

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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E. P. H. JAMES



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March 2, 1937

## U. S. TO ATTEND NORTH AMERICAN RADIO CONFERENCE

With the aim of eliminating the troublesome Mexican border broadcasting stations, which operate on unauthorized wavelengths, and of ironing out differences between North American countries on long and short-wave frequency allocations, the United States will participate this month in a preliminary technical conference in Havana, Cuba.

The parley was called somewhat unexpectedly by the Cuban Government, and invitations were extended to the United States, Canada, and Mexico to attend. The American delegation will be announced this week by President Roosevelt.

The Havana Conference will be technical in character and will be preliminary to a general conclave of all North and South American nations in the Cuban capital next November.

Although the Federal Communications Commission was uncommunicative regarding the parley pending formal announcement by the President, it was learned that the following have been recommended as the U. S. delegates:

Commdr. T.A.M. Craven, FCC Chief Engineer; Lieut. E. K. Jett, Assistant Chief Engineer; Gerald C. Gross, Chief of the FCC International Section; and Harvey B. Otterman, State Department attorney.

The Havana meeting will be the first gathering of North American countries on radio problems since the Mexico City Conference of 1933, when the U. S. delegation quit the parley after Mexico had demanded a dozen exclusive channels and refused to outlaw the border stations operated by American promoters.

Whether the new conference will be any more successful is conjectural, but FCC engineers are optimistic. It is understood that Commander Craven will insist upon the North American allocation plan proposed by him and his staff in the recent engineering report to the Commission.

Ninety-six regular and ten high fidelity broadcast bands are available to the North American continent. The United States and Canada have an agreement by which this country uses 90 of the waves while Canada has six on an exclusive basis and a dozen regional channels shared with American stations. Canada also has stations operating on six local waves used in the

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United States and has one station assigned below the regular broadcast band on 540 kc.

It appears likely that the U. S. delegation will insist upon retention of at least 25 clear channels for this country, as recommended in the FCC report, and that Canada will demand the six exclusive channels it now holds.

Mexico and Cuba have never entered any agreement as to the use of broadcasting facilities.

The most serious interference with American broadcasting has come from the border stations in Mexico operated by former American broadcasters, such as Dr. John R. Brinkley, the "goat-gland specialist", and Norman T. Baker, cancer-cure claimant, formerly of Muscatine, Ia.

Operating with high power and using directional antennae pointed toward this country, these stations have caused technical interference and the type of advertising sponsored over the stations has brought many complaints to the FCC and the State Department, both of whom are powerless to curb the stations.

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#### PRICES ON TELEVISION RECEIVERS CUT IN BRITAIN

Following the adoption of one technical standard of television transmission from the British Broadcasting Corporation's station at the Alexandra Palace, London, British manufacturers announced startling reductions in the price of television receivers. It is now possible to obtain a receiver of reputable manufacture, which will receive both the television and sound signals from the Alexandra Palace, for as little as £60. Television receivers, which include also provision for the reception of ordinary broadcast programs either on the long, medium, or short wavebands, can be obtained for £80.

Most manufacturers have made arrangements for payments to be spread over a number of months, so that for a small initial deposit and further payments at the rate of one pound a week, it is now possible to own a television receiver. Some manufacturers even offer free service and maintenance of receivers during the period over which payments are being made.

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## COLUMBIA PUTS ON GOOD SHOW FOR W. H. CORRESPONDENTS

This was the year for the Columbia Broadcasting System to furnish the entertainment for the annual dinner given by the White House Newspaper Correspondents in Washington, attended by President Roosevelt and most of the other dignitaries in the Capital. Last year the National Broadcasting Company furnished the talent and each time one or the other of the broadcasting companies gives the President a first-hand idea of what the people in the studios actually look like.

Columbia's offering this year was exceptionally good. Lanny Ross, tenor, stopped the show with half a dozen encores. He, however, referred to President Roosevelt as the greatest radio artist.

Bob Trout, Columbia's presidential announcer, rather outshone the professional master of ceremonies provided for the occasion. Bob told the amusing story of how, when the President returned from Hawaii, he had to talk for one solid hour holding the radio audience until President Roosevelt decided to come ashore.

"It was probably the longest introduction anyone ever had to make for the President", Mr. Trout went on. "I talked and I talked and finally when to my relief, the President came down the gang-plank, all he said was, 'I'm glad to be home again', and then I said, 'This is the Columbia Broadcasting System.' And I say in closing the show tonight, 'This is the Columbia Broadcasting System.'"

Edward Klauber, the First Vice-President of Columbia was personally in charge of the entertainment. During the evening there was a toast to Harry Fitcher, Washington Vice-President of Columbia, who had been prevented from attending by a sudden attack of the grippe.

Preceding the dinner, cocktail parties were given by Columbia and NBC, the latter being made the occasion to meet Clay Morgan, new publicity representative.

Among those of the radio world who attended were:

Kenneth H. Berkeley, WRC, Washington, D.C.; Louis G. Caldwell, former General Counsel of the Federal Radio Commission; Vincent Callahan, Assistant to the Vice-President of NBC in Washington; Norman S. Case, Federal Communications Commissioner; James Chinn, Radio Editor, Washington Star; T.A.M. Craven, Chief Engineer, Federal Communications Commission; Hampson Gary, General Counsel, Federal Communications Commission; John Guider, radio counsel, Washington; F. P. Guthrie, R.C.A. Communications, Inc., Washington, D. C.; Robert D. Heinl, Heinl News Service, Washington, D. C.; Don Higgins, Acting Publicity Director for Columbia Broadcasting System, New York City.

Also, G. W. Johnstone, Station WOR, Newark; Paul Kesten, Vice-President, Columbia Broadcasting System, New York City; Edward Klauber, First Vice-President, Columbia Broadcasting System, New York City; Philip G. Loucks, Radio Counsel, Washington, D. C.; Clay Morgan, new Publicity Director, National Broadcasting Company, New York City; Frank Page, Vice-President I. T. & T., New York City; Duke Patrick, former General Counsel of the Federal Radio Commission, Washington, D. C.; Anning S. Prall, Chairman, Federal Communications Commission; Victor M. Ratner, Columbia Broadcasting System, New York City; A. D. Ring, Assistant Chief Engineer, Federal Communications Commission; John S. Royal, Vice-President, National Broadcasting Company, New York City; J. D. Secrest, Washington Post; Oswald F. Schuette, Radio Corporation of America, Washington, D. C.; Kurt Sell, German Broadcasting Company, Washington, D. C.; Carleton Smith, National Broadcasting Company, Washington, D.C.; Sol Taishoff, publisher of Broadcasting magazine; Paul White, Columbia Broadcasting System, New York City; A. D. ("Jess") Willard, Jr., Manager of Station WJSV, Washington, D. C.; and Frank Wisner, head of the publicity section, Federal Communications Commission.

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#### \$150,000 ENDOWMENT SOUGHT BY U. S. EDUCATION COMMITTEE

A fund of approximately \$150,000 for furtherance of radio educational programs has been recommended by a sub-committee of the Federal Radio Education Committee named last year by the Federal Communications Commission. The Committee is headed by Dr. John W. Studebaker, Director of the U. S. Office of Education, and comprises 40 leading educators, broadcasters and representatives of religious, welfare and other groups.

Conversations with officials representing the Carnegie and Rockefeller foundations have been in progress for several weeks through a subcommittee of the Federal group with likelihood of the endowment being forthcoming from those organizations.

Members of the finance sub-committee include James W. Baldwin, Managing Director of the National Association of Broadcasters; Frederic A. Willis, Assistant to the President of Columbia Broadcasting System, and John F. Royal, Program Vice-President of the National Broadcasting Company, for the broadcasting industry, along with Dr. Levering Tyson, President of Muehlenberg College and retired Executive Secretary of the National Advisory Council for Radio in Education; Dr. W. W. Charters, of Ohio State University, and Hadley Cantril of Yale, representing the educational group.

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## RADIO INQUIRY, NEWSPAPER CURB AT STANDSTILL IN CAPITOL

Both the proposal of Senator Wheeler, Chairman of the Senate Interstate Commerce Committee, to prohibit newspaper ownership of radio stations and that of Representative Connery, Chairman of the House Labor Committee, for an investigation of the broadcasting industry are apparently at a standstill.

Despite efforts of Mr. Connery to get a hearing on his resolution, the House Rules Committee so far has not granted him a hearing. Senator Wheeler, after obtaining the data he requested on newspaper ownership of radio stations, has taken no steps toward drawing up corrective legislation as he threatened.

The delay may be due partly to the fact that the President's judiciary proposal has crowded all other legislation out of the way temporarily. However, newspaper interests are inclined to believe that Senator Wheeler will not push his proposed ban on newspaper control of broadcasting outlets.

The radio investigation asked by Congressman Connery appears at this stage to have a better chance, but it may be so hedged about with safeguards that it will not amount to much when ordered. Chairman O'Connor, of the Rules Committee, is determined that no harm will come to his good friend, Anning S. Prall, Chairman of the Federal Communications Commission.

Meanwhile, newspapers and their trade organs have been denouncing Senator Wheeler's proposed curb in editorials.

The Hartford Times suggested that <sup>if</sup> newspapers are not to be permitted to operate broadcasting stations then radio should be compelled to gather its own news.

The paper points out that newspapers exist primarily for the purpose of presenting the news of the world through the medium of paper and ink and that radio is merely another means of presenting the news.

Editor and Publisher had this to say, among other things, of the Wheeler idea:

"After reading all the legal hems and haws in the opinion of Mr. Hampson Gary on the right of Congress to prohibit newspaper ownership of radio stations, we must conclude that counsel for the Federal Communications Commission has no more knowledge and no better guesses than any other human, judge, lawyer, or layman.

"To our prejudiced mind, the proposal of Senator Wheeler to bar newspapers from radio is ridiculous. If ever

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science and commerce produced a pair of natural adjuncts, they did when radio entered the field of public communications previously dominated by newspapers. During the past century, the press has laboriously constructed a machine for supplying the nation with intelligence the like of which recorded history has not seen. The machine functions, if not to perfection, with greater precision and smoothness than any other instrument of our civilization. With slight modifications, it can be applied to the new communications medium at a maximum of public convenience and a minimum of duplicated effort and expense.

"It is being applied in that manner by more than 150 daily newspapers which now own or operate stations. The number has increased steadily as newspapers have come to recognize that kinship unites the press and broadcasting more strongly than their competitive aspects separate them. The competition which raged for several years was senseless and hurtful to all concerned.

"Forget all cries of 'freedom of the press', 'due process of law' and the other legal shibboleths. Consider the question on the basis of straight common sense, and no other conclusion can be reached than that no radio-press monopoly is likely under existing law and under existing commercial conditions."

Newsdom, another trade organ, says:

"Word comes from Washington that Senator Wheeler's abortive scheme to prohibit newspapers from owning radio stations will be given a fitting burial in one of the many bureaucratic wastebaskets which are rarely called into service for such a purpose.

"Senator Wheeler's pet phobia, monopoly, carries him to extremes at times. He fears that the press will control the principal means of communications if publishers are permitted to own radio stations and broadcast news therefrom. But as the Hartford Times points out this week, the newspaper's main function is not only to gather news and disseminate it through the medium of paper and ink, but also to feed it to the radio which has no large news gathering organizations of its own.

"Our principal press associations, the United Press, Associated Press and International News Service are the main sources of news now being broadcast and rehashed by commentators. Surely Senator Wheeler would not contend that any one of these groups holds a monopoly on news. It does not take an act of Congress to permit any outside group to compete with these press associations if that group sees fit to do so. Of course it may take the outsiders many years to acquire the

technique of news gathering and the experience may involve a huge expense yet they can do so if they so desire.

