. The basis of all meals is two people, the one cooking it on a stove and the other sitting down at a table with a spoon and a fork and a plate, ready to eat. Granted, radio will never be an adequate substitute for that person standing in front of the stove, but radio, by its intelligent hints about the noble art of cookery, can do a lot to make the life of the person with his fork and plate a great deal happier than it was in the days of the frying-pan unaided by the advice of those culinary experts who have set out so bravely to make the radio defeat the bottle of bicarbonate of soda as an inevitable adjunct of the average American meal.

"I think that we can also unanimously agree upon the following: that the influence of radio in extending that primary education given by the living teacher is almost unlimited and has never yet begun to be either suspected or developed. Whatever we have done so far has been merely of an exploratory nature. For this, radio cannot be blamed. It started only day before yesterday, so to speak, and pedagogy is as old as the hills of Attica and God knows, pedagogy as such is not yet a sweet dream of perfection, but beset by endless doubts and misgivings.

"Nor do I feel that I am in any way competent to tell you how and in what manner we should supplement the real education given by the living voice. That is not a one man's job. It will take the ingenuity of all of us and it will take the ingenuity of all of us for several generations before we shall even have made a first beginning.

"And now one final word - and again I fear me it is a word of warning, for there have been many dangers within that particular field of experimentation that have made us fear for the future - let us remember that within the realm of education - no matter what sort of education - there must never be any compromise in regard to quality. The second-best may do within the field of public entertainment but not within that of education. Just any old thing will do - is the one and only advice that should never be given when it is a question of educating our children. From listening to much that has been offered to us so far, all of us must have come to the conclusion that even where efforts were made to go in for something educational, their efforts were at best, second best.

"Whereas a sponsor, trying to impress himself upon his public, would go to endless trouble and expense to get the very best talent he could lay his hands on, the educational program often seemed to have been a sort of after-thought. 'Oh Lord! yes, next Tuesday there is that educational hour. Hey, you there! are you busy? No? Well, we need thirteen minutes on the battle of Bunker Hill. Just give us something nice - you know the old stuff - Yankee Doodle and the spot where Warren fell.' And then we cheerfully entrust our billion dollar youth to a twenty dollar a week youngster who does the best he can, no doubt, but only those who have listened carefully and attentively to his little efforts will know what a very sad best that was.

"Whatever we do, let us guard against that sort of penny wisdom and pound foolishness when it comes to education in radio. Only the best and the very best should be given. Not indiscriminately or wholesale. Education, let me repeat it once more, is not the same as public entertainment and real education can never be made a mass-product. Only the best and that in small quantities and in a supplementary form to education offered by our schools and colleges. That is what we should strive after if we want to render a real service."

12/11/36

GRAVEN CITES LIMITATIONS OF PRESENT BROADCAST BAND

The First National Conference on Educational Broadcasting was warned against making excessive demands for radio facilities, because of the limitations of the broadcast band, by Commdr. T.A.M. Craven, Chief Engineer of the Federal Communications Commission.

"We all know radio would be of great value to education", he said. "In talking with some educational experts I find that they envision a future requirement of something in the order of 15,000 stations to serve the 127,000 school districts in this country alone. I must be frank and state to you that if we were to be confined to the present spectrum, and if the educational institutions demanded frequencies for 15,000 stations and used them for communication free from interference, the present radio spectrum from 10 to 30,000 kc would be a mere 'drop in the bucket' in the solution of the educational radio problem.

"In my opinion, and taking into consideration many of the economic factors such as standardization of receivers, cost of transmitting equipment, and the fact that educational systems of the country are recognized on a State and municipal basis, only a small portion of the existing spectrum could be considered useful, and even then this small portion could be used by only a very small part of the vast number of 15,000 educational stations which some have estimated would ultimately desire to use radio.

"Furthermore, if educational groups, regardless of difficulties, should attempt to make the spectrum from 10 to 30,000 kc conform to the needs of such a huge number of stations, they would be confronted, and rightfully so, with the demands of other nations for the proper use of radio for services that need communications and can use no means other than radio, and they would also be confronted with the necessity of eliminating the use of radio for various types of service other than educational, which the public wants and uses.

"Thus it seems to me that generally speaking, if education is to apply radio to its uses, it must find practical ways which give consideration to the radio spectrum limits which confront us all."

X X X X X X

RADIO ADVERTISING UP 32.7% FOR THIRD QUARTER

Broadcast advertising during the third quarter of the current year showed an increase of 32.7 percent over the corresponding period of last year, the National Association of Educators announced this week.

Gross time sales for the first nine months of 1936 were ahead of the corresponding period of 1935 by 18.2%. All portions of the medium experienced gains both when compared to the third quarter and the first nine months of last year.

Non-network advertising for the third quarter increased 33.2% over the corresponding period of last year. All sizes of stations, as well as all sections of the country experienced increases. The greatest gains were in the regional and local groups and in the South Atlantic-South Central Area.

Total transcription, live talent, and announcement volume increased approximately one-third over the corresponding period of last year. In the national non-network field, announcement and record business showed the greatest gains, while transcriptions and live talent business enjoyed the greatest increases in the local field.

All types of sponsorship showed increases over the third quarter of 1935. Principal gains were shown in the automotive, beverage, confectionery, financial, soap and kitchen supply, radio set and tobacco sponsor groups.

Retail broadcast advertising increased 25.3% as compared to the third quarter of 1935. Automotive, clothing, household equipment, radio dealers, and department stores showed the greatest increases.

X X X X X X X X X X

CONFERENCE ON BLANKET FIELD INTENSITY CALLED

An informal engineering conference on the definition of blanket field intensity has been called by the Federal Communications Commission for January 18th to which all persons and organizations interested in broadcast allocations have been invited. The purpose of the hearing was explained in the following statement:

"At the informal engineering hearing on broadcasting held before the Federal Communications Commission beginning October 5th, 1936, representatives of the radio industry presented testimony to the effect that the field intensity now taken as the limit of the blanket area of a broadcast station should be increased. The intensity now used as a reference for allocation

problems is from 125 to 175 mv/m. Certain engineers, representing their respective groups, recommended that a field intensity of 1 v/m be selected as the limit of the blanket area, in view of improvements in broadcast receivers during the last few years. Others stated that they did not care to commit themselves at the present time since they had not studied this subject in detail.

"The Engineering Department of the Federal Communications Commission is not satisfied that sufficient evidence was presented in support of the 1 v/m recommendation, nor was sufficient evidence presented to determine just what value of field intensity should be employed. The Engineering Department therefore desires to obtain further information on this subject from organizations not present at the hearing and which have intimate contact with field problems on blanketing. The opinions of, and data from, radio receiver service organizations, receiver manufacturers, the Commission's inspectors, and a summary of the many letters the Commission's offices receive complaining of blanketing, will be useful. Also, any further data that broadcast station licensees, broadcast system engineering departments, the Radio Manufacturers' Association, the Institute of Radio Engineers, consulting radio engineers, and other interested parties care to submit will be considered."

X X X X X X X X X X

INDUSTRY TO HAVE HAND SELECTING CRUSE SUCCESSOR

Rather than appoint a successor outright to Andrew W. Cruse, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce, Secretary Roper has asked the principal national electrical and radio associations for their recommendation as to the proper man. Mr. Cruse resigned last Thursday and will take up his new duties as Assistant Chief Engineer of the Federal Communications Commission December 16th, according to Commander T.A.M. Craven, FCC Chief Engineer.

The industries which have been asked for their advice in the selection of Mr. Cruse's successor are the National Electrical Manufacturers' Association, the Radio Manufacturers' Association, the National Association of Broadcasters and the Electric Institute.

"We are not bound to appoint the man agreed upon by the electrical industry", Ernest G. Draper, Assistant Secretary of Commerce said, "but I hope we may find it possible to do so. We are endeavoring in a serious way to find a man to succeed Mr. Cruse who has the confidence of the entire electrical industry."

Accordingly a canvass is being made of the four representative organizations by the Commerce Department with the result to be announced later.

X X X X X X X X

500 DELEGATES AT FIRST PARLEY ON EDUCATIONAL BROADCASTING

Some 500 delegates representing 18 organizations were attending the First National Conference on Educational Broadcasting in Washington the latter half of this week. The meeting was held in cooperation with the Federal Communications Commission and the U. S. Office of Education.

Anning S. Prall, Chairman of the FCC, advised the delegates against a trend toward European forms of broadcasting while at the same time assuring them of the keen interest of the Commission in their endeavors to improve and broaden educational broadcasting.

"It is my personal opinion that American listeners would not stand for the payment of a receiving set tax", Mr. Prall said. "It is my judgment that it would be most unpopular in this country. It is not the American way of accomplishing things."

On the subject of educational broadcasting, Mr. Prall said that the FCC was "sincerely interested and wholeheartedly supporting the movement looking toward the development of a comprehensible plan for education by radio."

(Editor's Note: Other significant speeches are included elsewhere in this issue and a general round-up will be carried in the Tuesday release.)

X X X X X X X X X X X X X X

INJUNCTION SIGNED IN TELEVISION CORP. SUIT

A temporary injunction restraining the Television Corporation of America, its President, Oliver C. Harriman, and six other defendants from any transactions in the corporation's stock was signed December 17th by New York Supreme Court Justice Salvatore A. Cotillo on application of Attorney General John J. Bennett, Jr.

The order set December 18th for a hearing on a permanent injunction and the appointment of a receiver. It follows an order obtained November 15th for examination of the corporation's books and records and an investigation by Ambrose v. McCall, Assistant Attorney General.

The complaint by the Attorney General charged that stock, with a par value of \$1, had been sold in up-State counties at from \$5 to \$10 a share through fraud and misrepresentation. The charge was supported by affidavits from elderly widows and other purchasers.

X X X X X X X X

METROPOLITAN LIFE MAGAZINE PLAYS UP McDONALD INTERVIEW

A front page spread is given by the Executives Service Bulletin of the Metropolitan Life Insurance Company to an interview with Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, captioned "The Arctic Inspires a New Product - and Opens a Market." It tells how when Commander McDonald accompanied MacMillan on the famous Arctic trip the former saw the need of a satisfactory radio battery charger and how, in his effort to supply people of the Far North with such a device, he hit upon the idea of applying wind mill power to the task and eventually pioneered in supplying farmers with wind power for their radios.

The Metropolitan Life magazine interview is illustrated by a striking photograph of Commander McDonald aboard his yacht "Mizpah".

X X X X X X X X

SAY BRITISH CRISIS INCREASED S. W. SET SALE

The following is an extract from an advertisement of the Pilot Radio which appeared in the New York Times the morning the King announced he would abdicate:

"British crisis has brought tremendous orders to Pilot's factory in London . . . Traced to Britishers wanting American stations for complete, uncensored dope anent Crown situation. Their sets couldn't tune in America. They need Pilot's magnificent power for that purpose."

X X X X X X X X

KARK, LITTLE ROCK, JOINS NBC NETWORKS

Station KARK, of Little Rock, Ark., one of the most popular radio outlets in the Southwest, will become an affiliate of the National Broadcasting Company on January 1, 1937, according to a joint announcement by Lenox R. Lohr, President of NBC and G. E. Zimmerman, KARK Vice-President and General Manager.

KARK is constructing a new transmitting plant, using RCA High Fidelity equipment, and a new antenna. It operates on a frequency of 890 kilocycles, with a power of 1,000 watts daytime and 500 watts night.

With the signing of KARK, 112 stations from coast to coast, in Canada and Hawaii, have now become affiliated with the NBC networks.

X X X X X X X X

NOTES

One of the applications of Eugene Meyer, publisher of the Washington Post, for radio facilities in Washington, was set for hearing this week by the Federal Communications Commission. The application is for a new station to operate on 1310 kc., with 100 watts nighttime and 250 watts daytime power.

David Freedman, 38-year-old comedy script writer, died last Tuesday at his apartment in New York City during the midst of his \$250,000 suit against Eddie Cantor. A mistrial in the suit consequently was ordered.

William Merrigen Daly, National Broadcasting Company conductor, died last Friday of a heart attack at his New York residence. Funeral services were held in Boston. Surviving are the widow, Mrs. Elizabeth Harding Daly, and a daughter Eileen.

Justice Joseph W. Cox of the District of Columbia Court last week enjoined the Metropolitan Radio Co., 940 F Street, from using window color schemes or slogans in imitation of those used by the Sun Radio Service & Supply Corp., next door to it at 938 F Street. The decree was granted by consent of attorneys for the Metropolitan company.