"The complainant in the case seems to be Senator Wheeler who has set up a straw man that he may knock him down with a vengeance to the delight of demagogic press-baiters."

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CORONATION TO PUT TELEVISION TO PRACTICAL TEST

The first practical use of television on a large scale in connection with a public spectacle is to take place in London this Spring, when views of the coronation procession will be broadcast by the British Broadcasting Corporation.

Workmen are already engaged along the route in the West End of London in laying wires that will connect machines on the spot with the company's Alexandra studio.

It is reported that the coronation broadcast will involve a large expenditure by the corporation, the cost of writing alone being about £ per yard.

Although the Derby horse race was televised last year, it was a private enterorise and more in the nature of an experiment than a practical demonstration of television.

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ROOSEVELT, JR. ATTENDS KLAUBER "SIT-DOWN" LUNCHEON

A flattering turnout, including James Roosevelt, the President's newest secretary, greeted Edward Klauber, First Vice-President of the Columbia Broadcasting System, at a beautifully staged luncheon in Washington last Friday,

"Harry Butcher, Columbia V-P, in the Capital, is right up with the times in having a 'sit-down' luncheon as differentiated from the numerous buffet affairs so frequently encountered in Washington", one of the guests observed, as he sat down apparently grateful to be served at a table in the old-fashioned way.

Mr. Klauber came to Washington to attend the White House Correspondents' Dinner, the entertainment for which Columbia furnished this year. The only speech made at the luncheon was the imprompty breaking in of District Commissioner George E. Allen, who told about an intelligence test he had been holding at his office a short time before. It was for a man seeking a job in one of the Washington city



departments. Commissioner Allen, having the luncheon in mind, asked him, "How many people work for Columbia?" To which the applicant immediately replied, "About one-third."

Among those who came to meet Mr. Klauber were Secretary of Agriculture Wallace; Stephen Early and Marvin McIntyre, secretaries to the President; Lawrence Richey, who served as secretary to President Hoover; Joseph Tumulty, who served in the same capacity to President Wilson; Chester C. Davis, of the Federal Reserve System; Judge Eugene O. Sykes, Federal Communications Commissioner; Admiral W. D. Leahy; Merle Thorpe, Editor of the Nation's Business; Bond Geddes, Vice-President of the Radio Manufacturers' Association; Martin Coedel and Sol Taishoff, publishers of Broadcasting magazine; Louis G. Caldwell, counsel for Station WGN, Chicago; Arthur Sears Henning, Chicago Tribune; Hal Smith, New York Times; Paul Leach, Chicago Daily News; Charles O. Gridley, President, National Press Club; William Dolph, Station WOL, Washington; Frank M. Russell, Vice-President, National Broadcasting Company; Paul Porter, new attorney for Columbia in Washington, and A. D. ("Jess") Willard, Jr., Manager of Station WJSV.

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#### BRITISH RADIO LICENSES NUMBER 8,071,464

The total number of radio receiver licenses in force in Great Britain at the end of January, 1937, was 8,071,464. This figure compares with 7,478,617 at the end of January, 1936, and represents an increase during the year of 592,847.

Every owner of a wireless receiver in Great Britain and Northern Ireland must obtain from the British Post Office an annual license, which costs ten shillings. Free licenses, however, are issued to blind persons. Under the terms of its Royal Charter the British Broadcasting Corporation receives approximately six shillings and tenpence from each license fee.

In the High Court of Justice in London recently, the decision of the Postmaster-General that listeners who receive their broadcast programs through the medium of wireless exchanges must each purchase a wireless receiving license was upheld. Wireless exchanges are numerous throughout Great Britain. By this practice a central receiver is established in a congested area or within a large block of flats, and in return for a small annual payment listeners can obtain their programs from a loudspeaker provided by the operating company, which is connected to the central receiver by means of specially installed wiring. Listeners who receive their programs in this manner number several hundred thousand.

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## UNDER-BIDDING ON GREEK STATION IS DISCLOSED

"Further details are now available regarding the radio broadcasting station contract recently awarded to Telefunken", writes U. S. Commercial Attache K. L. Rankin, from Athens:

"As a means of out-maneuvering the 5 other bidders whose tenders were being considered by the Greek Ministry of Communications, Telefunken made a last minute offer to supply a 15 kw. transmitter at the price of a 10 kw. unit. Telefunken further offered to have it ready for operation within 3 months from the completion by the Government of the necessary building. The price quoted for a 10 kw. transmitter, which also applies to the 15 kw. unit, was 225,664 reichsmarks payable in 7 annual installments at 6 percent interest per annum. Payment will be effected, of course, through the Greco-German clearing arrangement. Telefunken further promised to make the Greek Government a present of the 15 kw. transmitter if it is awarded the contract for the 100 kw. station which is being contemplated for Athens at a later date.

"For these considerations presented at the last minute, the Government decided to ignore all the tenders for 10 kw. transmitters and accept Telefunken's offer for a 15 kw. installation, without giving a chance to the other bona fide bidders to amend their tenders.

"The thing which now worries the unsuccessful bidders is not so much the loss of the comparatively unimportant contract for a 10 kw. or 15 kw. transmitter but the possibility of the purchase from Telefunken of the larger station without an adjudication on the basis of the attractive offer made by the firm in connection with the sale of the 15 kw. unit."

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## RCA NET PROFIT FOR '36 IS 20% ABOVE '35

The annual report of the Radio Corporation of America, issued late last week, shows that its net profit for 1936 was \$6,155,937, an increase of 20 percent over the net of \$5,126,672 in 1935. After allowing for all preferred dividends paid or accrued in the year, there remained \$2,845,285 applicable to the common stock, or 20½ cents a share.

Gross income received by the corporation from all sources, including both sales and service, amounted to \$101,186,310, compared with \$89,228,898 in 1935, an increase of 13.4 percent. The cost of operation for 1936 was \$89,722,151, compared with \$78,885,740 in the preceding year. Included in the cost

of operations are those for goods manufactured and the operating expenses for broadcasting and communication services, as well as the costs of research and development, advertising, selling and administration.

The net income for 1936, before deductions for Federal income taxes, interest, depreciation and amortization of patents, amounted to \$11,464,159, compared with \$10,343,159 in 1935, a gain of 10.8 percent. Provision for Federal income taxes, interest, depreciation, amortization, etc. totaled \$5,308,223, compared with \$5,216,286 in the preceding year.

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\* \* INDUSTRY NOTES \* \*

Alfred J. McCosker, President of WOR, returned last week to WOR from a Winter vacation in Florida with Mrs. McCosker.

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Arcturus Radio Tube Company reports a net loss of \$213,178 for 1936, after inventory write-offs, compared with net profit in 1935 of \$23,480, equal to 2 cents each on 1,200,000 \$1 per capital shares.

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Effective April 1st, the rate for Station WEBC, Duluth-Superior, of the NBC Northwestern Group, is increased to \$140.00 per evening hour, according to Roy C. Witmer, NBC Vice-President in Charge of Sales. Current advertisers or new advertisers contracting for this station prior to April 1st, for a starting date of not later than 90 days from April 1st, may continue at the old rate of \$120.00 per evening hour for one year from April 1, 1937, as long as they continue the use of this station on a Network basis without interruption.

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Mr. Harry Butcher, who is suffering from the grippe is reported to be better at this date, his fever having broken. Mrs. Butcher, unfortunately has contracted it now and is on the sick list.

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J. R. Poppele, Chief Engineer of WOR, sailed last week on the "Statendaam" for an 18 day cruise to the West Indies and South America. Poppele is accompanied by Mrs. Poppele and their two daughters, June and Lorraine. Mr. Poppele, while at Caracas, Venezuela, will be a guest of honor at the opening ceremonies on March 6 of Station YV5RP, which will operate on 6270 kilocycles.

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### VENEZUELAN CURB ON RADIO IMPORTS REMOVED

An official announcement in the Caracas press states that it is no longer necessary to obtain special permission to import radio receiving sets and accessories. The text of the announcement is as follows:

"The Director of Telecommunications, by order of the Minister of Communications, announces to the trade of the country and to the public in general that, from that date, it is not necessary to request permission to import radio receiving apparatus or their accessories, as according to Article 80 of the Regulations of Radio transmission, it is only necessary to advise the appropriate custom house, in order that the functionary designated by the Direction of the Service may ascertain whether said apparatus and their accessories are or are not receivers and if the order conforms to the law."

The customs authorities, according to the law, should be advised when shipments of radio apparatus have arrived.

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### WRC ASKS NEW POWER AND TRANSMITTER SITE

Permission to install a new transmitter at a different location, increase the power, and erect a new antenna for Station WRC, outlet of the NBC Basic Red Network at Washington, D. C., is sought in an application filed with the Federal Communications Commission by the National Broadcasting Company.

Operation of WRC with the new equipment and the increased power would materially strengthen its signal and more than double its area of coverage, according to NBC engineers. At present, WRC operates with a power of 1,000 watts in the day and 500 watts at night on 950 kc. The NBC application is for an increase in power to 5,000 watts in the day and 1,000 watts at night.

The new transmitter to be used would be of the ultra-modern, high fidelity type, built by the Radio Corporation of America.

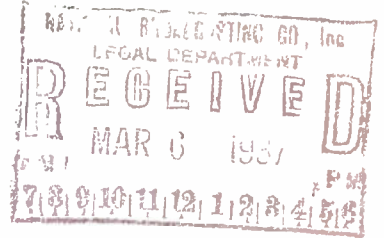
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*L.A. Hall*

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## STEWART RAPS PRESS CONTROL, ADDS TO FCC'S CALCULATION

Filing a dissenting opinion in the case of Dorrance D. Roderick, of El Paso, Texas, Commissioner Irvin Stewart this week made the first attack from the Federal Communications Commission on newspaper ownership of radio stations and submitted new figures to show that 200 stations, rather than 150 as stated by the FCC, are controlled by newspapers.

Mr. Stewart attacked the Roderick grant and urged a rehearing on the ground that it may result in the extermination of the only competing station KTSM, and thereby permit a newspaper to control the only broadcasting station in the community. Roderick also owns the El Paso Times.

His argument follows in general the line of reasoning of Senator Wheeler (D.), of Montana, who has stated he will introduce a bill to restrict newspaper ownership of broadcasting stations.

"Broadcasting has given the listener the means of checking on the newspaper", Commissioner Stewart said. "More important it has given him a means to supplement the information he gets from the paper, to get matter denied him in the process of editorial selection or because of the limited resources of the publisher. This does not mean that he always gets better or more accurate information over the radio. The reverse may often be the case. Editorial discretion is a part of the broadcaster's stock in trade as it is of the publisher. There are instances in which the broadcaster has used his editorial discretion in a manner heartily to be condemned by fair minded men. The main thing is that where the newspaper and the broadcast station are separately controlled, the listener may receive the full benefit of both - that he has more chance to decide for himself what is really happening, what its influence upon him, his family, his community, his country is likely to be. Obviously the newspaper and the broadcast station can not be checked against each other when both are under the same control. To some this solicitude for channels of information independent of each other may seem a counsel of confusion; to me, it is a principal hope of democracy.

"As possibly shedding some light on the question of public interest as affected by newspaper control of broadcast stations it may be observed that one of the most direct requests that the Commission limit the freedom of speech of broadcasters was made on behalf of the American Newspaper Publishers' Association. That Association, on June 22, 1936, requested the Commission to fix definite periods as the only times at which news could be broadcast.