The Federal Trade Commission has issued a complaint against Birconjel Corp., Inc., with offices at 420 Lexington Avenue, and 37 East 28th Street, New York City, alleging unfair methods of competition in connection with the sale of "Birconjel", offered as a hygienic product for use by women. The respondent corporation is said to advertise the product in radio broadcasts, newspapers, on cartons, and by other means.

A "Transatlantic Number" of World-Radio, journal of the British Broadcasting Corporation, reached the United States this week. It contains numerous articles on broadcasting in this country, together with a complete list of the medium-wave broadcasting stations.

A daily paper devoted to radio is soon to appear. It will be known as the Radio Daily and will be gotten out by the publishers of Film Daily.

The Mutual Broadcasting System and WOR claimed a scoop on American broadcasters Thursday when, in cooperation with the British Broadcasting Corporation and the Canadian Broadcasting Corporation they rebroadcast from London the text of Prime Minister Baldwin's speech before Parliament while the speech was actually in progress. "Takes" of the text were rushed to a BBC announcer who read it over the air. WOR also claimed to be the first metropolitan station to broadcast a news flash which officially announced that King Edward VIII had abdicated.

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

*LA
-
fall*

INDEX TO ISSUE OF DECEMBER 15, 1936

Educational Parley Adjourns With Plans Indefinite.....	2
A.P. Loses "News Piracy" Suit On A Technicality.....	5
Who Scooped Whom On King's Abdication Flash?.....	7
"Cheerio" At Last Tells Own Story.....	8
Lafount, Ex-Commissioner, To Become Broadcaster.....	9
Hints On Short Wave Reception Issued By Commerce Department...	10
BBC Protests Against NBC Recording of Edward's Talk.....	11
National League Split On Broadcast Policy For Games.....	11
Lohr Labels 1936 Radio's Biggest Year.....	12

No. 989

gf my p

December 15, 1936.

EDUCATIONAL PARLEY ADJOURNS WITH PLANS INDEFINITE

The First National Conference on Education Broadcasting, which held a three-day meeting in Washington last week, adjourned Saturday without adopting a definite program, resolutions, or without scheduling another meeting.

C. S. Marsh, Executive Secretary, stated, however, that the delegates from the 18 sponsoring organizations felt that much good had been accomplished by the broad discussions and that another parley should be held.

Because of the lack of a definite program, either for allocation of existing broadcasting facilities to educational or non-profit-making interests or for a demand of time upon commercial outlets, it is not expected that any organized movement will be made in behalf of radio education legislation at the next Congress.

The conference ended with a plea from David Sarnoff, President of the Radio Corporation of America, for maintenance of the American Plan of Broadcasting and a warning against government operation or ownership.

The American Plan, he said, has made possible:

1. Nation-wide facilities capable of delivering programs to practically every man, woman and child in the United States.
2. A system that has induced the people of the United States to equip themselves with nearly 30,000,000 radio receiving sets with the economy made possible by mass production.

At no cost to the listener, he pointed out, it has brought into the living room of the average American home the Metropolitan Opera, educational programs of a high order, good music, and news and other features.

The only other address of the final session was made by Dr. William Mather Lewis, President of Lafayette College.

Radio possesses revolutionary potentialities in the field of education, said Dr. Lewis, foreseeing the day it will bring the best teachers simultaneously into thousands of one-room school houses scattered over the land.

"The radio will in the near future exert a profound influence upon teaching procedure", according to the college president. "In many of the best schools today there are radio connections in the classrooms and the teacher supplements her instruction with stimulating material gathered for radio transmission from all parts of the earth."

He spoke favorably of Government supervision but urged avoidance of "those hampering elements which would be inevitable were broadcasting to become a Federal function."

"The fine results already accomplished in radio education", said Dr. Lewis, "demonstrate clearly how the machine properly used may become the willing and helpful servant of man, now humanity may be emancipated not manacled, by mechanical progress."

"Leaders in the field of formal education joining forces with those who have so rapidly and skilfully developed the influence of the radio can adequately meet the claims of education."

Some of the highlights of other addresses not previously reported follow:

William Dow Boutwell, Director of Educational Radio Project, U. S. Office of Education, predicting that "the major future developments in broadcasting lies in local broadcasting service rather than in the field of national broadcasting service", added:

"Stations seeking distinctly local interest programs will depend heavily on educational agencies for what they want, and they will want many programs. Such stations in the future will undoubtedly provide extremely satisfactory hours to educational institutions which can provide good programs."

"Here is the opportunity for educational institutions! If the present American plan of radio is maintained by the Federal Communications Commission, then there will be ample opportunity for schools to use these local outlets. Then the problem becomes one of whether educational institutions can build programs able to compete with national programs for listener interest."

Gilbert Seldes, author and newspaperman - "A certain freedom and a high degree of variety in American broadcasting are due to a large extent to the same commercial system which must also take credit for a vast amount of stupidity and dullness."

Samuel E. Gill, Research Director, Crossley, Inc. - "We have discovered that the average radio listener is, like the average individual in any classification, primarily an extreme egocentric. He must be shown what benefit he will derive

from a radio program, whether it be pleasure, entertainment, knowledge or relaxation. He must be catered to."

Mrs. Ruth Haller Ottaway, President, National Council of Women - "Thousands of professional musicians and the millions of club members have endeavored to raise the musical standard of programs. When great artists give serious programs in the concert hall then, facing the microphone, make a chameleon-like change and pander to the general public, both the public and the musically elite feel cheated."

W. Cabell Greet, editor, American Speech - "I doubt whether the speech influence of a year of radio is equal to that of a week's automobile trip in a distant State. After four years of the excellent radio speech of President Roosevelt, is his speech imitated by the youth of the land? It might be good if it were, but I have seen no signs of it."

H. L. Ewbank, University of Wisconsin - "Last year 100 juniors and seniors insisted on enrolling in my course in radio speaking and writing. There were football players, journalists, students of advertising, people who would not, under any circumstance, be found in a course in interpretative reading."

E. N. Nockels, Station WCFL, Chicago - "There lies ahead of us a definite danger of an attempt on the part of the same type of broadcasters who have heretofore endeavored to obtain a strangle hold on the channels of the air to extend their monopolistic attempts to include educational broadcasting and to so control it as to appropriate its benefits in the way of increased and constant listening audiences to their own selfish gain."

Ernest La Prade, National Broadcasting Company - "I believe that when ways can be found for the listener to participate in broadcast programs, the educational possibilities of broadcasting are greatly enlarged."

Pierre V. B. Key, editor Musical Digest - "What needs attention, it seems to me, is greater care in the making of programs. Some of our good music comes from the so-called popular class. And much of what is labeled classic is not good music at all."

Davidson Taylor, Columbia Broadcasting System - "Some stations look on Bach with fear and trembling; other stations feel, there is no audience for radical contemporary composers."

Julius F. Seebach, Mutual Broadcasting Company - "Intelligent people should cease to treat popular music as a thing to be deplored and begin to look at it as an integral part of our national life to be encouraged and from which to expect better things than are currently demanded of it."

The radio has "almost miraculous possibilities as an instrument of international peace and better understanding among nations," Ambassador de Laboulaye, of France, declared at the conference banquet.

"Better understanding among nations", said Ambassador de Laboulaye, "is the wisest and most secure road toward international peace. By mutual understanding, secular hatreds may fade away, new friendships may be formed and old ones strengthened. Individuals will realize that they were not born to fight against each other in destructive wars, but to take part, under the rule of peace, in constructive universal cooperation."

Prof. James T. Shotwell, of Columbia University, also stressed the part radio is playing in bringing about more widespread international understanding.

The radio, Professor Shotwell added, will develop in the years to come a business technique in international diplomacy to replace the empty formalities of the present. Already, he said, statesmen must be careful of their language in addressing their constituents for fear the citizens of a neighboring land may be listening in.

X X X X X X X X X X

A.P. LOSES "NEWS PIRACY" SUIT ON A TECHNICALITY

The Associated Press in effect lost its fight to penalize Station KVOB, Bellingham, Wash., for alleged news piracy when the United States Supreme Court on Monday declined to assume jurisdiction of the case.

The Supreme Court ordered the lower courts to dismiss the A.P.'s action on the ground that it had failed to show damage of more than \$3,000, the minimum amount that must be in controversy if the Federal courts are to assume jurisdiction.

Because of the technicality of the ruling, broadcasters generally are not expected to interpret the decision as giving them the right to use published news freely. However, it is expected to protect radio stations from petty suits in cases of disputed news sources.

Justice Roberts, in an unanimous opinion, did not go into the merits of the controversy, although he incidentally remarked that KVOB "has no organization of its own for gathering news, but adopts the practice of 'pirating' news gathered by The Associated Press and its members."

John W. Davis, counsel for The Associated Press, noting that the Supreme Court did not discuss the basic issues of "news piracy", said after the opinion was delivered that, if

necessary, The Associated Press could now attempt another suit in the Federal courts, with an amended complaint as to damages, or begin a suit in the Washington State courts.

KVOS was accused of pirating news from The Seattle Post-Intelligencer, Seattle Times and Bellingham Herald, all subscribers to The Associated Press. The news items were broadcast several times daily in the station's "Newspaper of the Air."

The Associated Press sought an injunction but the District Court dismissed the bill, holding that KVOS and The Associated Press were not in competition, and that KVOS derived no profit from its operation. KVOS also pleaded that the court lacked jurisdiction because the amount in controversy did not exceed \$3,000. The District Court did not agree, even though it ruled that the radio station was not actually in competition on the news.

The Ninth Circuit Court reversed the lower court and ordered an injunction against use of the news items until eighteen hours after publication.

Justice Roberts held, in his opinion, that The Associated Press had the burden of proving it was damaged \$3,000 and failed to carry that burden. No facts were shown, he said, which tended to prove the value of the right to conduct the A.P. enterprises free of unlawful interference by KVOS.

The complaint, Justice Roberts stated, contained nothing but a "general statement" that the damage was more than \$3,000 and this, he added, was not enough in the face of denials by KVOS. The only attempt to "meet the burden", he commented, was the statement that the three A.P. newspapers paid the association \$8,000 monthly, which "is being imperilled and jeopardized" by KVOS.

This statement, he continued, must be read along with the allegation by KVOS that the A.P. is a non-profit organization, dividing its expenses among its members.

"The association cannot therefore lose the \$8,000 in question", Justice Roberts said. "If the three newspapers in the affected territory cease to pay the sum, they will save it, not lose it, and, as to any other damage they may suffer from petitioner's competition, the affiant is silent.

"Assuming, without deciding, that in the circumstances disclosed, the respondent has standing to maintain a suit to redress or prevent damage caused its members by petitioner's conduct, the allegation of possible damage to them is wholly inadequate, because the asserted danger of loss of members is a mere conclusion unsupported by even a suggestion that withdrawal has been threatened by any newspaper, and no intimation is given of the character or extent of the damage they would suffer by such withdrawal. The respondent having failed to support the allegations as to amount in controversy, the District Court should have dismissed the bill."

WHO SCOOPED WHOM ON KING'S ABDICATION FLASH?

The abdication of King Edward VIII caused almost as much consternation among broadcasters in this country as it did among loyal patriots of the British empire. The source of the trouble, however, was different.

Scarcely before listeners had time to tune off the broadcasts which announced the British ruler's action, press agents of leading radio stations and networks were typing out press releases boasting that they had a "scoop" on the flash. Radio editors, as a result, soon were swamped with such claims and, needless to say, confused although some of them had gone ahead and used the first claim that reached their desks.

Larry Nixon, WJCA news editor, later sent a "note to radio editors" which soothed their minds somewhat although it did not settle the controversy. His note, however, was labelled "not for publication".

The sense of the statement was that the Press-Radio Bureau had done an excellent job of bringing the flash promptly to the subscribing broadcasters and that no station nor news service had a right to brag very loud over a "beat".

The Mutual Broadcasting System and WOR were among the first to lay claim to a scoop. In cooperation with the British Broadcasting Corporation and the Canadian Broadcasting Corporation, Mutual broadcast Prime Minister Baldwin's speech to Parliament.

"WOR was the first metropolitan station to broadcast a news flash which officially announced that King Edward VIII had abdicated", a press release stated.

Regardless of what Nixon called "the conflicting claims" by broadcasters, American listeners probably heard the news of the abdication before British subjects.

The United Press so stated, explaining that "American news agencies worked faster than the English."

NBC, United Press stated, was set at 10:30 A.M. (EST) to rebroadcast the BBC story of the abdication. BBC, however, was sending nothing but music.

At 10:47 NBC received and broadcast a press radio flash that Prime Minister Baldwin had announced the abdication. Fully 10 minutes later a BBC announcer began reading the King's statement, which the American company picked up and rebroadcast.

CBS, broadcasting its own reports from London, also scored a beat for American audiences by relaying the same flash. Sir Frederick Whyte, author and commentator, told the running story for CBS from London. He was interrupted for the flash from the CBS New York studios.

X X X X X X X X

"CHEERIO" AT LAST TELLS OWN STORY

Although there have been many conflicting versions, the truth about America's most famous anonymous humanitarian radio program is told in a new book, "The Story of Cheerio - By Himself" (Garden City Publishing Company, Inc., Garden City, New York).

In a chapter captioned, "The Way It Began", Cheerio writes:

"Once upon a time there was a man who walked down to his office every morning and dropped in for a few minutes to say 'Cheerio!' to a friend convalescing from an operation. After those few minutes of greeting he went on to his office, conscious of a glow of quiet satisfaction at having left a cheery word with his shut-in friend. He felt that he could not have started his own busy day in a better manner than to leave that morning 'Cheerio!' behind him.

"The friend to whom that magic word was spoken each morning recovered and went back to business. One day, as the two men were lunching at their Club, the talk turned to radio. 'Radio is a wonderful thing for shut-in folks', said the man who had recently been one himself. They talked on for some time about the possibilities of the new invention.

"Suddenly, sitting there, the thought came to the one who had made the morning calls on his sick friend that the radio might give an opportunity of broadcasting that same friendly impulse which had prompted him to drop in to say 'Cheerio!' on his way downtown. For the first time he saw what broadcasting may really mean. The radio would make it possible for him, as an individual, not only to obey his own impulse of kindness but actually to represent an untold host of friendly sympathetic people who would gladly say 'Good morning!' to others less fortunate than themselves in the matter of being up and about. They'd like to do it if they only had the opportunity, he was sure.

"Right there and then, the man decided he would like to be, for a while at least and as far as his personal affairs would let him, such a messenger of sympathy and good will, starting his own day right trying to help others face their day with courage and good cheer. It happened that this man was in a position to bring his idea to official attention. The idea was receiving as having the potentialities of real human service over radio and the National Broadcasting Company said it would cooperate with him, allowing no commercial element whatever in the feature. It would give the radio facilities, he would give the programs without compensation to himself, either in money or in personal publicity, and others would give what they could. Such a service would fail to realize its purpose unless the sincerity of that purpose could be impressed upon the listeners

to such a program. Therefore, not only must it be understood that the service was rendered without pay, except in the joy of the work, but it must not be given under the real name of the broadcaster. This would make it apparent, to those who cared to know the facts, that the only reward which could come to him who desired to use the radio in this manner would be the consciousness of a loving purpose achieved and possible acknowledgment by others to an unknown friend."

There are introductory words by two distinguished friends of the Cheerio broadcasts, former President Herbert Hoover, and Owen D. Young.

"Here is a use of the radio dedicated wholly to altruism", Mr. Hoover says. "Over these many years it has brought daily cheer, courage and hope to millions who need just that. And no other man than Cheerio had the genius of invention and the traits of sympathy that so fitted him to adapt the radio to so kindly and altruistic a purpose."

"Amid the many programs on the air, necessarily diverse to meet all tastes, there stands out one of such distinction in its universal appeal, in its simple, unselfish word, that its story deserves to be recorded as a glorious achievement in radio history", Mr. Young adds.

"'Give me to see, and Ajax asks no more' was the prayer the great poet put on the lips of his hero, in the darkness that overspread the Grecian camp.

"In the dawn, even the great hero would have said, as millions since have done: 'Give me cheer, and I ask no more.'

"So we thank you, Cheerio!"

"The Story of Cheerio" is beautifully written, contains many illustrations, and furthermore, probably the first two photographs ever printed of Cheerio. These, however, are in groups and the task of identifying him is left to the reader.

X X X X X X X X

LAFOUNT, EX-COMMISSIONER, TO BECOME BROADCASTER

Harold A. Lafount, former member of the old Federal Radio Commission, is about to become a broadcaster. In cooperation with Arde Bulova, New York watch manufacturer, Mr. Lafount has purchased WCOP, Boston, and is awaiting approval of the deal by the Federal Communications Commission. The purchase price is understood to be around \$60,000.

WCOP operates on 1120 kc., daytime, with 500 watts. It is an applicant for full time and a change in frequency.

X X X X X X X X

HINTS ON SHORT WAVE RECEPTION ISSUED BY COMMERCE DEPT.

To simplify the somewhat different operations of the short wave feature of the modern all-wave radio set, as well as to explain in popular language just how the short waves differ from the more familiar broadcast frequencies, the Electrical Division, Bureau of Foreign and Domestic Commerce, this week made available "A Guide to Reception of Shortwave Broadcasting Stations."

The publication was written by Lawrence C. F. Horle, a prominent radio engineer, working in cooperation with the Engineering Division of the Radio Manufacturers' Association for this purpose.

This booklet, the foreword states, provides a simple exposition of the basic phenomena involved in the transmission of short wave radio signals as used by broadcasting. It will assist the users of short wave radio receivers to receive such programs as are available with minimum effort and greatest satisfaction and will aid the avoidance of futile searching for programs not available because of location or other factors.

Since there are available throughout the nation competent radio service experts, it makes no attempt to instruct the user of short wave radio receivers in the intricacies of the servicing of receivers. And since the design and production of the modern short wave receivers require the highest type of scientific and engineering skill, it attempts to provide no constructional detail whatsoever except such suggestions as will assist the user in providing himself with a suitable receiving antenna, it was stated.

By studying the contents of this booklet and following the brief instructions therein the user of the short wave receiver will assure himself of getting the most out of his receiver and enjoying to the utmost a choice of the world's radio broadcasting.

Sections are devoted to installation of the set, to the characteristics of short waves, difference in time, a list of the principal short wave broadcasting stations of the world, a list of the international assignments of call letters, and instructions as to tuning receivers. A time zone map of the world and a chart of the world showing great circle distances and azimuths from Washington, D. C., are also given, both by courtesy of the Navy Department's Hydrographic Office.

The publication will be sold through the offices of the Bureau of Foreign and Domestic Commerce in Washington and in other principal cities at 25 cents a copy.

X X X X X X X X

12/15/36

BBC PROTESTS AGAINST NBC RECORDING OF EDWARD TALK

The British Broadcasting Corporation, through its American representative, protested to the National Broadcasting Company after several of its associated stations had rebroadcast the abdication address of the former King Edward VIII via transcription.

An NBC official in Washington said that it was the understanding of the network that, though it was prohibited by a BBC agreement from transcribing and rebroadcasting British programs over the network, individual affiliated stations were not so restricted.

The BBC representative, however, insisted that the ban was applicable to stations as well, and NBC accepted his interpretation. As a consequence a rebroadcast later the same night over NBC stations consisted of a reading of the erstwhile monarch's speech.

In the case of Station WMAL, Washington, which rebroadcast the transcription address at 5:30 P.M. EST, the NBC official said that the transcription was made locally. The program was not carried on the network or any hook-up of stations, he said.

NBC, like the Columbia Broadcasting System, has a general policy against broadcasting electrically transcribed programs over its networks.

X X X X X X X X

NATIONAL LEAGUE SPLIT ON BROADCAST POLICY FOR GAMES

The National League is sharply divided on the question of whether its baseball games should be broadcast, according to John Drebing, sports writer of the New York Times. Writing last week on a meeting of the League's owners, he said:

"The National Leaguers, according to President Ford Frick, discussed at considerable length the question of radio broadcasting, but because of its manifold ramifications, entailing long-term contracts and the like, soon found themselves in a hopeless tangle and dropped the matter without reaching any decision. Apparently radio, on which several clubs in the circuit are sharply divided, will continue as heretofore, with each club treating the matter as it sees fit."

X X X X X X X X

LOHR LABELS 1936 RADIO'S BIGGEST YEAR

The year 1936 will go down in history as the biggest year in radio, according to Lenox F. Lohr, President of the National Broadcasting Company.

In reviewing the activities of broadcasting during the past 12 months, Mr. Lohr pointed out that the period was one in which all existing records were broken in the number of stations affiliated with NBC networks, the number of broadcasting hours and appearances by talent, the amount of audience mail received from listeners, and the number of international broadcasts brought from abroad.

From the standpoint of special broadcasts, the year was marked by NBC coverage of such events as the death of King George; the accession of King Edward VIII and his subsequent abdication; the maiden crossings to America of the Zeppelin "Hindenburg" and the Liner "Queen Mary"; the military campaign in Ethiopia and the revolution in Spain; the presidential conventions, campaigns and elections; the Winter and Summer Olympics; the Inter-American Conference for the Maintenance of Peace; the inauguration of regular NBC broadcasts to Latin-America, and many others notable in the headlines of the year.

A survey of NBC activities during 1936 showed that the most important technical progress of the year occurred in the field of television and ultra shortwave broadcasting. On June 29, 1936, the National Broadcasting Company and its parent company, the Radio Corporation of America, began the first organized television experiments in America between a regular transmitting station and a number of homes.

Another technical advance during 1936 was the development in NBC laboratories of the micro-wave transmitter, a tiny self-contained radio station weighing only a few pounds.

NBC's coast-to-coast networks, with radio outlets in Hawaii and Canada, were increased during the year by 25 new stations, with the total to number 110 by the end of the year. Eight others will join NBC on January 1, or shortly thereafter, bringing the total to 113. NBC executives declared that an even greater expansion is contemplated for 1937.

X X X X X X X X

Columbia Broadcasting System, Inc., last week announced a special dividend of \$1.30 a share on the class "A" and "B" stocks and the regular quarterly dividend of 50 cents on the same shares. Payment will be made December 21 to stock of record December 15.

X X X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

~~177~~
J
of
Lee

INDEX TO ISSUE OF DECEMBER 18, 1936

FCC Asks Industry For Advice On Modern Selectivity.....	2
Philco Xmas Bonus Of \$400,000 Distributed.....	5
CBS November Billings 44.2% Ahead Of 1935.....	5
Payne Attacks "Radio Lobby", Urges Better Programs.....	6
Lawyers Barred From Radio Court; Program To Continue.....	8
Involved WLWL Decision Explained By FCC.....	9
Moscow Television Broadcast Reception In England Claimed.....	10
G.E. Keeps British Posted About King's Abdication.....	10
NBC Issues Summary On Canadian Radio Market.....	10
60% Of Stations Now Equipped With WBS Devices.....	11
KSTP Commemorates New Transmitter.....	11
Notes.....	12

No. 990

1937
L
P

FCC ASKS INDUSTRY FOR ADVICE ON MODERN SELECTIVITY

Because of the admitted advance in the selectivity of up-to-date radio receivers and their ability to tune out undesired signals, the Federal Communications Commission this week asked the radio industry for more advice before changing its engineering standards with regard to station separation and relative power.

An informal engineering conference was scheduled for January 18 to obtain further data on the proposals made by broadcasters at the October hearing.

In calling the conference, the FCC pointed out that in the October hearing "recommendations were made by various participants as to the permissible ratio of desired to undesired signals between broadcast stations operating 10 kilocycles removed in frequency.

"These recommendations varied rather widely and in general would allow a much higher undesired signal than is now permissible under the present empirical standard of the Engineering Department", the FCC continued. "These empirical standards were adopted in 1932 and were based on the characteristics of receiving sets manufactured from 1929 to 1932. Since that time there has been a marked change in receiver characteristics and practically all receivers now manufactured for broadcast reception have superheterodyne circuits, whereas at that time the majority of receivers employed were of the tuned radio frequency type.

"The present empirical standard requires that the desired signal be twice the undesired signal. This does not let the primary service areas of stations on adjacent channels overlap and requires a mileage separation between stations, depending on the power.

"After carefully studying the recommendations made by the various engineers, the Engineering Department is not satisfied that this subject has been sufficiently investigated to accept any of the various recommendations made. The recommendations by certain engineers were based on receiver characteristics with regards to selectivity and apparently little consideration was given to the fidelity characteristics of the receivers.

"There is no question but that a receiver can be designed and manufactured at a nominal cost that will separate a desired signal from an undesired signal 10 kilocycles removed in frequency when the intensity of the undesired signal is 50 to 100 times the

desired signal. (In fact many receivers now on the market will do this.) But, in obtaining this selectivity the high frequency audio response of the receiver is materially reduced. The amount of the reduction varies widely with individual receivers. Therefore, before a new ratio of desired to undesired signal can be adopted as a standard for broadcast allocation, it will be necessary for the industry to assist the Commission in determining the maximum audio frequencies that are to be transmitted and received.