"Persons familiar with developments in broadcasting are aware of the exceeding rapidity with which broadcast stations are passing into newspaper control. It is not possible to compile a list of newspaper controlled broadcast stations with assurance that it is complete. This is due to the fact that the Commission does not require the disclosure of information leading to ultimate control. Where the application of a station shows that its stock is owned by another company, the name of the owning company does not always give a clue to its real business. Thus one cannot state with absolute finality the number of broadcast stations owned or controlled by or affiliated with newspapers or persons interested in publishing newspapers. The number may be somewhat larger than that given below.

"Likewise it is not possible to define in a single term all types of relationship between newspapers and broadcast stations. In some cases the company owning a newspaper owns the broadcast station; in some the same holding company owns both; in some each is owned by a separate holding company, in turn owned by the same persons; in some the publisher of the newspaper owns the station as an individual; and there are several other variations of the same general idea. For simplicity of expression I am referring to all such cases collectively as newspaper controlled stations. In the total figures for newspaper controlled stations given below, there are included 29 existing stations and 12 pending applications where the ascertainable newspaper interest is 49% or less or the common relationship is one which may fall short of control.

"In an endeavor to obtain complete information as to newspaper control of broadcast stations, I have supplemented the information disclosed by the Commission's records with such outside information as is available. The totals given below include four existing stations where the newspaper interest is not apparent from the Commission's records; in these cases the interest common between the newspaper and the broadcast station may be short of controlling. Within the limitations set out above, the following figures show the situation with respect to newspaper controlled broadcast stations as of February 16, 1937:

Existing Stations: Controlled by Newspapers	Pending Applications to :Transfer Existing Stations: :to Newspaper Control	:Pending Applications :for New Stations: :be Newspaper Con- :trolled
200	8	103

The Commissioner then included a table showing the dates from which newspaper control of the stations had been continuous.

"Comparatively few of the present stations were newspaper controlled during the highly experimental period prior to the creation of the Federal Radio Commission", he continued. "Newspaper control of most of them dates from the time when broadcasting had definitely demonstrated its value as a news distributing medium and its power to make money as an advertising medium. More than one-half of them have come under newspaper control since January 1, 1934, after the revenues of broadcast stations had stood up so significantly during the depression. The greatest rate of increase has occurred since the establishment of the Federal Communications Commission. In 1935 the Commission approved nearly twice as many newspaper stations as during 1935. In the period January 1 - February 16, 1937, eight newspaper controlled stations have been authorized; in the same period of 1936 none were authorized.

"There is no reason to believe that the demand for newspaper controlled stations will not continue. Although broadcast stations have come under newspaper control at a constantly accelerating rate, there were pending on February 16, 1937, a total of 111 applications the granting of which would result in other stations coming under newspaper control. The corresponding figure stood at 97 on October 1, 1936, at 87 on August 1, 1936, and at 62 on February 1, 1936. In other words, in spite of the rapidity with which newspaper stations have been authorized, there has been a steady increase in the number of applications yet to be acted upon. Even the open-handed policy thus far pursued has not been able to keep up with the demands of newspapers for broadcast stations.

"To these newspaper stations which were among the pioneers in the development of broadcasting, much credit is due. However, the table shows that few of the stations presently controlled by newspapers were among the pioneers. Most of the newspapers now controlling stations merely jumped on the bandwagon.

"Of more than passing interest is the following: in the case of only 78 out of the total of 200 newspaper controlled stations does the newspaper interest date from the construction permit or other original authorization. In the other 122 cases the newspaper interest has been projected into an already existing station.

"There are 103 cities in which the only broadcast station is newspaper controlled, 8 cities with two broadcast stations each in which both stations are newspaper controlled, and 2 cities with three broadcast stations each in which all three are newspaper controlled. Thus there are 113 cities in which all local broadcast stations are under newspaper control."

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CURB ON RADIO TESTIMONIALS PROPOSED IN BILL

A Federal restriction on advertising testimonials broadcast by radio stations was proposed this week in a bill introduced in the House by Representative Maloney (D.), of Louisiana.

The measure, which seeks to amend Section 317 of the Communications Act by adding a new subsection, reads:

"(b) It shall be unlawful for any individual to broadcast by radio communication any recommendation of the use of any article and, in such broadcast, to indicate that such person has used such article, unless such individual shall, at the time of such broadcast, also broadcast the fact, if true, that the recommendation was secured by the promise or payment of money or other valuable consideration, or that such person has been promised or has received money or other valuable consideration for the broadcast of which such recommendation is a part."

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GARY TALKS ON PROCEDURE BEFORE FCC TO LAW ALUMNI

An address by Hampson Gary, General Counsel of the Federal Communications Commission, to the Georgetown University Alumni Club, Washington, on legal procedure before the FCC, was printed this week (March 4) in the appendix of the Congressional Record.

After discussing the rules of the Commission in detail, Mr. Gary said:

"Since the adoption of these rules the Commission has become aware of some inadequacies - that one or two rules appear to be working a hardship in some respects. It was, of course, to be anticipated that the rules would need some revision and amendment after there was a practical try-out of them. It is the earnest desire of the Commission to correct inequities, and it welcomes constructive suggestions from which it may evolve amendments to the rules to the end that its procedure will respond more nearly to the purposes of the Act and the needs of the administration thereunder; in a word, that they may render maximum usefulness.

"The determination of the proper balance between public need and private ambition in the communications field presents a challenge to our honored profession. As science forges ahead and lays yet more wonders at our feet, may we keep pace in promoting and safeguarding these advances for the common good and make due contribution to the health, happiness, and welfare of all the people."

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## RADIO MANUFACTURERS EVENTUAL TARGET OF C.I.O.

The scheduling of a conference this week between the General Electric Company and the United Electrical and Radio Workers for March 15th led to predictions in broadcasting circles that John L. Lewis' Committee for Industrial Organization will eventually make demands for wage and hour improvements, and probably recognition of the UERW, on the principal radio manufacturers.

Lewis has indicated that he will start negotiations with the smaller industries after obtaining benefits from the larger, such as the steel and automobile manufacturers.

The success of Lewis in obtaining concession from General Motors and leading steel companies, labor leaders predict, make it inevitable that demands will be made of the radio industry.

The General Electric-UERW conference will affect 60,000 employees. It will be held in New York City.

A blanket increase of 10 cents an hour for all employees, including salaried ones; increased compensation for certain shifts, revision upward of bonuses and elimination of all forms of the "group incentive or speed-up system" of payment will be among the questions discussed at the conference.

While the negotiations will concern more immediately wage and working conditions in the Schenectady plant, a Committee elected by the Union in January to draw up a proposed basis for bargaining on a scale affecting all the plants of the company, will also participate in the conference.

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// FCC NOMINATES ENGINEERS FOR BUCHAREST PARLEY

The Federal Communications Commission has recommended E. K. Jett, Assistant Chief Engineer in charge of Telegraph, and Gerald C. Gross, Chief of its International Section, as representatives of this country at the International Radio Consulting Committee meeting in Bucharest in May.

The appointments must be approved by the State Department and made by the President. State, Army and Navy delegates also will be named. The meeting is preparatory to the International Telecommunications Convention to be held in Cairo, Egypt, early next year.

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3/5/37

## RCA TELEVISION RECEIVED 45 MILES AWAY, REPORT STATES

Reception of the experimental television broadcasts by the Radio Corporation of America in New York City has been achieved as far away as 45 miles, according to the RCA annual report to its stockholders. This is farther than the regular transmission distance of the BBC television broadcasts in London.

The RCA report on its television experimentation reads as follows:

"RCA television was taken from the laboratory in 1936 for practical field tests under everyday working conditions. These tests are continuing with gratifying success.

"The tests began on June 29, 1936, on the basis of 343 lines to the picture. Later, those engaged in the research agreed that 441 lines would be a more desirable standard for ultimate public service. Accordingly, the new standard was adopted. Successful field tests on the new, 441-line standard have been in progress since January 19, 1937. The need for additional experimentation indicates that this work will continue for some months to come.

"In the field tests now in progress, images of motion pictures as well as living talent are being successfully transmitted to approximately 100 receivers located in the homes of RCA technicians in the greater metropolitan area of New York City. The distance over which these television programs have been received has exceeded our immediate expectations. In one favorable location programs have been consistently received as far as 45 miles from the television transmitter.

"The tests have been highly instructive. Much has been learned about the behavior of ultra-short waves and how to handle them. More is known about interferences, most of which are man-made and susceptible of elimination. The difficulties of making apparatus function efficiently outside the laboratory are being surmounted. The technical fundamentals of our system have been confirmed. Theory has been put into practice, and the experience gained thereby is enabling the laboratories to chart the needs of a practical television service.

"A major problem in television is that of network program distribution. The present facilities for distributing sound broadcasting cover the vast area of the United States and serve its 128,000,000 people. Similar coverage for television programs in the present state of the television art would require a multiplicity of transmitters and network interconnections by wire or by radio facilities still to be developed."

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## U. S. DELEGATES NAMED FOR NORTH AMERICAN PARLEY

The State Department this week announced the names of the delegation which will represent the United States at the North American Technical Radio Conference at Havana March 15-22 (see last news letter). In its official announcement the Department said:

"This Government has accepted an invitation of the Government of Cuba for participation in a preliminary regional radio conference to be held at Habana from March 15 to 22, 1937, for the purpose of consulting with representatives of the Governments of Cuba, Canada and Mexico regarding radio matters in this hemisphere, particularly broadcasting. The object of the meeting will be a consideration of problems of interest to all of the participating governments and the formulation of an agenda for a formal regional radio conference to be held in early November of this year and to be participated in by the governments of the Western Hemisphere.

"Commander T.A.M. Craven, Chief Engineer of the Federal Communications Commission, has been selected to act as Chairman of the American delegation to the preliminary conference. The other delegates of this Government are to be Mr. E. K. Jeff, Assistant Chief Engineer, and Mr. Gerald C. Gross, Chief of the International Section of the Federal Communications Commission, and Mr. Harvey B. Otterman of the Treaty Division of the Department of State."

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## BBC TO LAY COAXIAL CABLE TO BROADEN TELEVISION

As a means of broadening the range of the BBC television broadcasts in London, the General Post Office is to lay a coaxial cable around inner London so that "outside" television broadcasts may be made with the new television van recently purchased by the B.B.C., according to U. S. Assistant Trade Commissioner Henry E. Stebbins. This cable will be tapped at various places as occasion requires, such as during the Coronation, thus giving a much greater degree of flexibility in television broadcasts. In addition to being able to feed pictures from the camera to the coaxial cable, the van will have an ultra short wave transmitter to take care of the sound. It is understood that the range should be about 6 miles on the average, subject to variations.

With this van and cable it is hoped that sporting events such as cricket, horse and greyhound racing may be televised on the spot.

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## FRENCH LISTENERS RAP PROPAGANDA, PICK RADIO COUNCILS

The balloting this week of French radio listeners for councils to govern France's 12 regional broadcasting stations attracted world-wide attention because (1) the election is unique and (2) the listeners registered a protest against the use of propaganda over the ether waves by the Government.

The New York Times in a special Paris dispatch noted the significance of the radio ballot. The correspondent said, in part:

"France has been holding radio elections this week which have caused almost as much excitement as a Parliamentary poll. In fact, the campaign has been conducted on such well-defined political lines and politics have been injected to such an extent that some people go so far as to speak of it as a kind of straw vote on the accomplishments of the Blum Cabinet in the last nine months.

"That is doubtless going too far. But what the elections clearly show is that propaganda is two-edged.

"Apart from any possible political significance, however, the elections have considerable general interest in that they mark virtually the first consultation of listeners-in in any country, where radio is a government monopoly.

"Regardless of age, sex or nationality any person paying a tax on a receiving set is entitled to vote for listeners' representatives on the management councils, which supervise the preparation of programs. When these groups were created under a Rightist government the listeners delegates also had a word to say in financial matters, but the Popular Front government abrogated such control over the expenditure of the proceeds from taxes on radio sets amounting to some 150,000,000 francs annually. The management councils consist of thirty members of which one-third are popularly elected, the remainder being named by the government.

"There are two main tickets in the current election, namely, the Radio-Family, roughly representing the Right parties and church influence and the Radio-Liberty, representing the Left parties with the Communists active in the electoral campaign.

"Both sides charge bribery and corruption. The Radio-Liberty party accuses its opponents of purchasing wholesale numbers of crystal set licenses costing only 15 francs apiece.

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"However, all politics apart, the result of the elections stands out as a protest against propaganda. The Blum Cabinet made no secret that it was using broadcasting for political purposes, but overzealous subordinates packed the programs with many political talks and tinted the news with such pronounced party bias that many listeners, even if adherents of the Left parties, preferred to switch on foreign stations for some music.

"Whatever else the poll may be construed to show it undoubtedly proves that there is such a thing as overdoing propaganda."

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#### TWO NEW HIGH FREQUENCY STATIONS GRANTED LICENSES

The Federal Communications Commission this week granted construction permits for the erection of two new high frequency radio stations. They are:

Ben S. McGlashan, Los Angeles, on 88,000, 120,000, 240,000, and 500,000 kc., with 500 watts; and Charleston Broadcasting Co., Charleston, W. Va., 26,100 kc., 500 watts.

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#### EFFECTIVE DATE OF FCC RULE POSTPONED

The effective date of Rule 981 of the Federal Communications Commission was further postponed for a period of 6 months from March 15, 1937, to give the manufacturers additional time in which to perfect this equipment for sale to the licensees. (This rule relates to frequency monitors).

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The Chairman of the Telephone Division of the Federal Communications Commission announced this week that further hearings in the telephone investigation will begin at 10:00 A.M., March 22nd.

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## WOMEN'S RADIO COMMITTEE TO MAKE AWARDS MARCH 31ST

The Women's National Radio Committee will hold its annual award luncheon Wednesday, March 31st, at the Hotel St. Regis in New York City, the newly elected Chairman, Mme. Yolanda Mero-Irion, has announced.

The Committee is increasing the number of awards this year from five to six, the classifications including musical, dramatic, variety, news, and children's programs, and also an adult educational program.

The award committee will be made up of representatives of the Women's National Radio Committee and of specialists in the various fields which are under consideration. Announcement of the awards will be made to a Nation-wide audience through networks of the major broadcasting companies.

Federal Communications Commissioner Anning S. Prall, executives of the broadcasting companies and other distinguished representatives of the radio world will be invited to attend.

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## LORD'S PRAYER PLAQUE IS UNIQUE BROADCAST SOUVENIR

Unique among radio souvenirs for listeners is the miniature plaque carrying the complete text of the Lord's Prayer which Station KFUC, the Lutheran outlet at St. Louis, is offering listeners to the Lutheran Hour network program.

Station KFUC is the key station for the religious broadcast, now on 28 stations, including two short-wave transmitters. Herman H. Hohenstein, director of KFUC, said that approximately 5,000 pieces of fan mail are received every week.

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White House sources said this week that Mrs. Franklin D. Roosevelt will begin in mid-April a 13-week series of talks on a commercial radio program. Her compensation, these sources said, will be paid directly to the American Friends' Service Committee, a charitable organization with headquarters at Philadelphia. The remuneration was not announced.

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3/5/37

LAWYERS GIVEN TELEVISION TEST BY NBC

Members of the Communications Committee of the New York County Lawyers' Association were to get their first practical experience in the operation of television, Friday night, March 5th, when they were the guests of the National Broadcasting Company, at a television demonstration in Radio City.

The demonstration was arranged by A. L. Ashby, Vice-President and General Counsel of the National Broadcasting Company, Director of the N.Y.C.L.A., and Chairman of the Communications Committee. Charles Evans Hughes, Jr., President of the Association; Robert C. Morris, Past President; Terrence J. McManus, Secretary and approximately thirty members of the Communications Committee were present.

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HEARING HELD ON GLOBE WIRELESS RADIO-MAIL SERVICE

The Telegraph Division of the Federal Communications Commission this week was engaged in a lengthy and technical hearing on the question of whether to approve or disapprove the radio-mail service furnished by the Globe Wireless Company and the Pacific Islands.

RCA, Mackay, Western Union, and the Commercial Pacific Cable Co. were united in protesting against the service, which is said to be cheaper than the normal radio or cable communication rates. It also reputedly does not meet other standards.

The hearing has been in progress all week and will continue into next week. Dr. Irvin Stewart is presiding.

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The new Yugoslav financial law proposed with the 1937-1938 budget contains provision to conclude agreements for the construction and operation of new radio stations at Zagreb, Ljubljana, and Belgrade, with relay stations at Sarajevo, Split, Maribor, and Skoplje.

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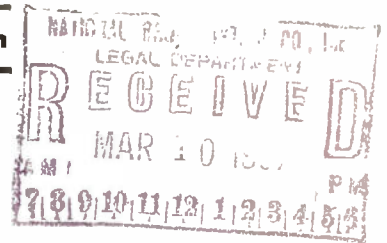


# HEINL RADIO BUSINESS LETTER

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No. 1010

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March 9, 1937.

## U. S. ENGINEERS BATTLE AGAINST OVER-CROWDED WAVES

American broadcasting engineers, led by representatives of the Federal Communications Commission, are prepared to wage a fight at the approaching C.C.I.R. conference in Bucharest for sufficient separation between two radio stations to permit listeners to hear both with a reasonably modern set but not at the same time.

The report of the American committee on the question of kilocycle separation, together with an analysis of the recommendations of European countries on the subject, was released this week by the Federal Communications Commission.

Overriding the arguments of several European countries for a reduction in the 10-kilocycle standard of separation, the U. S. engineers insist that this standard be retained as a minimum for stations operating on adjacent channels below 12,000 kc. and that 12 to 15 kc. be the standard separation above 12,000 kc.

"A reduction of this separation will impair the reception as is quite evident from the reception of many stations throughout the world operating at less than the 10 kc. separation", the report states.

This over-crowding of foreign stations has become more noticeable to American listeners with the growth in popularity of the all-wave receiver. Listeners find that certain channels are so loaded with stations at times that satisfactory reception is impossible.

Another cause of this over-lapping, which will be attacked at the Bucharest and Cairo conferences by European countries, is the unauthorized use of short-wave channels by small countries, most of them Latin American.

The U. S. report on the frequency separation problem states, in part:

"The frequency separation required between two broadcast stations to prevent interference is dependent upon three main factors, namely:

- "(1) The width of the frequency band necessary to transmit programs of the required fidelity;

- "(2) The selectivity and audio frequency reproduction characteristics of the receiver, and
- "(3) The field intensity of the stations at all points of reception.

"When it is desired to place stations on adjacent channels with the same primary service area, to accomplish the transmission and reception of audio frequencies up to 7500 cycles, it is necessary that stations be separated by at least 20 kc.

"By maintaining stations with adequate geographical separation, transmission and reception of audio frequencies up to 7500 cycles may be accomplished in the primary service area of each station with a frequency separation of less than 20 kc.

"Ten kilocycles is a reasonable frequency separation for transmission and reception of audio frequencies up to 7500 cycles in the primary service area and reception of audio frequencies up to 5000 cycles in the secondary service area, provided sufficient geographical separation is maintained, depending on the ground conductivity, operating frequency and power, that the ground-wave field intensity of the undesired station does not exceed approximately one-half the field intensity of the desired station at the outer edge of the primary service area;

"Ten kilocycles should be fixed as the minimum separation between high frequency broadcast stations."

The report points out that the French administration suggests the separation between stations should be 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, it stated.

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

The Ministry of Posts and Telegraphs of the Republic of Czechoslovakia propose 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 3000 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 U.S.S.R. administration points out that the band-pass of the receiver must be wider than the actual audio frequencies to be reproduced to take account of the transitory phenomena which occur in the receiver.

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

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N. Y. LIQUOR AUTHORITY TO USE RADIO IN TEMPERANCE DRIVE

Although the advertising of liquor on the air has been discontinued generally, the New York State Liquor Authority is preparing to go on the air in a campaign for temperance, according to its annual report.

A series of transcriptions for broadcasting is being prepared and will be distributed to radio stations throughout the State.

This effort to encourage sensible restraint in drinking is said by the Authority to be in accordance with the provision of the law that says, "It is necessary to regulate and control the manufacture, sale and distribution of alcoholic beverages for the purpose of fostering and promoting temperance."

This phase of the Authority's activity is under the supervision of Mrs. John S. Sheppard, one of the members.

Mrs. Sheppard said that each record would contain a five-minute talk on the promotion of temperance. The first series of six records will be ready for distribution by the end of the month.

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CBS FEBRUARY BILLINGS UP 18.6% OVER 1936

Time sales on the Columbia network for February, 1937, totalled \$2,264,317, an increase of 18.6% over the same month in 1936, previously the highest February in CBS history.

Cumulative billings for the first two months of 1937 totalled \$4,642,937, 21.9% over the corresponding period last year.

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## OLD SOL PROMISES MORE TROUBLE ON SHORT-WAVES

Old Sol, who is probably the most disturbing influence in short-wave radio communication, is planning some tricks which will be worse than those he has tried in recent months, according to astronomers at the Carnegie Institution's Mount Wilson Observatory, Pasadena, California.

These astronomers predict, according to the Associated Press, that the sun is experiencing or about to experience its most violent eruptions since the turn of the century.

Sun spots are increasing steadily, both in number and size. In recent weeks there was one into which forty planets the size of the earth could have been tossed - that is, it would have taken that many to cover the spot's surface.

Within the past eighteen months more than forty short-wave radio fadeouts have been observed to coincide with "chromospheric eruptions in the neighborhood of sun-spots and magnetic disturbances" on earth.

"The effect consists of a sudden and complete disappearance for 15 to 30 minutes of all high-frequency radio transmission over the half of the earth lighted by the sun", said R. E. Richardson, astronomer at the Mount Wilson Observatory.

Dr. Seth B. Nicholson stated:

"Sun spot activity during 1936 was greater than at the last maximum reached in 1929. The mean number of spots observed daily in December was 11.2 exceeded in only one month of the last cycle, December, 1929, in which the daily average was 11.4."

The spots now are running slightly above the December, 1929, average.

"The next maximum is not expected to occur before the end of 1937 and the present cycle", Dr. Nicholson continued.

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## NBC'S FEBRUARY REVENUE 21% UP OVER YEAR AGO

The network revenue of the National Broadcasting Company for February, 1937, climbed 21.4% over the corresponding month last year - the total of \$3,295,782, making the month the largest February in the history of the company.

The January-February total for 1937 - \$6,837,781 - puts it 26.7% ahead of the first two months of 1936. Individual NBC network figures for February, 1937, give the Blue Network \$1,021,809, and the Red Network \$2,273,973.

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3/9/37

DALY REINTRODUCES BILL TO PROTECT RADIO MUSICIANS

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All erstwhile controversial bills on copyright appeared to be before Congress again last week when Representative Caly (D.), of Pennsylvania, reintroduced his bill to protect the compositions of musical conductors from unauthorized use on the radio or in motion pictures.

The bill includes again the \$250 damage fee clause that was attacked by broadcasters last year at copyright hearings. The clause is not in the Duffy bill, also before Congress. No hearings have been scheduled this year on the copyright bills.