"Under the present plan of allocation, stations separated by 10 kilocycles are also required to maintain a mileage separation; thus, two 1-kilowatt stations, 10 kilocycles removed in frequency, must be separated by 200 miles at night and two 50-kilowatt stations by 800 miles at night. This allocation provides for the transmission of all audio frequencies to 7.5 kilocycles and for the reception in the primary service area of frequencies to this value and in the secondary service area of frequencies to 5 kilocycles. If the ratio of desired to undesired signals of 1 to 10 or 50 be adopted, it is evident that this plan could no longer be retained and it would be necessary to require all broadcast stations to cut off all audio frequencies above, say, 5 kilocycles. Also, with the above stated ratio, broadcast stations of the same power, 10 kilocycles removed in frequency, could be placed in the same service area, and, thereafter it would not be possible ever to accomplish high fidelity transmission and reception on such stations.

"The Engineering Department hesitates to recommend an allocation based on receiving sets of the selectivity and high frequency response as given without the assurance from the industry that it is unnecessary to reproduce faithfully frequencies above 3000 or 4000 cycles and that at 5000 cycles it is satisfactory to have the response down some 11 to 24 decibels below that at 400 cycles.

"Unfortunately the characteristics of a receiver having an acceptance band of 10 kilocycles (audio frequency response to 5 kilocycles) are not available nor are characteristics of receiving sets having an acceptance band of 15 kilocycles (audio frequency response to 7.5 kilocycles) available. If the selectivity characteristics were known of receivers which had acceptance bands of these widths and if the audio response characteristics faithfully covered the same frequencies, then an allocation could be made based on the ratio of desired to undesired signal for such receivers. In other words, should we not base the allocation on receivers with the desired output characteristics, rather than on receivers of very poor output characteristics which do not approach the ideal and thus seriously limit development in the future?

"Although broadcast stations are separated by only 10 kilocycles, by requiring an adequate geographical separation between stations on adjacent channels, it has been possible to permit transmission and reception of emissions with a frequency range greater than 5 kilocycles. Or, in other words, by main-

taining certain geographical separation, it has been possible to accomplish an equivalent of a substantially greater frequency separation than 10 kilocycles in the primary service areas.

"The Engineering Department wishes to ask the radio industry the following questions with respect to changing the policy of allocating broadcast stations 10 kilocycles removed in frequency:

- "1. The allocation of broadcast stations should provide for what maximum audio frequencies to be transmitted?
- "2. The allocation should provide for what maximum audio frequency reception in the primary service area? In the secondary service area? (Consider usual and variable selectivity receivers).
- "3. What selectivity characteristics can be obtained from a receiver that will reproduce audio frequencies flat within 4 decibels, to 7.5 kilocycles? To 5 kilocycles?
- "4. Should the characteristics of the average receiver sold today, which is substantially limited in response above 3 to 4 kilocycles, be taken as a basis for a change in the present standard of desired to undesired signal?
- "5. Is not an allocation which provides for transmission of frequencies to 7.5 kilocycles, for reception of frequencies to 7.5 kilocycles in the primary service area, and for reception in the secondary service area to 4 or 5 kilocycles (or less as controlled by the selectivity control or the tone control of the receiver) a fair allocation?
- "6. Would not a substantial increase in the permissible undesired signal materially impair this allocation?
- "7. Is there any need to reduce materially the mileage separation between stations on adjacent channels so that the above conditions of transmission and reception can no longer be maintained?
- "8. If the industry decides that the characteristics of the various selective receivers now being manufactured should be taken as a basis of allocation for 10-kilocycles frequency separation, then does the industry accept the responsibility for all broadcast stations so allocated to be limited in transmission and reception to an audio response not exceeding 5 kilocycles?"

PHILCO XMAS BONUS OF \$400,000 DISTRIBUTED

A Philco Christmas bonus of approximately \$400,000 is being distributed to more than 11,000 employees of the Philadelphia Storage Battery Company, makers of Philco radios, George E. Deming, Vice-President, announced this week. This far exceeds the bonus paid last year to Philco factory workers, more dollars going to a greater number of workers than in 1935.

Wage earners on the payroll November 30th, and paid on the hourly basis are receiving the bonus based on terms of service, those with 10 years continuous work with the company receiving the equivalent of 100 hours of base rate; those five years getting 72 hours of base rate; those one year 40 hours of base rate, and then scaled down from that point to the newcomers. Of the group who are weekly-rated the bonus is based partly on length of service and partly on performance.

"Already paying the highest wage in the radio industry, and meeting the largest industrial payroll in Philadelphia, we are able to pay this Christmas bonus because Philco factory workers have earned it by their splendid cooperation and their fine production, which has made possible the turning out during 1936 of about 1,800,000 radios", said Mr. Deming in announcing the bonus payments.

During the past year, Mr. Deming pointed out, Philadelphia Storage Battery Company has maintained employment for from 9,000 to 12,000 workers in Philadelphia.

X X X X X X X X

CBS NOVEMBER BILLINGS 44.2% AHEAD OF 1935

Columbia Broadcasting System's billings for November, 1936, totalled \$2,483,657, an increase of 44.2% over the November, 1935, total of \$1,722,390.

The estimated total income from time sales for the twelve months of 1936 is \$23,289,000, which would mean an increase of 32% over 1935.

	<u>November</u>	<u>12 Months</u>
1936	\$2,483,657	\$23,289,000 (Estimated)
1935	\$1,722,390	\$17,637,804

X X X X X X X X

PAYNE ATTACKS "RADIO LOBBY", URGES BETTER PPROGRAMS

George Henry Payne, the Federal Communications Commissioner who just a year ago aroused the broadcasting industry and his colleagues by a series of university addresses, on December 18th hurled another blast at "the radio lobby" and the tendency of broadcasters to put commercial interests first.

Speaking on "Is Radio Living Up to Its Promise?", Commissioner Payne said:

"If you take 'radio' as the scientific world regards it as the transmission through the ether of messages - it has more than met its promises. If you mean by 'radio', broadcasting, you are on debatable ground.

"It is not an easy problem, however, that you have posed for me - 'Is Radio Broadcasting Living Up to Its Promise?' Frankly, my own opinion is that it is not, but I feel I would be unfair if I did not qualify that statement by saying that elements, mainly political and some economic, have been as much to blame as the broadcasting industry itself. Nor would it be fair to say that broadcasting has not come up to expectations when some fine programs have been the delight of American audiences.

"But - and this is the question - when we have allowed private corporations to develop a national resource that elsewhere in the world is government owned and controlled, should not those who are making large fortunes from this resource give us better programs?

"To anyone who studies the situation from the inside there is quite evident a contempt for educational and cultural influences that is most unusual in any field of scientific development.

"What would have happened in the field of medicine, philosophy, law, science, literature, politics or journalism if the first impulse had been money-making?

"Fortunately in the radio field, while the great actuating impulse of those who are in control of the industry is money, the engineers and scientists on whom they depend for the development of their fortunes are, in the main, men who are unselfish. Some of them, and I am speaking of those who are associated with the Federal Communications Commission, have a devotion to high ideals that will challenge comparison with any other time.

"A more disagreeable aspect, and a more sinister one, deterring radio from living up to its promise, is the fact that the radio lobby in Washington has filled the radio 'industry' with the novel idea that they control the government.

"For two and a half years I have watched the operations of this lobby which has endeavored to dictate the actions of the Federal Communications Commission.

"When I speak of its contemptuous attitude toward educational and cultural matters I am not hazarding any guess. I am speaking from facts. An important broadcaster, a man who has acted as an official of an organization, sat in my office one day arguing about the perfectability of the radio program. We were naturally at different ends of the question - he declaring that the programs as given today were perfect. Finally I drew out some letters and extracts from letters of many college presidents throughout the country and showed him that they were far from satisfied with the present set-up.

"His answer was, 'What the hell do them college presidents know!'

"One argument, effective though unreal, that has kept public opinion from forcing the production of better programs has been that the pioneers of the radio art are entitled to a just share of credit and profits for their pioneering. But have the real pioneers had any sizable share in the profits?

"Of the forty-three scientists who, since 1912, have contributed most to radio's scientific development and progress, only two have received compensation in any way commensurate with their achievements.

"We have here a complex and serious economic phenomenon. Great discoveries are made and the discoverers profit little. The public which owns the other is amused, delighted and astonished, but spiritually profits little. A third party steps in and, discovering nothing, inventing nothing and owning nothing, nevertheless makes great fortunes.

"For two years I have argued and pleaded and reasoned with this most difficult division of our activities to take a fairer attitude toward the public. I finally came to the conclusion that I could get better results if I appealed to them from a public forum, and so I accepted invitations from Harvard, Columbia and other universities to enunciate under dignified auspices what I thought were proper reforms.

"You can imagine my surprise when instead of getting the cooperation of those whom this Commission is supposed to regulate, I was told publicly in their trade journal that I 'should mind my own business.'

"Attacking every endeavor of the cultural and educational interests to improve the quality of radio programs is a most vicious lobby. It is not a particularly intelligent lobby for, if it knew its business, it would see that the educational and cultural interests ask so little that they could be easily conciliated by small concessions. But, arrogant in its belief that it controls the Commission, it is not inclined to concede anything.

"Developments and inventions that are now going on and being made in the radio field will affect the mental life and education and possibly the material interests of every person in the country. Behind this development, fraught with so much importance to our people, a fierce struggle is going on for the control of the great resource of the air.

"Private interests favoring private monopoly are naturally anxious that there be just as little governmental 'interference' (regulation) as possible in what they call their 'business'. Those who believe that we must not repeat the mistakes of the past and allow the wasteful private exploitation of our resources are just as keenly aroused in behalf of the government taking a strong stand to protect the public interest.

"The indifference of the public to the importance of this struggle is lamentable. Fascinated by the wonders of radio and the astonishing developments in the entire field of communications, the people have given little attention to the economic control of these new developments. Unless the public is aroused, its interests are apt to be neglected and lax administration is apt to creep in. In this way private monopoly, without warrant of law, establishes itself and, too late, the public bestirs itself to recover ground that never should have been lost."

X X X X X X X X

LAWYERS BARRED FROM RADIO COURT; PROGRAM TO CONTINUE

The Appellate Division of the New York Supreme Court in both the First and Second Judicial Departments announced December 16th a new rule for lawyers intended to prohibit them from taking part in "good-will courts" broadcast over the air. The ruling followed protests by bar associations against the practice.

The ruling covers the twelve counties embraced in the two departments, including the five counties of New York City, and the counties of Nassau, Suffolk, Westchester, Putnam, Dutchess, Orange and Rockland.

The rule did not specifically mention the radio "courts", but forbade attorneys to give legal advice "in connection with a publicity medium of any kind". Violation of the rule will subject the offending attorney to suspension or disbarment for "professional misconduct."

A. L. Alexander, conductor of the Good Will Court broadcast at 8 P.M. Sundays over WEAf's network and on 10 P.M. Wednesdays from WMCA, said that the rule would be complied with but that the program would be continued. His statement did not say how this would be done, but it was understood that the conductor would have to obtain legal talent from outside the jurisdiction of the Appellate Division. The program was given last night (Dec. 16) with two judges from New Jersey. The programs are sponsored by a food company, advertising its coffee.

The use of legal talent from New Jersey to give legal advice to New York residents on New York law, and vice versa, was one of the features objected to in a memorandum with the Appellate Division of the First Department by the Association of the Bar of the City of New York, the New York County Lawyers' Association, and the Bronx County Bar Association. The committee on professional ethics of the American Bar Association also took action against the broadcasts.

X X X X X X X X X

INVOLVED WLWL DECISION EXPLAINED BY FCC

The highly involved decision of the Federal Communications Commission denying the application of WLWL, operated by the Paulist Fathers in New York City, for full time, and a shift from 1100 to 810 kcs., was explained this week in a lengthy statement of facts.

Nine other stations and J. David Stern, New York and Philadelphia publishers, were involved in the case. The FCC's decision terminated a two-year effort of WLWL to obtain a full-time station with 5,000 watts. The Commission, in denying WLWL's request, granted renewals of license to all other stations involved without change in assignments.

"Upon consideration of the entire record made in this proceeding, we are of the opinion that the ultimate public advantages which would be achieved (a) from carrying out the WLWL proposals, and (b) the operation of that station upon the assignments requested, are outweighed by the public disadvantages involved therein", the FCC stated. "While it appears that the type of service proposed to be rendered by said station upon the new assignment requested is meritorious, it is not satisfactorily shown that there exists a public need sufficient to warrant a grant of increased facilities to Station WLWL, when the necessary incidental effects of such grant upon the service of other broadcast stations are considered. Moreover, there is nothing in the record before us indicating that public interest would be better served through the frequency reallocations proposed in the WLWL petition.

"The weight of the evidence clearly establishes that under the proposed frequency reallocation plan of the Missionary Society of St. Paul the Apostle (WLWL), the present service areas of Stations WNYC, WFAA and WBAP would be reduced; that Station WHAS (Louisville, Ky) would be prevented from continuing a meritorious service to southern Kentucky and Tennessee, because of interference from Station WWL in New Orleans, La.; that the service of Stations WOV and WNYC would be severely restricted during nighttime hours by interference produced through the operation of other stations upon the same frequency;

that interference would be present within the good service area of Station WLWL, during nighttime hours, due to the operation of Station WWL in New Orleans; and that there is involved in said proposed plan of frequency reallocation (1) a violation of Rule 116 prohibiting duplicate regular operation at night on frequencies designated as clear channels, and (2) a curtailment in the service now rendered to rural areas on three of the clear channel frequencies specified in the petition, because of regular duplicate operation thereon at night."

X X X X X X X X

MOSCOW TELEVISION BROADCAST RECEPTION IN ENGLAND CLAIMED

The television department of the All Union Radio Committee, Moscow, has received a letter from a radio-fan living in Birmingham, England, confirming reception of Moscow television broadcasts conducted through radio station RZA, according to a statement from Radio Centre, Moscow.

X X X X X X X X

G.E. KEEPS BRITISH POSTED ABOUT KING'S ABDICATION

During the week of the crisis in connection with the abdication of King Edward VIII, the General Electric Company at Schenectady had both their short-wave stations on the air at 5 A.M. and ran all day, and almost all night, to furnish service to New Zealand and Australia, for the latest news from England.

X X X X X X X X

NBC ISSUES SUMMARY ON CANADIAN RADIO MARKET

Claiming that more than a million of the radio families of Canada may be reached through NBC associated stations in Montreal and Toronto and through other NBC stations in the United States, NBC this week issued a card summary of radio set ownership throughout Canada.

The tabulation shows that in nine Canadian provinces the 1936 estimates of radio families was 1,471,800.

E.P.H. James, NBC Promotion Manager, explained that the study was made because it was felt that a better knowledge of Canadian radio ownership would be of value to NBC clients and that "reliable trade sources consider the government figures low."

X X X X X X X X

60% OF STATIONS NOW EQUIPPED WITH WBS DEVICES

Sixty percent of all commercial radio stations in the United States and 91 percent of all those with 1,000 watts power or more are equipped to broadcast the wide-range vertical produced by the World Broadcasting System, according to results of a transcription reproduction survey just completed by WBS.

"Of the 567 stations included in the WBS survey, 344 now boast vertical reproducing equipment", a WBS statement said. "This is an increase of 20%, of 116 stations, over June, 1935, when the last study was made. Projecting the findings into the higher-powered groups, the vertical showing is even more impressive. There are 336 stations having a power greater than 100 watts, and of these, 249 (74%) are vertically equipped, representing an increase of 52 stations over the 1935 figure. Among the 74 stations broadcasting with more than 1,000 watts, exactly 91% have vertical equipment.

"There are only three cities, out of 93 having a population of 100,000 or more, not served by at least one vertically equipped radio station. For these, as well as for small stations not as yet vertical-minded, World provides the finest lateral cut transcriptions. The survey findings, however, offer overwhelming endorsement of vertical recording, developed by Bell Telephone Laboratories and Western Electric Company, and pioneered in radio by World Broadcasting System.

"The past two years have seen many changes in broadcasting. Perhaps none is more significant than the increased number of radio stations with vertical reproducers, the 'matched quality' equipment necessary to broadcast World's Wide Range vertical transcriptions.

"Today Wide Range recording enables even the smallest station to broadcast programs comparable in every respect to the finest studio presentation. The advertiser recognizes in World Broadcasting System an unbroken chain of carefully constructed links, carrying his sales message from artist to listener with unimpaired quality. World enables him to put his entertainment, and his advertising, into the exact markets of his choice, quickly, effectively, without waste or worry."

X X X X X X X X X

KSTP COMMEMORATES NEW TRANSMITTER

One of the first souvenirs of the holiday season comes with the compliments of Stanley Hubbard, President of Station KSTP, at St. Paul. It is handsomely gotten up as a paper-weight in the form of brightly polished brass medallion. One side bears the following inscription:

"Northwest's leading radio station dedicates its new \$300,000 transmitter to the vast Northwest listening audience - KSTP, Minneapolis-St. Paul."

On the other side of the medallion is a replica of the modern KSTP broadcasting station.

X X X X X X X X X

NOTES

Charges of industrial coercion of voters in the recent election campaign were dismissed in wholesale fashion by the Senate campaign investigating committee recently.

Among the cases dismissed was that of the Hygrade-Sylvania Corporation of Emporium, Pa.

The Mutual Broadcasting System announces a dedicatory program for December 29, when it becomes a coast-to-coast network and is linked with the Don Lee Broadcasting System. From 10 P.M. to 2:30 A.M., EST, the first part of the dedicatory program will be heard from New York, Chicago, Cincinnati, Detroit, Toronto, Philadelphia and Pittsburgh.

The following night, December 30, from 10 P.M. to 12:30 A.M., EST, the Don Lee Broadcasting System and the Iowa and Central networks will salute the Mutual network with broadcasts from Los Angeles, San Francisco, Honolulu, Des Moines and Omaha.

A new home for WGY, Schenectady, of modernistic type, with the latest of radio and broadcasting equipment, will be built by the General Electric Company early next Spring on a plot adjoining the present studios in the International G. E. office building in Schenectady. This new structure will be two stories in height and of limestone finish with glass blocks on the front and two ends.

Station WRVA, owned by Larus & Bros. Co., Inc., Richmond, Va., have made application to the Federal Communications Commission for a construction permit to install a new transmitter and directional antenna for day and night use, increase power from 5 kilowatts to 50 kilowatts, move transmitter from Mechanicsville (4½ miles from city limits) Virginia, to 15 miles S.E. of Richmond, Virginia.

Completing the last lap of an 18,000-mile airplane trip through South and Central America to arrange for a regular exchange of radio programs between the National Broadcasting Company and Latin American countries, John F. Royal, NBC Vice-President in Charge of Programs, expects to be back in New York on Sunday, December 20.

Dr. Herman S. Hettinger, has tendered his resignation as Economic Consultant for the National Association of Broadcasters. Dr. Hettinger has expressed the desire to devote more time to the writing of a book on the principles of radio advertising.

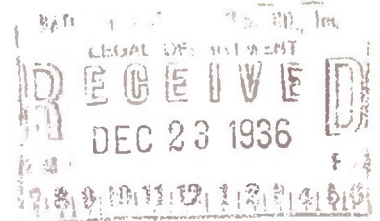
X X X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF DECEMBER 22, 1936

Soviet Russia Linked To War-Torn Madrid Via Radio.....	2
Three New Stations Recommended By Examiners.....	3
Hubbard Heads KSTP.....	3
November Revenue Second Highest Month In NBC's History.....	3
Scott Bills To Be Pressed By Civil Liberties Union.....	4
Outdoor Scenes Offered British Televiewers.....	5
New G.E. Radio Guide Takes In Entire World.....	6
U. S. Radios Dominate Barbados Market.....	6
Radio Celebs Enjoy Gridiron Roasting.....	7
A.C. Sets Are Bulk Of Planned Radio Production In Canada.....	7
Radio Has Part In Tremendous Electrical Goods Spurt.....	8
Flamm Says 1937 Will Be Greatest Radio Year.....	8
Grunow Campaign Adds 4,000 Dealers.....	9
I.T. & T. Report Shows Gains For Nine Months.....	10
Mark J. Woods Elected Treasurer Of NBC.....	10
Prall To Read Roosevelt's Message To Mutual.....	10
Grunow Advertising Policy Criticized.....	11
NBC Announces Plans For West Coast Expansion.....	11
Notes.....	12

No. 991

[Handwritten initials and scribbles]

December 22, 1936.

SOVIET RUSSIA LINKED TO WAR-TORN MADRID VIA RADIO

Disclosure that thousands of sympathetic Soviet workers have kept in close touch with the Rebel government in Madrid via radio came this week in a publicity release from Radio Centre, Moscow.

The Radio Centre pointed with pride to the success with which various events in Madrid had been carried to assembled groups throughout the Soviet Republic. The major event was a mass meeting held in the Madrid Theatre "Kalderone", at which there were present, according to the Soviet statement, "representatives of the intelligentsia and well known politicians and statesmen headed by the Prime Minister Largo Caballero".

"The meeting which began at 9 P.M. and continued for 2 ½ hours was relayed from Madrid over the whole of the Soviet Union", the Radio Centre reported.

"The Moscow 'Comintern' station, as well as station RNE and all the relaying stations of the country rebroadcast that remarkable transmission. At the same time, the evening was also broadcast by the radio stations of Madrid and Barcelona.

"The transmission from Madrid was carried out in the following manner: along wires to Paris and from Paris to Moscow through the ether. Besides this, Moscow received the Madrid station direct through the ether. There were thus two channels for reception- one, combined (radio and wires) through Paris and the second- direct wireless, Madrid - Moscow.

"Reception through both channels was good and Soviet listeners received a very clear programme.

"The transmission of the meeting and concert from Madrid was heard by millions of toilers in the Soviet Union. The All Union Radio Committee received reports of good reception from the most distant places of the USSR.

"In the town of Tula the transmission was heard by 40,000 persons. In Kirovsk, in the Arctic circle, the broadcast was listened to by 3,500 people. In Cran - 16,500 listeners received the programme.

"A radiogram was received from comrade Modvedev, the captain of the motor-boat "Krim" then sailing in the Black Sea, to the effect that the crew and about 600 passengers listened to the programme with intense interest.

"In Leningrad, the broadcast from Madrid was listened to in factories, in clubs and in flats of workers.

"The workers of the "Dynamo", "Krasny Bogatir" and others heard the programme with great attention.

"A report from Rostov stated that over 200,000 toilers of the Azov-Blacksea province listened in to the transmission from Madrid."

X X X X X X X X X X

THREE NEW STATIONS RECOMMENDED BY EXAMINERS

Issuance of permits for the construction of three new broadcasting stations was recommended to the Federal Communications Commission this week by Examiners.

The applicants are: Southwest Broadcasting Co., La Junta, Col., 1370 kc. 100 watts, unlimited time; Times Publishing Co., St. Cloud, Minn., 1420 kc., 100 watts, unlimited; John S. Allen and G. W. Covington, jr., Montgomery, Ala., 1220 kc., 100 watts, daytime.

X X X X X X X X X X X X

HUBBARD HEADS KSTP

Stanley E. Hubbard, one of the founders of KSTP, Twin Cities radio station in St. Paul, Minn., has recently been made president and general manager of the company. Kenneth M. Hance, formerly one of the owners and founders of WDAY in Fargo, N. D., at the same time became treasurer and vice-president of KSTP. The station, which has a working arrangement with the Minneapolis Journal in regard to newscasts, Nov. 30 went on the air with a new \$300,000 transmitter.

X X X X X X X X X X X X

NOVEMBER REVENUE SECOND HIGHEST MONTH IN NBC'S HISTORY

NBC network revenue for November was 29.5% above November, 1935, and was exceeded only by October of this year, which was an all-time high, partly as a result of the unusual amount of political campaign revenue during that month. November's \$3,438,616 total represents only \$257,873 less than October's record-breaking total of \$3,696,489.

Total for the NBC-Red network in November, 1936, was \$2,408,286, while the NBC-Blue network total was \$1,030,330. NBC's gross time total for the first 11 months of 1936 was \$30,935,248, or 9.5% above the corresponding period of 1936.

According to a tabulation made by NBC's Statistical Department, its Red and Blue Networks are today carrying 20³ hours more sponsored programs per seven-day week than last year.

Particularly impressive are the strides made by NBC in selling Daytime hours. Before 6 P.M. periods have increased 19 hours over the same date last year.

X X X X X X X X X X

SCOTT BILLS TO BE PRESSED BY CIVIL LIBERTIES UNION

The four radio bills introduced last session by Representative Byron Scott (D.), of California, and prepared by the American Civil Liberties Union will be pressed at the approaching session, the Union disclosed in a pamphlet dealing with freedom of the air.