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STANDARDS BUREAU DEVELOPS NEW RADIO METEOROGRAPH

A radio-meteorograph system has been developed in the Bureau's Radio Section for use in the meteorological service of the U. S. Navy Department. It is expected that this system will eventually replace airplanes in gathering information on upper-air conditions required for weather forecasting.

The complete radio-meteorograph system comprises transmitting equipment for sending down from small unmanned balloons meteorological observations on upper-air pressure, temperature, and humidity; receiving and recording equipment on the ground for automatically plotting these data in the graphical form desired by meteorologists; and direction finders (also at the ground station) for tracking the flight of the balloon so as to determine upper-air wind conditions.

The instrument, sent aloft on a 5-foot balloon consists of a miniature radio transmitting set, batteries, and a meteorograph. The latter contains the devices for measuring pressure, temperature, humidity, and other elements desired. The complete equipment is housed in a balsa-wood box 6 by 6 by 4½ inches and weighs less than 2 pounds.

The meteorograph utilizes the decrease in atmospheric pressure as the balloon rises, for moving a small switch-arm over a set of electrical contacts separated by insulating strips. The contacts are so spaced that for a decrease in air-pressure equivalent to a few hundred feet rise of the balloon, the arm will move from one contact to the next. The arm on reaching selected contacts causes the radio transmitter to send down signals having pre-determined audio notes which provide index marks for the pressure scale.

The contacts intermediate to the pressure-index contacts are wired to a resistor which is controlled by a bundle of human hair and hence varies as the hairs contract or expand with varying humidity conditions. The switch-arm, in passing over these contacts, switches the transmitter circuit so as to send down signals having an audio note which is proportional to the value of the resistor and hence to the humidity encountered. When the switch-arm passes over the insulating strips lying between the contacts, the frequency of the audio note is determined by the electrical resistance of a small glass tube filled with sulphuric acid. The resistance of this small column of acid changes markedly with the temperature so that the note which is sent down to the ground may be interpreted to evaluate the air temperatures at the various balloon heights. In one form of the balloon instrument, light intensity may also be measured, giving data valuable in determining the heights and vertical structure of cloud formations.

Automatic receiving and recording equipment are employed to plot these data graphically on a chart which moves under a pen controlled by the received signals. The pen sets itself according to the pitch of the audio note. The final record gives a complete picture of the variation of temperature, humidity, and any other elements included, as a function of height above the earth's surface.

The radio meteorograph has several important advantages over other arrangements, because the air pressure does the switching. No rotating parts of external motive power are required. The instrument thus becomes simple to construct and low in cost. The latter is essential if the radio meteorograph is to replace the use of airplanes in this service.

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#### MOTOR CARS INTERFERE WITH TELEVISION, BBC FINDS

The hope that means will soon be found to ensure that all motor cars are fitted with suppressors in order to prevent interference with the reception of television programs was expressed recently by Sir Noel Ashbridge, Chief Engineer of the British Broadcasting Corporation. He said that electrical interference caused by spurious radiations from the ignition systems of motor cars had long been known to exist, but that the extent of the interference which might be caused had been difficult to estimate.

Since the introduction of television, the effect of such interference has been found to be somewhat serious when the reception of television signals was undertaken at distances of more than four or five miles from the transmitting station, becoming, of course, more so as the distance increased. The effect of a single motor car, however, was confined to a small area, so that even at distances of 20 or 25 miles from the transmitter, interference was only obtrusive when a car was actually opposite a house where a television program was being received. Reasonably simple means existed for the prevention of these parasitic radiations, Sir Noel said, and it was to be hoped that means would soon be found for ensuring that all motors were fitted with suitable suppressors.

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## U. S. SHORT-WAVE SERVICE SOON WILL EQUAL EUROPEAN

"A friend of mine, back from London, was much surprised that our American short-wave stations - which he felt ranked in power and equipment with almost any in the world - should so often reach European shores with volume and quality that was not flattering to the American broadcasting technique", writes "G.M.L." in World-Radio.

"He has been a constant listener during the past two years to the remarkable short-wave signals of Daventry, also to those from Zeesen, Germany, and a number of the other Continental stations and he was aware of the fact that in the "KW" column of the official list they stood no mightier than W3XAL, W8XK, W2XAP, W2XAD and other Americans, which broadcast with as much as 40 KW in their aeriels.

"Yet, after listening in London to the American stations, he soon concluded - and from my own correspondence and observations I feel much the same - that European listeners have not been favored with reception from the United States as good as that which American listeners experience from the other side. Here in Eastern America, Daventry, Zeesen, Rome, and a few more, are audible day after day with a signal quality that, except for occasional short-wave 'flutter' or 'shifting', often rivals home broadcasting stations. Listeners select the oversea programs from newspapers in advance, along with their selection of the local transmissions, and change from one to another with the ease and nonchalance that assures international radio of its established success.

"The Americas have become the world's Mecca for the short-wave listener; and it is all the result of the modern and tremendously effective ideas with which the Europeans got off at the start, namely, directional broadcasting. Focused, as it were, upon the American home aerial, these 'beamed' programs of Europe must be given almost full credit for ensuring the popularity of the all-wave set on this side and the unprecedented sales of such receivers now taking place.

"European nations, for the purpose of continuing and enriching home ties abroad and for nationalistic reasons, had very strong incentives for so developing their short-wave broadcasting; and American listeners in general feel just as grateful for the wonderful service as do Empire listeners or those whose homeland and friends are overseas.

"The United States, on the other hand, had in the inauguration of short-wave broadcasting no such natural incentive. Consequently, in keeping with technical progress, they built short-wave transmitters - and powerful ones - but they did not adopt directional broadcasting aeriels and have used for regular program relays, with very few exceptions, the omnidirectional type instead. This, I think, explains quite fully the inferiority of American short-wave reception in Europe (and elsewhere) compared to that of European reception in the Americas



"This is an inferiority which American broadcasters, indications now definitely show, are no longer willing to tolerate, and within a very short time listeners in England and Europe generally are going to be favored with exactly the same type of up-to-date directional broadcasts from America that Americans now get from Europe."

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: : :: TRADE NOTES :: : :

The Indian Government has recently placed a contract with Philips Radio for the supply of four 10-KW short-wave transmitting stations for the A-1-India Radio organization.

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Alleging use of unfair methods of competition in the sale of a medicinal compound designated "Eucathol", a complaint has been issued by the Federal Trade Commission against The Eucathol Co., Inc., Shawnee, Okla. The respondent corporation advertises over the radio and in newspapers, magazines and other printed matter, and allegedly represents, expressly or by implication, that use of Eucathol will prevent and cure, or is beneficial in the treatment of insect bites, sunburn, asthma and hay fever, catarrh, colds, scalds and burns, skin disorders, influenza and pneumonia, and other ailments.

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A favorable report on the application of the Central States Broadcasting Company, Council Bluffs, Ia., for a construction permit to build and operate a broadcasting station on 1500 kc., with 100 watts power, unlimited time, was filed with the Federal Communications Commission this week by Examiner Melvin H. Dalberg.

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U. S. radio apparatus exports increased more than \$500,000 in one month compared to last year, according to the Commerce Department's Division of Foreign Trade Statistics. January exports of \$2,584,000 were reported as compared to \$2,040,000 for January, 1936.

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The Columbia Broadcasting System has announced the 101st station to join its network, WCOC, Meridian, Miss., which is the last station and will join CBS on May 2nd or sooner. The station is owned by D. W. Gavin and operates under the name of the Mississippi Broadcasting Co. WCOC has a license for 1,000 watts daytime, 500 watts at night, and is located on the 880 kc. band.

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3/9/37

BEHN, BACK FROM SPAIN, SAYS LOSSES HEAVY

Col. Sosthenes Behn, President of the International Telephone and Telegraph Company, who was in Spain during the first five months of the civil war, returned to New York Monday from Paris. He said that the thirteen-story telephone building in Madrid gave sanctuary at times to as many as 600 women and children.

"The whole staff of the company lived in our building", he explained, "which was penetrated thirty times by shell-fire. It was well supplied with provisions and water."

"The Spanish Telephone Company, which is a subsidiary of the International", he said, "is still carrying on, operating its local services in Madrid, Valencia and Barcelona and keeping the international lines open."

The damage to property and loss in revenues, Colonel Behn said, were difficult to estimate, but he thought they "would run into the millions of dollars."

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CBS DECLARES DIVIDEND; GOING ON EXCHANGE

The Board of Directors of the Columbia Broadcasting System last week declared a quarterly cash dividend of \$.50 a share payable on March 26th to stockholders of record at the close of business on March 17th.

The Board decided to apply to the New York Stock Exchange for the listing of the company's stock, since the company now has nearly five thousand stockholders and the number is rapidly increasing. Recommendation was made that the stockholders at a meeting on March 24th authorize an increase in the number of shares of the corporation's stock so that the stock may be split two for one.

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MUTUAL FEBRUARY BILLINGS TOTAL \$202,088.36

A 32.8% increase in time billings is reported for the Mutual Broadcasting System for the month of February, 1937, in comparison with the same month's figures in 1936.

The total billings for February, 1937, were \$202,088.36. For the same month in 1936, they were \$152,063.68. The cumulative billings for 1937 to date total \$389,450.09.

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## LAWRENCE SAYS NETS' POLICY FAVORABLE TO COURT .

David Lawrence, newspaper commentator, this week charged in one of his syndicated columns that the broadcasting networks are following a policy which gives an advantage to advocates of the President's plan to alter the Supreme Court. He said, in part:

"The three principal broadcasting companies, which enjoy practically a monopoly of network broadcasting in America, have been following a policy which, in effect, gives President Roosevelt and his administration a decided edge in the presentation of controversial questions to the radio audience.

"Senator Wheeler, Democrat, Chairman of the Interstate Commerce Committee of the United States Senate, tried unsuccessfully a fortnight ago to secure an alteration of this policy, but failed. Within the last 24 hours he has renewed his efforts by requesting that the opponents in Congress of the President's plan to enlarge the Supreme Court be granted radio facilities of an identical character with those given by all three broadcasting companies, both to the President and to Attorney General Cummings.....

"Failure on the part of the broadcasting companies to arrange for a rebuttal and to announce in advance that there will be the same facilities granted, results in one side of the story being heard by a large part of the audience. For it is known that the same audiences do not listen every night."

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## NBC JOINS EXPEDITION TO PACIFIC ISLE

Announcers, engineers and approximately four tons of broadcasting equipment will begin a 7,000 mile journey next month to the mid-Pacific for a fifteen-minute broadcast on Tuesday, June 8, of a total eclipse of the sun.

The exclusive NBC broadcast was arranged in connection with the National Geographic Society - U. S. Navy Eclipse Expedition of 1937 to Enderbury Island in the Pacific Ocean. This island is one of only two tiny bits of land in the entire path of the eclipse, extending for 5,000 miles across the Pacific, from which satisfactory observations of the spectacle can be made.

Participating with the National Broadcasting Company, the National Geographic Society and the Navy in the expedition will be the National Bureau of Standards and the astronomical observatories of several universities.

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## MUTUAL NETWORK TO ADD 10 MORE STATIONS

Ten more stations will be added to the Mutual Broadcasting System's coast-to-coast chain within the next five weeks.

On April 1st the Oklahoma network, comprising eight stations, will be linked with Mutual through permanent lines. The stations include KTOK (KPFQ), Oklahoma City; KCRC, Enid; KGFF, Shawnee; KBIX, Muskogee; KADA, Ada; KVSO, Ardmore; WBBZ, Ponca City, and KASA, Elk City, which will insure complete coverage of the entire State of Oklahoma. The Oklahoma network was represented in the negotiations by its president, P. U. Porter, of Shawnee, Harold V. Hough, President of KTOK, and Glenn Condon, General Manager of the network.