The study, entitled, "Radio is Censored", was made by Minna F. Kassner and Lucien Zacharoff. Presented in a fifty-seven page pamphlet, the survey, described as the first of its kind, cites seventy "authenticated" instances of censorship by radio stations throughout the United States since 1930.

Referring to the protests of those censored, the pamphlet says that "the last year has shown a distinct improvement in policy by the two large networks. However, most of the smaller stations and the larger independents remain shockingly narrow in their program approach."

Analyzing twenty-five typical cases of censorship, the pamphlet says that restriction of free speech on the radio has been "rather catholic" and that radicals, liberals and even the Republican party, medical lecturers, humorists, labor union leaders and speakers on a wide variety of "controversial" subjects have been suppressed.

Operation of the censorship is described as follows:

"Censorship is exercised on the radio by: 1 - simply refusing to sell time or fulfill contracts to broadcast; 2 - demanding copies of speeches and cutting them in advance; 3 - drowning out or cutting off a speaker in the middle of a program; 4 - relegating speakers to early morning hours.

"The would-be speaker must run the gauntlet of a regular army of amateur Catos, since no single authority is responsible for censorship. Anybody from the president of the corporation to the humblest sound engineer can and does qualify as a censor."

To correct radio censorship abuses the authors of the pamphlet recommend Federal legislation, specifically, the four

Scott bills prepared by the Radio Committee of the American Civil Liberties Union headed by Bethuel M. Webster, former counsel of the Federal Radio Commission. The authors say these bills would accomplish the following:

"Require that each station, as a condition of its license, set aside a regular period 'at desirable times' of the day and evening for uncensored discussion on a non-profit basis of public, social, political and economic problems and for educational purposes.

"Make it mandatory for every station presenting a controversial issue to give a hearing to at least one opposing view.

"Free stations, not speakers, from legal liability for remarks on such programs.

"Compel stations to keep accurate and public records of all applications for time, indicating which are granted and which are refused."

X X X X X X X X

OUTDOOR SCENES OFFERED BRITISH TELEVIEWERS

Examples of some of the programs offered in the television broadcasts from Alexandra Palace, London, are cited in the following from the British Broadcasting Corporation:

"How a trio of sheep dogs work together to bring their charges into any required position - even when driving the sheep through a 3-ft. gap in hurdles is involved - was seen recently by viewers of the BBC's programs from Alexandra Palace. Mr. Percy Watson's three champion dogs and six wild sheep from Mr. Watson's Hampshire farm were the 'artists' and they performed on a wide sweep of hillside in the Alexandra Palace grounds, before Emitron cameras mounted on a special platform.

"Equally unusual demonstrations will be seen in forthcoming programs: the first televised demonstration of cookery, Tex McLeod's 'entirely new act for television only', and methods of anti-aircraft defense among them.

"In his spinning of ropes and yarns Tex McLeod will have the assistance of his ten-year old Peruvian horse, Arabia. Mounted on the back of this remarkable animal - Arabia is so well trained that she responds to a flick of her master's eyelid - McLeod will perform feats of rope spinning in the grounds of Alexandra Palace. Their spaciousness will be necessary. McLeod sometimes uses as much as 100 ft. of rope. Facilities for practice present no difficulty for him; he owns a farm at Kingston, Surrey, and roping cattle on the run is part of his and Arabia's daily work.

"Searchlights and anti-aircraft guns, manned respectively by the 36th A.A. Battalion of the Foyal Engineers and the 61st (11th London) A.A. Brigade of the Royal Artillery, will be taken to Alexandra Palace. The units will be seen twice; first in gun drill, operation of range predictor and of searchlight listening apparatus, and in searchlight manipulation; and later in the day a short action in repelling the attack of hostile aircraft will be staged, in which the Royal Air Force will cooperate."

X X X X X X X X X X

NEW G.E. RADIO GUIDE TAKES IN ENTIRE WORLD

There is much valuable information for short-wave fans in "The Listener's Guide to World Radio Tours" just published by the General Electric Company at Bridgeport, Connecticut. There is much data for the long-wave listener. Kilocycles, megacycles and meters, as well as the behavior of short-waves, are explained.

The new guide outlines world wide tours via short-wave radio, gives the short-wave broadcast stations by countries, the broadcasting schedule of principal foreign short-wave stations, and the world's short-wave broadcast stations by meters and megacycles.

There are also the police radio alarm stations, the amateur bands and technical information regarding all-wave antenna. Finally the guide gives a complete listing of American short-wave stations transmitting standard broadcast programs.

X X X X X X X X X X

U. S. RADIOS DOMINATE BARBADOS MARKET

U. S. radios dominate the market of Barbados, according to Vice Consul Harold Sims, who writes:

"Buoyed by the established firmness of the American radio in this market, imports from the United States during the last eight months reached a new high, which is reflected in the import value statistics issued by the local Customs Bureau. Out of a total import radio value of £3,429 for the 8-months' period, the United States radio manufacturers were recipients of 86 percent of this value.

"These figures are significant of a steady progress being made by the American radio in this Colony. The position of the American product here has never been threatened and it is conservatively estimated that more than 95 percent of all receiving sets now in operation is of American manufacture."

X X X X X X X X

RADIO CELEBS ENJOY GRIDIRON ROASTING

Among the favored few in the radio industry present at the winter dinner of the famous Gridiron Club, attended by President Roosevelt, former Governor Landon, in Washington last night (December 21) were:

Commander E. F. McDonald, Jr., President, Zenith Radio Corp.; Gene Buck, President, American Society of Composers; Louis G. Caldwell, former Federal Radio Commissioner; Maj. Gen. James G. Harbord, Chairman of the Board, Radio Corporation of America; Frank E. Mason, Vice-President, National Broadcasting Company, New York City; Anning S. Prall, Chairman, Federal Communications Commission; David Sarnoff, President, Radio Corporation of America, New York City; Oswald F. Schuette, Washington, D. C.; Maj. Lenox Lohr, President, National Broadcasting Company, New York.

Also, John F. Royal, Vice-President, National Broadcasting Company, New York City; Frank M. Russell, Vice-President, National Broadcasting Company, Washington, D. C.; Kurt G. Sell, German News Agency, Washington, D. C.; Judge E. O. Sykes, Vice-Chairman, Federal Communications Commission; and Senator Wallace H. White, Jr., of Maine.

X X X X X X X X

A.C. SETS ARE BULK OF PLANNED RADIO PRODUCTION IN CANADA

Alternating current units represent approximately 75 percent of the radio receiving sets which Canadian manufacturers plan to produce between November 1 and January 31, 1937, according to a report to the Commerce Department from Commercial Attache H. M. Bankhead, Ottawa.

Projected production by the Radio Manufacturers' Association of Canada is placed at 52,003 units of which 40,457 units will be alternating current chassis, the report shows.

Total dealer sales of radio receiving sets in Canada in October amounted to 37,768 units, valued at \$3,591,096, a volume increase of 3 percent and a value increase of 6 percent compared with September. October sales this year showed a volume advance of 10 percent and a 6 percent value increase compared with sales in October, 1935. Sales of alternating current and battery sets recorded increases in October over the preceding month but sales of automobile sets decreased by approximately 100 percent, the report states.

Inventories reported by Canadian radio jobbers and manufacturers branches as of October 31 amounted to 44,452 units compared with 42,540 units in September and 33,747 units in October, 1935, according to the report.

X X X X X X X X

RADIO HAS PART IN TREMENDOUS ELECTRICAL GOODS SPURT

The boom in the sale of radio sets and equipment is reflected in the tremendous increase in the demand for all types of electrical goods that promises to continue in 1937, according to a survey made by Dun & Bradstreet, Inc.

The review says in part:

"Going ahead at a faster rate than many other industries, the electrical supply trade at the close of the third year of constant progress is confronted with a rapidly widening use for its products as 1937 is entered.

"Wholesale distribution for the first ten months of 1936 was at a six-year high, having advanced 30 to 55 percent from the corresponding 1935 showing. Conservative estimates now place wholesale sales for the entire year at 40 percent more than in 1935, when the Bureau of Foreign and Domestic Commerce reported \$16,287,000,000. This would lift the 1936 total to \$22,801,000,000 for the wholesale distribution of electrical goods, including electrical appliances, radios, and refrigerators. It would mark the third successive annual increase after four years of decline."

X X X X X X X X X

FLAMM SAYS 1937 WILL BE GREATEST RADIO YEAR

The following statement was issued this week by Donald Flamm, President of the Inter-City Broadcasting System:

"No matter how long one has been connected with broadcasting, each month sees some new point learned, some new technique discovered and adapted. For that reason 1937 will be the greatest year in radio.

"Greater use of spot pick-ups, more programs of the human interest type, and more diversification of programs will mark the broadcaster's contribution to a new radio year.

"From the reporter of prize fights to the magic carpet that takes the world to the inauguration of a President, radio has progressed far in the past few years. It will continue to grow and develop this year with the greatest developments on the side of human interest programs, rather than in the development of musical presentations or comedy hours."

X X X X X X X X X

GRUNOW CAMPAIGN ADDS 4000 DEALERS

Cleverly directed sales and advertising strategy, interwoven with a vigorous newspaper campaign and supplemented later by magazines, has not only brought William Grunow, of Chicago, head of the General Household Company, veteran radio and refrigerator manufacturer out of receivership within less than a year, but has rebuilt his shattered dealer organization.

Operations for the fiscal year show this. They were broken down into two periods - Aug. 1, 1935, to Nov. 19, 1935, prior to a petition for reorganization under 77-B of the amended bankruptcy law, and from Nov. 20, 1935, to July 31, 1936, when the company operated under court jurisdiction. In the first period a net loss of \$450,000 occurred, and in the second there was a net profit of \$93,000.

When interviewed by the Editor & Publisher, Tod Reed, Advertising Manager of General Household, said that due to the usual timidity caused by a receivership, dealers had politely withdrawn from the Grunow line.

"General Household's problem was to build a closely-knit dealer organization throughout the country in the shortest time possible", said Mr. Reed. "We were faced with the need of regaining dealer confidence in our product and obtaining sales volume in the field. In June we introduced what we called our 'smoke-screen' line of radio receiving sets. This line was looked upon by our competitors as not particularly startling and, consequently, nothing to worry about. In August we scored a 'beat' by coming out with our 12-tube Teledial, retailing at \$99.95 and our 11-tube set for \$69.95, two months after the industry had committed itself fully as to models and prices. Both of these sets were immediate smash hits and caused dealers to become Grunow-conscious again."

Mr. Reed revealed that from June until December, General Household spent approximately \$500,000 in advertising, including space in all media and display material. Of this amount, the bulk has gone into newspapers, both for the introductory campaign to obtain dealers and in the past month's cooperative series. Magazine advertising has totaled about \$62,000 to date, he said.

According to Mr. Reed, Grunow is now manufacturing 2,000 radio sets daily. None are stored. All are packed at the end of the assembly line and shipped directly to distributors throughout the United States.

Previously, Grunow manufactured 30 different models but today production is concentrated on four models, including an 11-tube set, two 12-tube sets and a 15-tube set, the last three having automatic tuning. This is accomplished without sacrificing employees' hours or wages. The company's Marion, Ind., plant is running on three eight-hour shifts.

X X X X X X X X X

I. T. & T. REPORT SHOWS GAINS FOR NINE MONTHS

The International Telephone and Telegraph Corporation has reported for the first nine months of this year a consolidated net income of \$2,442,140, which was equal to 38 cents each on 6,399,002 capital shares. This compared with \$969,754, or 15 cents a share, correspondingly in 1935.

Earnings of the affiliated Spanish National Telephone Company were excluded in both periods in order to make the figures comparable.

Net income for the first nine months of 1935 included \$2,428,069 income accruing from the Spanish subsidiaries, making net income \$8,397,823, or 59 cents a share on I. T. and T. capital shares.

X X X X X X X X X

MARK J. WOODS ELECTED TREASURER OF NBC

David Rosenblum resigned December 18th as Vice-President and Treasurer of the National Broadcasting Company, effective December 31. His resignation was presented to the Board of Directors at its regular monthly meeting and was accepted with regret. Mark J. Woods, who has been affiliated with NBC since its organization in 1926, and has served in several executive capacities, was elected Treasurer, effective January 1, 1937.

Mr. Rosenblum joined NBC as a Vice-President on September 21, 1934. He was elected Treasurer on January 19, 1935. Before joining the network, Mr. Rosenblum was Executive Vice-President of Tradeways, Inc., which had served NBC in a consulting and advisory capacity for the previous two years.

X X X X X X X X

PRALL TO READ ROOSEVELT'S MESSAGE TO MUTUAL

Commissioner Anning S. Prall, Chairman of the Federal Communications Commission, will read President Roosevelt's message of welcome to the Mutual Broadcasting System on the occasion of Mutual's coast-to-coast expansion, Tuesday, December 29, at 10 P.M., EST. The message from Washington will open the first dedicatory program in honor of Mutual's expansion to the West Coast through the affiliation of the Don Lee network.

Following the Commissioner's message, Alfred J. McCosker, Chairman of the Board of Mutual, and President of WOP, and W. E. Macfarlane, President of Mutual, will formally accept the President's and Commissioner's greetings.

X X X X X X X X

GRUNOW ADVERTISING POLICY CRITICIZED

Taking exception to a change in the advertising policy of the Grunow Radio Company, John J. Fitzgerald writes in the Editor & Publisher:

"In recent months, the placement of this advertising on a general basis has been practically abandoned, due probably to the repudiation of copy, media, and usage by the various distributors and dealers who originally were influenced by the campaign, and who thus made it a success.

"The advertising effort has now taken the 'hit or miss' dealer-allowance route, despite the unfortunate experience, in the past, by the radio industry of this form of promotion.

"The underlying reasons must be either the pressure exerted by distributors and dealers to convert advertising expenditures into greater profits; or the ability of these factors to secure lower rates for the placement; or their repudiation of the copy that was effective in obtaining their interest."

X X X X X X X X X

NBC ANNOUNCES PLANS FOR WEST COAST EXPANSION

Greater expansion of NBC on the Pacific Coast and fuller service to listeners is forecast in contemplated changes in San Francisco and Hollywood, which were announced last week by Lenox R. Lohr, President of the National Broadcasting Company.

"In order to meet the present high demand for more programs originating on the Pacific Coast, we are surveying the situation in San Francisco and Hollywood", Mr. Lohr said. "The aim of the survey will be a re-adjustment of personnel and artist staff in these cities, to balance the situation between them.

"The Hollywood Studio facilities and staff will be doubled", he stated, "in order to meet the needs of the new set-up, which will permit greater variety in programs, with sustaining offerings originating in both cities, instead of in San Francisco only, as at present."

Construction plans now being drawn under the direction of O. B. Hanson, NBC Chief Engineer, call for complete rearrangement of the present Hollywood quarters, built only a year ago, and for an increase in the number of studios from the four now in use, to eight. Two more stage studios will be built. A master control board will be installed. The latest and most efficient system of diffused lighting, minimizing heat radiation, will be incorporated and the entire building will be air-conditioned. The revised plant is expected to be ready for operation September 1, 1937.

X X X X X X X X X

NOTES

The addition of WCTN, Minneapolis, as a member of the NBC-Blue Network and the change of KSTP, with studios in both St. Paul and Minneapolis, from the NBC Northwestern Group to the Basic Red Network, were announced last week. Simultaneously, it was stated that KGHF, Pueblo, Col., will join the NBC networks on January 1st as an optional outlet in NBC Blue Mountain Group.

Denial of an application by Smith, Keller & Cole, San Diego, Cal., for a new station permit on 1200 kc., 100 watts power, daytime, was recommended to the Federal Communications Commission this week on the ground that the applicant was not financially qualified and that a similar application from the Pacific Acceptance Corp. is pending.

Commissioner George Henry Payne will speak on "Journalism and Radio - A Crisis", December 31st in St. Louis as the joint meeting of the American Association of Schools and Departments of Journalism and the American Association of Teachers of Journalism.

The Radio Manufacturers' Association's Board of Directors will meet January 13th at the Stevens Hotel, Chicago, Illinois.

Harry C. Butcher, resident Vice-President in Washington of the Columbia Broadcasting System was among the guests at a farewell dinner given to Joseph E. Davies, newly appointed Ambassador to Russia, at the Burning Tree Country Club in Washington, D. C.

Ralph A. Norberg, Sales Manager of WJJD, Chicago, for five years, has been named Commercial Manager of Station WGY to succeed Stanley Spencer.

The Electrical Division, U. S. Bureau of Foreign and Domestic Commerce, has issued a comprehensive list of all publications known to the office as bearing on any phase of radio. The list is classified according to general subjects and may be obtained from the Electrical Division.

THERE WILL BE NO ISSUE ON FRIDAY, DECEMBER 25, DUE TO THE FACT THAT THE GOVERNMENT DEPARTMENTS ARE CLOSED FOR THE HOLIDAY AND WEEK-END.

A MERRY CHRISTMAS TO ALL

R. D. H.

X X X X X X X X X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

DEC 30 1936

INDEX TO ISSUE OF DECEMBER 29, 1936

Television Looms As Big Question Mark Of 1937.....	2
U.S. Adheres to 10 Kilocycle Separation in C. C. I. P. Report.....	3
U.S. Television Technical Equal To Britain's.....	4
October Breaks All Broadcast and Records.....	5
Soviets To Designate "Snipers of Ether".....	6
Frank Arnold To Write Weekly Radio Column.....	6
U.S. To Publish Magazine For Listeners.....	7
Beauty Culture, Barred on Radio, Makes Television Debut.....	7
A British "Pioneer" Looks At U.S. Broadcasting.....	8
BBC Has 60,000 Records In Its Library.....	9
BBC Television Range Still 25 Miles.....	9
Lemmon Lauded As Unique Education Broadcaster.....	10
NBC Cites News Records In Reviews Of Year's Work.....	10
Paley To Greet New Pacific Network.....	11
British Critic Calls U.S. W. Stations "Elusive".....	11
Roosevelt Led U.S. Officials in Time on the Air.....	12
W. B. S. To Occupy Larger Plant In Chicago.....	12

No. 992

g L my p J

December 29, 1936

TELEVISION LOOMS AS BIG QUESTION MARK OF 1937

With the entire radio industry - manufacturers as well as broadcasters - ending what is expected to be the most prosperous year in the trade's brief history, all eyes are turning to 1937 in expectation of even greater things.

As the industrial upswing gains momentum weekly there is every indication that the industry will continue to prosper and probably establish new records in the new year. The field of speculation consequently shifts to the technical aspects of broadcasting with television standing forth as the big question mark of 1937.

While the majority of leaders in the industry take the position that technical developments are not yet ripe for public reception of television, there are indications that one or more experimenter will try to jump the gun in 1937 even though ownership of televisors would be limited to the luxury class.

The Federal Communications Commission, however, holds the television strings by restricting the art to the experimental field, and its engineers hold that neither the public nor the industry is ready for the new form of transmission.

Public interest is daily growing stronger in television, however, because of developments abroad, especially the regular service of the British Broadcasting Corporation, and the private demonstrations in this country, all duly reported in the press.

Consequently the demand for some public exhibition of visual broadcasting may exert sufficient pressure both on the industry and the FCC to bring television into being as a plaything just as radio reception was in the days of the crystal set.

Next to television facsimile broadcasting attracts the most speculative interest because of the possibilities it suggests even to the layman's mind.

While much less interesting to the public, technical developments in the ultra short-wave bands, the attitude of the FCC toward super-power broadcasting, preservation of clear channels, and the economic rights of broadcasters will be watched with vital concern.

12/27/36

Outstanding among the developments in the radio field in 1936 were:

The technical progress in television with experiments shifted from the laboratory to studios.

The tremendous growth in newspaper ownership of radio stations. Newspapers now control about 180 of 675 licensed stations.

A considerable let-down in the opposition of publishers and press associations to the broadcasting of news.

An increase in the number of international broadcasts and inauguration of the short-wave service by the National Broadcasting Company to Latin America in competition with European short-wave stations.

Increased public interest in short-wave reception of foreign stations and the general substitution of all-wave receivers for the limited long-wave sets by manufacturers.

The most sensational innovation in broadcasting program technique was made by the Republican National Committee and Senator Vandenberg, of Michigan, with the now-famed broadcast of the record-voice of President Roosevelt.

Outstanding in a year of many veiled charges of political pressure being exerted on the FCC was the "Willard Hotel Incident" which led to an inquiry by the Justice Department and the commission itself and produced nothing but a considerable amount of newspaper headlines and copy and much "off the record" gossip.

X X X X X X X X X X

U.S. ADHERES TO 10 KC. SEPARATION IN C.C.I.F. REPORT

Adherence to the 10-kilocycle separation between broadcasting stations, with the geographical distances such that the field intensity of the undesired station does not exceed 0.5 the field intensity of the desired station at the outer edge of the primary service area, is recommended by the United States in report to fourth meeting of the C. C. I. F.

Commander T.A.M. Craven, Chief Engineer of the FCC, and Chairman of the committees preparing for the Bucharest conference, has sent out a proposed draft of the report, summarizing the recommendations of several European countries, and asked for criticisms prior to January 5, the latest date at which changes may be made.

He invites particular attention to the following statement of the position of the United States:

"A reasonable frequency separation is ten kilocycles with such geographical separation depending on the ground conductivity, operating frequency, and power, that the field intensity of the undesired station does not exceed approximately 0.5 the field intensity of the desired station at the outer edge of the primary service area."

The Ministry of Posts and Telegraphs of the Republic of Czechoslovakia proposed that each country be assigned a "privileged station" of high power and 20 kilocycles separated from stations on adjacent channels. These stations would be equipped to transmit high quality programs and meet other technical requirements. It is further proposed that other stations be required to limit the modulation frequencies by a filter to a value of 300 to 3500 cycles per second to facilitate distant reception. All receivers to accommodate these stations and the privileged stations would necessarily require variable selectivity controls.

The French Administration suggested that from the sole point of view of the quality of radiophone reception, the separation between stations should theoretically 15 kilocycles but as a practical matter this separation cannot be obtained. High frequency broadcast stations should be given as far as possible a separation greater than 9 kilocycles.

The British Administration agreed with the French view and further states that owing to the particular conditions existing in Europe and undesirable compromise of 9 or even 8 kilocycles separation has had to be accented. For the high frequency stations 10 kilocycle separations should be fixed as the minimum.

The International Broadcasting Union present views substantially in agreement with the French and British Administration.

X X X X X X X X X X

U. S. TELEVISION TECHNICAL EQUAL TO BRITAIN'S

Television in this country is technically apace with that in England, despite the public transmission of the British Broadcasting Corporation. A correspondent writing in WORLD RADIC, BBC Journal says:

"Now that the glamour surrounding the inauguration of the American and British public television displays has cleared away, writers-in-America, at least--are getting their first clear perspective of the actual visual broadcasting situation. It appears to me

12/29/36

that television on both sides of the Atlantic has achieved about the same measures of technical progress, with England having a certain lead in that the BBC has advanced publicly with their work further than the FCA, Philco, or Farnsworth, in America. But there are reasons for this that I shall mention later.

"Now that the original publicity is over, the industry sits down on this side to its deepest concentration on these secondary problems that are so important to television's public success--or failure. On an international scale it is a friendly battle between England and the United States. Owing to a greater commercial field from which to reap rewards, more money is tied up in the American television adventure. It is this great financial investment that has developed the conservativeness in the American scheme rather than lagging behind England in progress!"

XXX X X X X X X X X

OCTOBER BREAKS ALL BROADCAST AND RECORDS

Broadcast advertising experienced the greatest month in the history of the medium during October, according to the National Association of Broadcasters. Gross time sales amounted \$11,514,505, an increase of 34.8% over September and gain of 37.2% over October 1935. All portions of the medium registered the greatest volume of sales in history. Total gross time sales for the first ten months of current year were 20.5% ahead of the 1935 level for the corresponding period. Radio broadcasting showed the greatest gain over September of any major medium.

Total non-network advertising increased 31.4% over the preceding month. The greatest gain was shown by the clear channel group which rose 38.8%, although all classes of stations registered substantial increases. All sections of the country shared in the increased business, the South Atlantic-South Central Area and the North Central Area leading with increases over the preceding month of 36.9% and 36.3%, respectively. All classes of stations and sections of the country were well ahead of October 1935 non-network sales.

Transcriptions showed the greatest increase of any type of rendition over last month, rising 41.6%. All types of rendition, however, enjoyed marked increases. Announcements and transcriptions showed the principal gains in the national non-network field, while transcriptions and live talent led in the local field.