About April 15th, two Texas stations will be added for permanent service. The stations are KTAT, 1,000-watt Fort Worth station, operated by the Tarrant Broadcasting Company, whose President is Raymond E. Buck, and the municipally owned station of Dallas, Texas, 500-watt WRR. The Managing Director of WRR is John Thorwald.

The new additions will be known as the South West section of the Mutual Broadcasting System.

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## RADIO PROVIDES 95,500,000 FAMILY-HOURS OF LISTENING DAILY

American broadcasters provide 95,500,000 family-hours of listening each day, according to statistics from Dr. Daniel Starch, determined by a series of nationwide audience studies sponsored by the Columbia Broadcasting System.

Dr. Starch and his staff of more than 300 field investigators have spent the last three and a half years in obtaining more than 165,000 personal interviews with typical American families in all income groups, all sections of the country and all types of communities in order to get an undistorted report on the entire radio audience.

The number of radio-owning families in the United States now totals 24,500,000. Dr. Starch's investigators found that 76.4 percent of these, or 18,718,000 families tune in at some time every day. It was further determined that the average family listens to its radio for 5.1 hours daily. Multiplying the number of families who listen each day by the average number of hours they listen resulted in the grand total of 95,461,800 family-hours of listening every day.

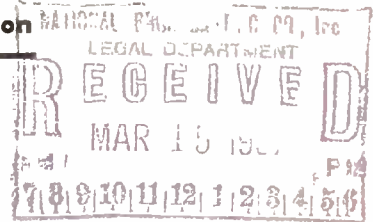
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



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## PAYNE INITIATES "LOBBY" PROBE AS CONNERY GETS HEARING

Under the sponsorship of George Henry Payne, the Federal Communications Commission this week initiated a new inquiry that may delve into some of the charges of "radio lobbying" as the House Rules Committee opened hearings on the Connery resolution calling for a general broadcasting investigation by Congress.

The FCC probe is directed at a single Washington attorney, who is alleged to have disregarded FCC rules of procedure by inserting affidavit copies in a Commission docket file. The Commission had already acted on the case, transferring an aid in the docket section and reprimanding the lawyer, George S. Smith, of Washington, when Commissioner Payne returned from a period of illness.

Commissioner Payne, who has frequently assailed what he terms "the Washington radio lobby", insisted that the FCC action was not severe enough and demanded that the inquiry be reopened. The FCC then designated him Chairman of a special investigating committee. The other members are Commissioners Irvin Stewart and Thad Brown.

While the committee was directed to investigate the Smith case, it is not unlikely that Commissioner Payne will find a way to extend his inquiry into general practices of radio attorneys before the Commission.

Representative Connery, Chairman of the House Labor Committee, opened the hearing before the Rules Committee in behalf of his resolution calling for a broad investigation of radio broadcasting.

Next Tuesday his State colleague, though a Republican, Representative Wigglesworth, will also appear before the Rules Committee in support of the resolution.

The question of whether the resolution will ever be reported out by the Rules Committee is still uncertain, and it appears that there is a great deal of trading going on among members interested in this and other resolutions pigeon-holed by the Committee.

Already stripped of direct reference to the Federal Communications Commission, reputedly done at the suggestion of

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members of the Rules Committee, the Connery resolution provides for the establishment of a committee of seven members of the House to be named by the Speaker. Representative Connery presumably would be Chairman.

The resolution authorizes the Committee "to inquire into and investigate the allegations and charges that have been or may be made relative to irregularities in or pertaining to the monopoly which exists in radio and the activities and functions carried on under the Communications Act of 1934 and all matters pertaining to radio and radio broadcasting."

The Smith case started in a row between attorneys in a Johnson City, Tenn., application for a new stations. Mr. Smith, who was formerly a legal aid of the Commission, allegedly sent 15 affidavits to Johnson City for signatures. Ten of them were returned signed and five unsigned within the period allowed.

When the hearing began before an Examiner, however, five copies of the unsigned affidavits were in the FCC docket files with signatures. John S. Brady, the opposing lawyer, consequently demanded that all the affidavits be rejected and the Examiner sustained him. Mr. Smith allegedly admitted placing the five affidavit copies in the FCC files with the aid of Miss Mary Belle Anthony, Chief of the Docket Section.

The Commission named a committee composed of George B. Porter, Assistant General Counsel; Chief Examiner Davis G. Arnold; and John B. Reynolds, Acting Secretary, to make an inquiry. After this group reported, the Commission transferred Miss Anthony to the Accounting Section, reorganized the Docket Section, and reprimanded Mr. Smith.

Upon returning to Washington from a New York hospital, Commissioner Payne asserted that the punishment of Mr. Smith was not severe enough and charged that he had apparently "corrupted" the Commission clerk, Miss Anthony.

Commissioner Payne plans to call the first meeting of the Committee next week.

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The number of French listeners is now 3,031,526. France is third among European countries in the matter of listeners, the first two being Great Britain and Germany. Sweden, which follows France, has rather fewer than one million listeners.

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## PRALL REAPPOINTED CHAIRMAN OF FCC FOR ONE YEAR

Despite occasional disruptions in the Federal Communications Commission and threats of inquiry on Capitol Hill, Anning S. Prall, a former Tammany Congressman, is still riding high with the Administration.

President Roosevelt announced this week that he had designated Prall Chairman of the Commission for another year. His previous term expired on March 11th.

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## JANUARY RADIO ADVERTISING TAKES SEASONAL DROP

Total broadcast advertising in January amounted to \$10,369,556, a decrease of 6.7% from the level of the preceding month but a 29.1% increase over gross time sales for the corresponding month of last year, according to the National Association of Broadcasters. The usual seasonal declines occurred in all portions of the medium. Compared to last January only regional networks failed to show a gain, declining 3.3%. The principal increase was registered in the national non-network field where advertising rose 42.2% over January, 1936.

Although all advertising media experienced the downward seasonal trend during January, radio broadcasting declined to the least extent when compared to December. Advertising in national magazines declined 26.1%, national farm papers 14.2%, and newspapers 25.3%.

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## RULE GOVERNING POLICE SERVICE IS AMENDED

The Federal Communications Commission this week amended Rule 330a relating to emergency service, to read as follows:

"Rule 330a. In the event that the amount of power allocated above is insufficient to afford reliable coverage over the desired service area, the Commission may authorize the use of additional stations of the same or less power, or upon proper showing being made, may authorize such additional power as may be necessary, but not to exceed 500 watts, provided, however, that municipal police stations authorized to serve an entire county under the provisions of Rule 331, may be licensed to employ a maximum power of 1000 watts between one hour after local sunrise and one hour before local sunset, on condition that the applicant files with the application an agreement, entered into with other licensees operating on the same frequency and in the same area to which the frequency is assigned, including a statement giving their consent to the use of such increased power."

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## TWO AUTO ALARMS FOR SHIPS APPROVED BY THE FCC

Sea-going vessels of 5,500 gross tons or over will be able to use either of two approved automatic alarms as supplementary to the services of a qualified radio operator in order to maintain a continuous watch as the result of action taken this week by the Federal Communications Commission.

Auto alarms designed and manufactured by the Radio Corporation of America (Model AR-8600) and the Mackay Radio & Telegraph Company (Type 101-A) were approved providing certain minor conditions are met, at a meeting of the FCC Telegraph Division on Wednesday.

The International Convention for Safety of Life at Sea, London, 1929, which was ratified by the United States, effective November 7, 1936, provides (Article 29) that each ship required to be fitted with a radiotelegraph installation shall carry a qualified radio operator. Certain ships are further required under Article 29 of the Convention to maintain continuous watches by means of qualified operators, "if not fitted with an automatic alarm". It follows under this language that such a ship, if fitted with an automatic alarm meeting the provisions of the Convention, is exempt from the requirement of maintaining a continuous watch by qualified operators.

At a meeting en banc, on Wednesday, the Commission extended the exemption from the continuous watch requirement for a further period from April 7, 1937, to and including August 6, 1937, subject to the same terms and conditions as those heretofore in effect and referred to above.

Under the Ship Act of 1910, as amended, certain of the vessels referred to above, being such as carry or are licensed to carry fifty or more persons (including crew and passengers or both) and ply 200 miles or more between two ports or places, are required to carry at least two operators and maintain a continuous watch. The action of the Commission in granting exemption under the Safety Convention does not remove or alter in any way the requirements of the Ship Act with regard to such vessels.

The FCC and its predecessor, the Federal Radio Commission, have been studying alarm systems for several years preparatory to making the provision of the Safety of Life at Sea Convention effective.

In its report approving the RCA and Mackay devices, the Commission warned:

"The Commission finds that certain fundamental physical limitations are inherent in any automatic alarm device designed to operate on the type of radio signal prescribed in the regulations."

It added, however, after explaining that thorough "noise tests" had been made by the Bureau of Standards and the Coast Guard, that:

"Except in certain particulars which the Commission finds can be remedied without affecting the efficiency of the alarms, the tests disclose without question that the automatic alarm devices submitted are capable of proper operation within the prescribed audio and radio frequency band, with the types of emission specified; that they contain the prescribed testing devices and controls and equipment for regulating sensitivity, and for disconnecting the system from the regular receiving apparatus, and that they are provided with bells capable of giving a satisfactory audible alarm in the event of failure of important units or component parts."

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NEW DEAL GIVEN \$25,000 BY BROADCASTERS IN CAMPAIGN

Broadcasters and persons associated with the industry contributed approximately \$25,000 to the Democratic National Committee during the Fall campaign, the Senate Campaign Expenditures Committee disclosed this week. The list includes only donors of \$500 or more.

Anning S. Prall, Chairman of the Federal Communications Commission, contributed \$500, while George Henry Payne, a Progressive Republican, also a Communications Commissioner, gave his party \$1,000, but that also went to Mr. Roosevelt.

Among other contributors to the President's war chest were:

Raymond E. Buck, Fort Worth (KTAT) \$13,700; Amon Carter, Dallas, and Forth Worth (WBAP, KGKO) \$3,000; Jesse Jones, Houston (KTRH), \$6,000; Paul Spearman, former FCC Chief Counsel and currently attorney for regional broadcasters, \$1,000; Alfons B. Landa, radio lawyer, \$520.

Among Republican donors were Powel Crosley, Cincinnati (WSAI, WLW), \$5,000; and William Randolph Hearst (WINS, WCAE, KEHE, et al), \$50,000.

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## SHANNON ALLEN GIVEN WPA RADIO POST

Secretary of the Interior Harold L. Ickes, this week announced the appointment of Shannon Allen as Assistant Director of the WPA Educational Radio Project in the Office of Education, U. S. Department of the Interior.

Mr. Allen, who was given a leave of absence as night manager of the National Broadcasting Company's Washington division, will assume his new duties as editor of the Educational Radio Project's script and editorial divisions immediately, succeeding Leo S. Rosencrans, who resigned to take a position with Wilding Motion Pictures, Inc. Mr. Allen brings with him more than 10 years of radio work training and some 15 years' experience as a newspaperman.

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## SOVIETS PLAN THREE TELEVISION STATIONS

Three television centres are planned in the Soviet Republic, according to a report from Radio Centre, Moscow.

On January 19th, the first conference of questions of television took place in Moscow. The American equipment for the television centre now under construction in Moscow, will arrive in April. Equipment for the Leningrad television centre is being made at Soviet factories. It is planned to build the third television centre in Kiev.

This year it is proposed for the first time to carry out television transmission from sport stadiums and squares of Moscow with the help of special portable television stations.

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## FREQUENCY MONITOR RULE POSTPONED SIX MONTHS

The Broadcast Division of the Federal Communications Commission has further extended the working date of Rule 981 for six months from March 15, 1937. This rule requires all relay, international, television, facsimile, high frequency, and experimental broadcast stations to have in operation by September 15, 1936, a frequency monitor. This monitor does not have to be approved by the Commission but must have an accuracy of one-half the allowed tolerance of the class of station with which it is to be used. It is believed that sufficient commercial monitors will be available within six months so that all stations of this class can be equipped as required.

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MASS EDUCATION VIA RADIO PLAN OF EGYPT

A scheme to educate the masses by radio providing an expenditure of L. E. 130,000 (\$650,000) is now under consideration by the Egyptian Ministry of Education, according to U. S. Commercial Attache James T. Scott, Cairo.

This scheme provides for a program of broadcast talks on topics most closely connected with the life of the fellsheen (peasants) such as precautions to be taken against epidemics, advice on keeping the family in good health, the best ways of cultivating the land, etc.

As the average peasant has not the means to buy a radio set, it is reposed to fit up one set in each village in a public place so that all the peasants can gather to listen to the talks.

The Ministry of Education hopes to provide every village in Egypt with a radio set within the next 5 years and it is expected that a credit of L. E. 36,000 will be opened in the 1937 budget for carrying out this project.

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BBC ENGINEER SEES TELEVISION OBSTACLE FADING

Sir Noel Ashbridge, Chief Engineer of the British Broadcasting Corporation, in a recent address to the Royal Empire Society said that he believed that many of the chief difficulties that still remained in the technique of television transmissions would ultimately be removed. He expressed a belief that it would soon be possible to develop a more sensitive "electron" camera which would greatly reduce the difficulties under which the producer of television programs now works. With such a camera, he suggested that it would be possible to use a telephoto lens in order to televise scens at some distance, or a microscopic lens for the transmission of small objects.

While it might be possible to pick up the signals from the Alexandra Palace in distant parts of the world under extremely favorable conditions, Sir Noel said that reception would be erratic and that the day was still a long way off when it would be possible to provide a television service from London to the distant parts of the Empire.

Col. A. S. Angwin, Deputy Engineer-in-Chief of the British Post Office, referred to the developments which had recently taken place in laying co-axial cables between London and provincial cities. These cables would enable the London television programs to be broadcast simultaneously by other television transmitters which might be erected in other parts of the British Isles as a result of experience gained in the London area.

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TRADE NOTES

Glenn Van Auken, of Indianapolis, this week was granted a construction permit for a new broadcasting station to operate on 1050 kc. with 1 KW power, daytime. The order is effective May 11th.

Since President Roosevelt proposed his Federal Court reorganization plan to the Congress early in February, the National Broadcasting Company has presented, or has scheduled for presentation, over its two networks, a total of 63 speeches, 33 for and 30 against the proposal.

The Crosley Radio Corporation and Subsidiaries reports for 1936 a net profit after surtax on undistributed profits of \$1,237,057, equal to \$2.27 a share on 545,800 non-par capital shares. The Company has changed its fiscal year from March 31st to December 31st. In the nine months ended December 31, 1935, the Company showed a consolidated net profit of \$469,675, or 86 cents each on 545,800 shares.

Station WHA, University of Wisconsin, Madison, is conducting a short course for "mike-shy" legislators. H. B. McCarty, Program Director of WHA is in charge of the course, which includes "Radio Speaking", "Radio Writing", and "Your Voice in Wax!"

Over 225,000 requests were received by the Pontiac Motor Company in response to an offer made three times only on Kathryn Carvens' "News Through a Woman's Eyes", broadcast thrice weekly over a nationwide Columbia Broadcasting System Network. The offer, an automobile polishing cloth, was mentioned during the programs of February 22, 24 and 26, and it was required that post-cards or letters in reply be postmarked sometime during that week.

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## FOOD-DRUGS BILL PASSES SENATE, FACES TROUBLE IN HOUSE

The much amended Copeland food-drugs-cosmetic bill, which will govern radio and other forms of advertising of these products if it becomes a law, passed the Senate this week and is now in the House. Indications are that it will face serious opposition there and may undergo some changes.

The bill, which Senator Copeland, Chairman of the Committee on Commerce, said had been re-drafted to meet objections voiced recently by the President, passed the Senate unanimously.

The Copeland measure prohibits false advertising, including advertising by radio, of foods, drugs, therapeutic devices and cosmetics.

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## ZENITH OPERATING PROFITS RISE FOR NINE MONTHS

Zenith Radio Corporation reports an operating profit for the first nine months ended January 31, 1937, of its current fiscal year amounting to \$2,347,987.27 after depreciation, excise taxes, royalties and liberal reserves but before other Federal taxes as per the Company's books, according to Hugh Robertson, Vice-President and Treasurer.

This compares with \$1,015,966.46 in operating profits for the nine months ended January 31, 1936.

Shipments for the period were more than double the same period a year ago.

Shipments of the new line of automobile sets announced December 28th have already exceeded by a substantial margin the total for the entire season a year ago and present demand indicates that production of these sets will continue well into the Summer.

The manufacturing department is at present moving into its new quarters and will shortly start production on a new line of household models for the coming season. The offices will be moved early in April.

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## NBC SHOWS ROLE OF RADIO IN VAST RURAL MARKETS

The National Broadcasting Company has mailed to advertisers and agencies the results of a thorough study of radio's influence upon a market of some 60,000,000 persons in rural areas. Following are some of the highlights of the report made by Charles Morrow Wilson.

Conclusions are based on an approximate consensus of opinion expressed in 209 homes visited. The summary also takes into account the views of 41 representative county agricultural agents.

1. Radio is the fastest growing medium of farm entertainment at the present time.

2. On the better type of farm, radio is building for itself a distinctive place in the routine of farm living. It has substantially moved back farm bedtime.

3. Today, radio has an outstandingly significant place in the problems of farm youth.

4. The farm appetite for entertainment is pretty uniformly distributed among all age groups.

5. There is no one best type of farm radio program. Farm interests are broadened to a point where they are genuinely cosmopolitan.

6. On the other hand, a great many widely known radio programs are definitely limited of rural appeal and merchandising value.

7. Music is definitely the surest bet in valid radio entertainment for a rural audience.

8. Creation of successful farm radio entertainment is a field of outstanding challenge.

Following is a summary of voluntary and verbal testimony offered by 151 farm-catering storekeepers or store managers in 25 states:

1. Radio is the fastest-growing farm advertising medium. Its scope of farm penetration is definitely on the upgrade.

2. Radio advertising now provides the most rapid introduction of new products to a farm buying public.

3. The prize or premium contests, as broadcast by radio and other advertising, now have tremendous rural appeal.

4. Radio is proving increasingly powerful in selling merchandise through the agency of farm children and farm wives.

5. Many more products could be advertised to farmers over the radio.

6. You can sell more to farmers through persuasion than through high-pressure sales talks.

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## RCA BLAMES HOFFMAN FOR "BAD JUDGMENT" IN STRIKE

Executives of the RCA Manufacturing Co. of Camden, testified at the opening of an inquiry before the Senate Civil Liberties Committee Thursday that a letter from Gov. Harold G. Hoffman of New Jersey was responsible for their "bad judgment" in hiring a detective agency to combat a strike.

They said that Hoffman's letter of recommendation, coupled with a persuasive sales talk by a salesman, led them to engage the Sherwood detective agency to work against the strike of their employees last June.

E. T. Cunningham, President of FCA, and Robert Shannon, Vice-President, testified they believed the Sherwood agency, a New York concern, would be able to supply 200 State detectives to keep order at the Camden plant when violence and riots started.

Mr. Cunningham testified George Williams, a Sherwood salesman, brought the letter with him shortly before the strike of United Radio and Electrical Workers. As sales talk, Mr. Cunningham asserted, Mr. Williams informed him that combating strikes by violence was out-of-date.

Instead, the witness told the committee, Williams proposed to import 25 "missionaries" to go from house to house as representatives of a "law and order league" and to circulate propaganda against the union.

After the strike had been in progress for three days, Shannon testified, riots broke out in the streets and Williams said he would get State detectives. When Shannon investigated and learned the "detectives" were recruited in nearby cities, he said, he cancelled the contract with the agency and ordered the men to leave.

The company then paid the Manning Industrial Service Company \$150,000 to supply guards.

Records also were submitted at the hearing to show Radio Corporation of America, of which the Camden corporation is a subsidiary, paid Hugh S. Johnson, former NRA administrator, \$40,000 for acting as a "consultant" in the dispute.

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WASHINGTON, D. C.

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MAR 17 1937  
E. P. H. JAMES

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## SENATOR KING THREATENS PROBE OF RADIO TIME IN COURT DEBATE

While the House Rules Committee considered a demand for a general radio investigation, directed chiefly at chain broadcasting and "monopolies", a new threat of Congressional investigation came from another source.

Senator King (D.), of Utah, a member of the Senate Judiciary Committee, stated he will introduce a resolution calling for an inquiry as whether or not charges that the networks are favoring Administration spokesmen in the current Supreme Court debate are true unless he is convinced meanwhile that there is no basis for the allegations.

The threat comes as an aftermath to complaints from Senator Wheeler (D.), of Montana, chief spokesman of the Senate bloc opposing the President's court reorganization plan.

While network officials are busy gathering data to defend their contention that both sides are being given equal opportunity to broadcast their arguments, the belief prevails in Washington that the controversy, whether or not there is an investigation, will test the mettle of radio as an impartial medium of transmitting public information.

Radio came through the November national elections with flying colors because of its policy of impartiality in the light of the admitted anti-Roosevelt prejudices of the majority of the newspapers. Now many publishers are secretly expressing delight at the discomforture of the networks.

Senator King explained that his purpose is to determine whether the broadcasting companies are being dominated or influenced by the Federal Communications Commission or the Administration in granting greater facilities to Administration spokesmen.

"If they are exercising this brutal power - if they really have this brutal power - in this fight, then it is time for some such investigation", Senator King said. "In my own opinion they are discriminating against the opposition. Complaints are coming in to indicate this, and if I can obtain some additional facts, I shall introduce such a resolution."

The most important evidence in Senator King's possession so far has been furnished by Senator Wheeler, who spoke against the President's plan in Chicago last Wednesday on what

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he believed then to be a nation-wide broadcast. Ever since then he has been receiving messages from stations West of Chicago stating that his speech was not even offered to them for rebroadcast by NBC and Columbia.

"Both of the big chains said that they would carry the speech", Senator Wheeler said, "and I learned later that it was not carried in many centers.

"A Seattle station has informed me that the speech was not available for the Pacific network because of commercial commitments. A Salt Lake station says that it was not even offered it. Both Denver and Spokane report the same thing. Columbia did rebroadcast the speech in Montana through two local stations."

Senator Wheeler said also that in the East, Columbia and the Mutual system cut him off ten minutes before the end of his speech although they had carried the speech of James M. Landis, Chairman of the Securities and Exchange Commission, favoring the President's plan, in full, just before he spoke.

"Mr. Landis used up some of my time", Senator Wheeler said, "and I was cut off."

The Senator would not comment on whether he believed that he was deliberately discriminated against nor would he discuss the question of possible administration control over "free discussion" on the air.

Actually, there is no law that would require the networks to give equal time to spokesmen for and against the President's Court plan, but it is obvious that the broadcasters would not engage in any policy knowingly that would antagonize a number of influential Senators.

Consequently, it is believed that the networks will seek to placate the disgruntled Senators rather than take the chance of undergoing a Senate inquiry. While such a probe would not penalize the broadcasters directly, it might well result in the passage of legislation that would require all stations to give equal time to both parties in public debate as is now required for political candidates.