12/29/36

All sponsor groups with a few minor exceptions gained as compared to September. Mainly because of sponsored political broadcasts, the miscellaneous group enjoyed the greatest increase over September, rising 94.2%. Principal gains were registered in the automotive, clothing, drugs and pharmaceuticals, food-stuffs, soap and kitchen supply and department store sponsor groups. The miscellaneous group showed nearly a threefold increase over last October. Soap and kitchen supply volume rose 90.4% and department store advertising 63.1% as compared to the corresponding month of last year.

X X X X X X X X X X

SOVIETS TO DESIGNATE "SNIPERS OF ETHER"

The Entral Council of the Society for Aerial and Chemical Defence of the U.S.S.R. has decided to introduce the title of "Sniper of the Ether" and "Master of Short-Wave Connexions," to be awarded to their members--short-wave amateurs who attain special results in the establishment of distant connexions.

The title may be conferred on one who establishes radio-telegraphic connexion with all the continents and must have worked in the field of distant connexions for not less than five years, as well as have carried out experiments. "Snipers of the Ether" and "Masters of Short-Wave Connexions" are given special badges. They are also allowed to send out special "sniper" QSL cards indicating the call-letters of the station. There are more than five hundred short-wave amateur stations in Russia.

X X X X X X X X X X

FRANK ARNOLD TO WRITE WEEKLY RADIO COLUMN

Frank A. Arnold, formerly with the National Broadcasting Company and a veteran advertising executive, will write a weekly column on developments in radio and television for Editor and Publisher beginning with the new year.

In announcing the feature, Editor and Publisher called attention to the growth in newspaper ownership and operation of broadcasting stations.

"Wide newspaper interest in the radio field", it said, "is indicated by the fact that newspapers now own or have working relationships with approximately 180 of the 685 licensed broadcasting stations, with many more newspaper applications of facilities pending."

12/29/36

U. S. TO PUBLISH MAGAZINE FOR LISTENERS

Beginning in January the Office of Education will issue a monthly magazine entitled "The World is Yours" for distribution to the thousands of listeners to the Office of Education-Smithsonian Institution Sunday morning broadcasts, dramatizing the Smithsonian.

The Magazine will consist of 24 pages, eight of them to be given over to rotogravure art. Reading contents will include two pages of explanatory material for each of the broadcasts to be given that month (this will replace the weekly background sheets sent out by the radio project); a Smithsonian scientific story of the month (the January issue will deal with Dr. Charles G. Abbott's much publicized solar machine); and other scientific and educational material. The first number will include a story on the Smithsonian Institution. Twenty-five thousand copies of the January issue are to be printed.

Bernard Schoenfeld, who has been doing the "World Is Yours" radio scripts will be the editor, with William N. Thompson and Thomas A. Reynolds as art editors.

X X X X X X X X X X

BEAUTY CULTURE, BARRED ON RADIO, MAKES TELEVISION DEBUT

The first television demonstration of health and beauty culture has been given by the British Broadcasting Corporation. A young lady showed exercises designed for all ages, recently, some of which were calculated to bring hope to those who could no more touch their toes (without bending the knees) than swim the English Channel. "There has never been any demand for broadcast physical jerks in Britain--not even when attempts have been made to whip up enthusiasm in the subject", the BBC commented, "But apart from any physical benefits received, there might be considerable entertainment value in such transmissions by television".

X X X X X X X X X X

A favorable report upon an application for a permit to erect a new broadcasting station at Brownwood, Texas, for operation on 1370 kc. with 100 watts power, daytime, was filed with the FCC this week by Examiner R. H. Hyde. The applicant is the Brownwood Broadcasting Co.

12/29/36

A BRITISH "PIONEER" LOOKS AT U.S. BROADCASTING

Impressions of broadcasting in the United States are set forth in a recent issue of WORLD-RADIO, BBC Journal, by one who is labelled a "Broadcasting Pioneer" but left unnamed.

After reviewing some of the factual aspects of broadcasting as seen in New York City, the writer says:

"Many brains are at work both within and without the American broadcasting chains seeking new and attractive programme features. An American firm of motor manufacturers, alive to the fact that women play an important part in the choice of a car, has arranged a weekly "Fashion parade," during which elegantly attired mannequins are described by a designer who has been closely identified with the "Folies Bergeres" at Paris. This broadcast obviously makes considerable demands upon the imagination. It will be interesting to see how far this new development in broadcasting technique justifies itself.

"Television would place the success of a programme of this order beyond doubt, but for a widespread exploitation of television Americans will have, I imagine, to wait some little time. The tests now taking place are full of promise. Televised films and studio performances are presented alternately. A standard of 441 lines, with double scanning equal to 60 images a second, will be used eventually, but the exploiters appear determined not to sell receivers to the public until the replaceable parts in the sets have been so simplified and standardised that a woman can choose and change them over. The programme side of television presents perhaps an even greater problem to American broadcasters than to those in Europe, as the necessary financial support from "sponsors" is unlikely to be forthcoming until a large area of service and a large number of viewers have been secured.

"The American programmes to be heard in New York contain some excellent musical material, smart dialogues, and frequent novelties. Their precision in presentation is admirable, but one feels that from time to time the exigencies of the commercialized programme system must be causing uneasy moments for those who are artistically inclined amongst the programme executive. For example, a talk on "Angels" from one station on Sunday morning last was followed immediately by another on kidney disorders! This sort of thing, I am sure, will become impossible as the broadcasting art in America develops.

"Everyone I have met who is associated with American broadcasting believes it to be the best in the world. Whether this is so or not, those responsible for American broadcasting on the big scale seem to possess one common virtue: they are conscious that much still remains to be done in the development of the art, and are determined to do it.

"My remarks in this article concern general broadcasting as conducted by the big chains of stations. There are, however, 600 stations in the United States, half of which are not associated with the chains. Generally speaking, the independent stations have but limited radii of service. A small number are operated by Universities and other educational institutions."

X X X X X X X X X

BBC HAS 60,000 RECORDS IN ITS LIBRARY

The BBC gramophone library now contains something like 60,000 records, and the number is being increased at the rate of 300 a month. Thousands of records of an ephemeral character are scrapped after a short time in use, and all the records preserved are of more than temporary interest. The library contains practically every piece of classical music, instrumental and vocal, published, as well as the best examples of every other branch of music. Some of the records are of considerable historical value, such as those of Caruso, Patti, Calve, Edouard de Reszke, and a very rare record of Charles Santley. There are also records from the Cominions and Crown Colonies, French-Canadian songs, Maori songs, and many Gaelic, Erse, and Welsh records. The 'curiosity' records include Haydn's 'Flute Clock' and a record of music played by a troupe of sea lions.

X X X X X X X X X X X

BBC TELEVISION RANGE STILL 25 MILES

"The range of the television transmissions by the British Broadcasting Corporation in London is still only 25 miles", a BBC statement explained.

There seems to be a certain amount of confusion in the public mind about the range of television. In the House of Commons (where two television receivers have been installed, although the members have always resisted the intrusion of sound broadcasting), Mr. Bessom asked the Lord President of the Council, Mr. Ramsay MacDonald, whether the Government would make the necessary arrangements to instal television apparatus in Westminster Abbey, so that the actual Coronation ceremony might be witnessed throughout the Empire. Mr. MacDonald hoped that the question would not be pressed until experiments had gone a little farther. The sound programmes from Alexandra Palace have been received over wide areas--they have been remarkably well heard in Johannesburg, for example. But there has been no substantial increase in the range of television--twenty five miles--since the service was inaugurated.

12/29/36

LEMMON LAUDED AS UNIQUE EDUCATIONAL BROADCASTER

An unusual tribute to the activities of Walter S. Lemmon, of Boston, and his non-profit-making short-wave station W1XAL, was carried in the December 21 issue of TIME magazine.

Pointing out that Mr. Lemmon had declined to make an address at the First National Conference on Educational Broadcasting in Washington, TIME had this to say about the unique educational station and its owner:

"Stocky, blond Engineer Lemmon, who was wireless operator on the GEORGE WASHINGTON when it took Woodrow Wilson to the Peace Conference, made a fortune from his patent on single-dial radio control, is now research chief for International Business Machines Corporation.

"Since Engineer Lemmon foots all the bills for W1XAL himself, his station is not likely to set a precedent."

The articles pointed out that the Boston station had since 1934 broadcast lectures and lessons by Harvard, Radcliffe, and Boston university professors, as well as chamber music, and the complete public program of this year's Harvard Tercentenary.

X X X X X X X X X X

NBC CITES NEWS RECORDS IN REVIEWS OF YEAR'S WORK

The National Broadcasting Company called attention to numerous records it made in 1936 in a voluminous year-end review sent out by its press department. In addition, David Sarnoff, President of RCA, and Lenox R. Lohr, President, of NBC, issued statements citing the tenth anniversary of NBC and predicting more progress in 1937.

Among the achievements to which NBC pointed with pride were:

The signing of 26 new broadcast outlets, bringing the number of affiliated stations to all-time high of 111 as of January 1, 1937.

The broadcasting of 342 foreign programs from 38 countries during the first ten months of 1936--more than carried during the entire 1935.

Educational programs increased until they accounted for about 25 per cent of the NBC schedule. Religious programs gained 14 per cent and represented a total of 250 hours.

The transfer of television from RCA laboratories to NBC studios, development of the micro-wave transmitter, and the construction of an ultra-modern vertical radiator antenna for WJZ, New York.

X X X X X X X X X X X

PALEY TO GREET NEW PACIFIC NETWORK

A special two-hour broadcast, originating in New York and Hollywood, will welcome Columbia's new Pacific coast network to the nationwide system on Saturday, January 2, starting at 10:30 pm EST. William S. Paley, president of the Columbia Broadcasting System, will officially welcome KNX, Hollywood, and KSFO, San Francisco. Major Edward Bowes, acting as master-of-ceremonies during the first hour of the program, will introduce such radio stars as Phil Baker, Nino Martini, Rubinoff, Pic and Pat, George Burns and Gracie Allen, Kay Thompson and her Rhythm Singers, Milton Berle, Al Pearce and Arlene Harris.

X X X X X X X X X X X

BRITISH CRITIC CALLS U.S.S.W. STATIONS "ELUSIVE"

A British critic, writing in the December 11 issue of WORLD-RADIO, has this to say of American short-wave stations, which he subsequently discusses in detail:

"Probably the great majority of people in this country who purchase a short-wave or all-wave receiver do so with the specific object of listening to the radio programmes of Uncle Sam. But, having bought their receiver, they may find that the American stations are not quite as easy to receive as the advertisements would seem to indicate!

There is certainly no dearth of short-wave stations of high power in the United States, as a glance at the list of stations in WORLD-RADIO will show. Most of them are, nevertheless, rather elusive transmissions, and one has to search for them intelligently to obtain good results. The bashfulness of these stations may be partly explained by the fact that only two of them--Boston (WIXAL) and Schenectady--employ aerials directional to Europe; and even then the Schenectady transmitters only use their European aerial on the special occasions."

12/29/36

ROOSEVELT LED U.S. OFFICIALS IN TIME ON THE AIR

President Roosevelt led the list of high federal officials heard over NBC networks during the year, with 33 appearances, eight of which were sponsored by the Democratic National Committee. With one other radio address scheduled for December, this will bring his total number of NBC microphone appearances during his administration to 90 for the four years since his inauguration. Second on the list was Postmaster General Farley, who made 26 appearances, with Secretary of Agriculture Wallace coming third with 22 appearances. Vice President John Nance Garner set a new record when he made six NBC addresses during the year, the first since his inauguration.

Figures released by NBC show that although there has been an increase in the number of officials appearing on the radio, the actual broadcast time decreased 29.4 over the first 10 months of year. During 1935 the average speaking time amounted to 21 minutes, but this figure was cut to 13 minutes during the first months of 1936.

X X X X X X X X X X X X

W B S TO OCCUPY LARGER PLANT IN CHICAGO

Chicago headquarters of World Broadcasting System will move early in 1937 to a new location at the southeast corner of Erie Street and Fairbank Court. World is planning to occupy its new building by February, according to an announcement by P. L. Deutsch, President of WBS.

Greatly increased activity among transcription advertisers in the midwest area has encouraged the move to larger quarters. The selection of the site in the upper Michigan Avenue district was influenced by its proximity to Chicago's radio and advertising centers, according to A. J. Kendrick, Vice President in Charge. At present World's Chicago offices are located in the Daily News Building, 400 West Madison St.

X X X X X X X X X X X X

Radio City, NBC headquarters in New York city, was second only to Mount Vernon, home of George Washington, as a sightsees' mecca in 1936. It drew 497,399 persons during the first 11 months of the year.