A bill, introduced by Representative Scott (D.), of California, seeking such a requirement, is now pending in the House. Complaints such as that of Senators King and Wheeler might well be the lever that would dislodge it and turn it into law.

## SYKES CELEBRATES TEN YEARS OF U. S. RADIO REGULATION

Judge Eugene O. Sykes on Monday, March 15th, received the congratulations of his colleagues and leaders in the broadcasting industry for attaining his tenth year in a position of Federal radio regulation.

Ten years ago the Federal Radio Commission took over the job of controlling the still-new industry of radio broadcasting. While a rather insignificant body of five Commissioners with little money or organization, the Commission faced a gigantic task of bringing order out of chaos as directed by the Radio Act of 1927.

Then under the wing, though not the direction, of the Secretary of Commerce, Herbert Hoover, the Commission had only a score of employees and an appointment for a year. Today it has 650 employees, spacious quarters, and a \$1,600,000 annual appropriation. Oddly enough, however, a move is already under way in the Administration to return it to the Commerce Department in the President's reorganization plan.

The original Commission was created February 23, 1927, but did not begin functioning until March 15th. The late Admiral W.G.H. Bullard was named first Chairman, but as he was in China at the time, Judge Sykes acted in his place at the organization meeting. Today he still is Chairman of the Broadcast Division of the FCC.

There were 735 stations operating on U. S. channels when the Commission tackled the job of regulation which the Department of Commerce found too big for it. It took the Commission two years to eliminate 125 stations, but a mass of litigation and obstacles arose.

It was in 1930 that the Federal Radio Commission was made a permanent agency, but in 1934 it was superseded by the present Federal Communications Commission.

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The \$250,000 suit of Municipal Court Justice Nathan Sweedler in New York against the National Broadcasting Company and other defendants for using the term "Good Will Court" in a radio program was dismissed March 9 by Supreme Court Justice Steinbrink in Brooklyn. Sweedler contended that he had incorporated the name for a non-profit organization in Brooklyn where people could go for free advice. The court held that the term was not a new one and that Sweedler had not been damaged by the company's use of the name.

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3/16/37

## PITTMAN PROPOSES PROBE LOOKING TO CONGRESS BROADCASTS

A resolution directing the Senate Committee on Interstate Commerce to investigate the feasibility of having important proceedings of Congress broadcast directly from the chambers was introduced Monday by Senator Pittman (D.), of Nevada.

The resolution contemplates the allocation of specific wavelengths to "various classes of radio stations" for the purpose of broadcasting the proceedings. Broadcasters were at a loss to explain the meaning of such a phrase at first but assumed that it means the assignment of time on stations and networks.

Senator Pittman and Senator King (D.), of Utah, argued over whether the resolution should be referred to the Interstate Commerce Committee or the Rules Committee but the Senate finally agreed to allow the former to make the preliminary inquiry and then to direct the Rules Committee to determine the advisability of the move.

Preliminary to introducing the resolution, Senator Pittman explained its purpose thus:

"It is a Senate resolution authorizing and directing the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, to make a full and complete investigation of the advisability of broadcasting by radio the proceedings of the Congress upon matters of public importance and of having assigned to the various classes of radio stations for that purpose bands of frequencies or wave lengths. The committee is directed to report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations.

"I wish to call attention to the fact that the resolution does not recommend that action be taken by Congress, but it does require an investigation and report by the Interstate Commerce Committee of the Senate, which for many years has had jurisdiction over matters relating to radio.

"I have always opposed such action by Congress. It has been informally considered among Senators for quite a while, but it appears that when such important matters are before Congress as are now before it, it is advisable to have the facts relating to such subjects accurately reported to the country, which is not true in many cases. It is also essential for our editorial writers to have the facts. As a general thing, of course, facts are not essential to editorial writers, but occasionally they assume to quote what they term facts as the basis of very erudite discussions.

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"For instance, referring particularly to neutrality legislation, there has been published in the press, from the very beginning of the proposed legislation, the bill as introduced, and finally the bill as reported; and yet there has been made, time and time again, the statement that the proposed legislation grants to the President of the United States the right to declare an embargo on everything. Of course that is not true; but that statement having been made time and time again, editorial articles are based upon the statement. Of course it has no effect on the Senate - at least it has not had so far - but it causes voluminous petitions to be drowded on our committees here, based on an erroneous statement of facts by persons who are supposed to have sufficient intelligence to know the facts.

"It seems to me that the question is worthy of consideration by the Interstate Commerce Committee, whether or not, in view of the important matters which are before the Congress of the United States, the people of the country are entitled to the facts; and I therefore submit the resolution.

"The resolution (S. Res. 93) was read, as follows:

"Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the advisability of broadcasting by radio and proceedings of the Congress upon matters of public importance and of having assigned to the various classes of radio stations for that purpose bands of frequencies of wave lengths. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations.

"For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fifth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$\_\_\_\_\_, shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman."

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## EDUCATIONAL-COMMERCIAL STATION REQUEST IS FAVORED

A favorable report was filed with the Federal Communications Commission this week by Examiner P. W. Sewart on an application from Lincoln Memorial University (WMLU), Middlesboro, Ky., for a construction permit to erect and operate a broadcasting station on 1210 kc. with 100 watts power, unlimited hours.

While ostensibly proposing an educational station, the applicant plans to avoid the pitfalls that have eliminated many educational broadcasters by relying on radio advertising for a substantial part of its financial support.

Forty-five business men of Middlesboro have already signed an agreement to support the station, and the tentative schedule of programs allows for 20% of time to be devoted to commercial programs as compared with 10% for educational features. The remainder of the time will be apportioned as follows: music, 50%; religious, 5%; agricultural 5%; civic 5%; and news broadcasts 5%.

The one and a half hour daily educational program to be broadcast from an auxiliary studio at the University will be supplied by members of the faculty chiefly.

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## INTERNATIONAL RADIO CONGRESS CLOSES PARLEY

After a fortnight during which technical aspects of wireless were widely discussed, the International Radio Congress closed its sessions at Adlon, near Berlin, last week, according to the New York Times.

Radio engineers emphasized the importance of the technical control committee's work in connection with fair distribution of short waves over the whole world. A plan has been approved providing for systematic wave distribution which will be further worked out at the next conference in Cairo, Egypt, in 1938.

Considerable attention was given to the possibilities of eliminating static and improving acoustics; Special committees worked on television, radio photographs and talking films.

Dr. von Boeckmann, one of the German delegates, suggested that authors and other prominent persons be invited to describe conditions in their own countries. International concerts will be given early in September in Switzerland, in mid-October in Italy, early in December in Finland, in mid-January of 1938 in the Netherlands, early in March in Ireland, in mid-April in Norway and early in June in Yugoslavia.

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## LOHR PRAISES CHEERIO FOR HIS UNPAID GOODWILL SERVICE

The guest of honor at the 10th anniversary celebration last Saturday, Lenox R. Lohr, President of the National Broadcasting Company, declared that the Cheerio program represented a decade of effort on the part of the NBC to render real service to the listening public. Cheerio had told how the program had been fostered by M. H. Aylesworth, first NBC president.

"Amid the many programs on the air, necessarily diversified to meet all tastes", Owen D. Young, Chairman of the General Electric Company, was quoted as saying, "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."

During the course of his remarks, President Lohr said:

"You have mentioned the need for programs that are sufficiently diverse to meet all tastes. The management of a broadcasting company must function much as the editor of a journal who, so far as he can ascertain the tastes of his readers, allots a proportionate amount of white space to meet their wishes. Our "white space" is "time on the air". We must analyze the fields covered by commercial interests, through which all our broadcasting is made possible, and ascertain what elements remain to be covered during the time which we ourselves use.

"The intimate and intensely personal Cheerio program was designed to fulfill the high mission of giving convalescent invalids and other shut-ins a good start for the day. As time went on, it was discovered that the program was not only reaching its intended field but the shut-ins themselves were proving an inspiration to countless American homes. For ten years the National Broadcasting Company has gladly joined with Cheerio in his unpaid service of goodwill, and, today, we join with his host of friends and listeners everywhere in wishing him a happy birthday and in expressing our deep appreciation of his fine work and character."

A forerunner to Major Lohr's speech was the big parade "in the land of make-believe" headed by the stations from coast-to-coast, which carry the Cheerio program, supposedly followed by various groups of listeners, such as the shut-ins, and finally the performers who have served the Cheerio program so faithfully for the past ten years, including the engineers and the now famous canary birds.

Although the fact was not mentioned during the anniversary program, it was learned from another source that "The Story of Cheerio", recently published in book form by the Garden City Publishing Company, Garden City, Long Island, New York, had reached the sale of 23,000 copies.

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## BROADCASTING NETWORKS DENY BIAS IN COURT SPEAKERS

Spokesmen for the two principal broadcasting networks, the National Broadcasting Company and the Columbia Broadcasting System, in New York, denied charges of Senators that they were favoring the Administration in scheduling speakers on the President's Court reform following a threat by Senator King (D.), of Utah, to ask for a Senate inquiry. The denials were carried in the New York Times.

The National Broadcasting Company reported more than seventy speakers in the judiciary discussion, about evenly divided for and against since February 5th.

Statistics of the Columbia Broadcasting System showed that more than forty speakers had discussed the pros and cons of the issue over the WABC hook-up.

Few national issues, outside of a political campaign, have brought so many speakers to the studios in quest of time at the microphone. Mr. Roosevelt's Victory Dinner speech on March 4th and his "fireside chat" on March 16th increased the number anxious to take issue or to agree with him. The broadcasters asserted that, whenever possible, they tried to furnish the facilities.

In several instances, the network officials explained, speakers were cut off the air before concluding their remarks, but this was because of previous commercial commitments and not because of any censorship or desire to disagree with the speaker. In the majority of cases the speakers were aware of the time limitation, it was stated.

When Senator Burke of Nebraska spoke at Carnegie Hall on Friday night last at a mass meeting against the President's plan, he prefaced his speech by warning listeners that time was limited on the air. He said that he was likely to be cut off before he finished, but should any one care for a complete copy of his remarks, he would send it by mail.

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## FCC PUTS DAMPER ON UNAUTHORIZED BROADCAST OF BALL GAMES

On the eve of another baseball season, the Federal Communications Commission has turned thumbs down on the unauthorized play-by-play broadcasting of professional games. It has issued a warning to radio stations that such action will endanger the broadcaster's license.

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Acting on the complaint of the American League of Professional Baseball Clubs and certain of its member units alleging that WMCA, New York, "pirated" information on play-by-play accounts of American League games, the Broadcast Division March 1st notified the station that it considered this practice a violation of the Communications Act. It held that in the particular case the complaint did not afford sufficient grounds for drastic action but notified the station that the practice would not be countenanced in the future.

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### SHORT-WAVE REBROADCAST EXPERIMENTER DIES

Col. Frank R. Curtis, U.S.A., retired, Manager of the Army and Navy Club in Washington, formerly in the Signal Corps and who lately has devoted considerable time to short-wave experiments, died Sunday at Walter Reed Hospital after an illness of several months. He was 64.

In cooperation with Kurt Sell, Washington representative of the German Broadcasting Company, Colonel Curtis was successful in picking up programs by short-wave from Berlin and furnishing to Station WOL in Washington where they were rebroadcast to listeners in the National Capital. Colonel Curtis had a complete short-wave pickup and rebroadcasting set-up in his home and at the time of his death was making considerable progress in this work.

A native of Mount Vernon, N. Y., Colonel Curtis volunteered for the War with Spain, joining the Forty-fourth Infantry in New York as a First Lieutenant. The end of hostilities found his outfit at Chickamauga. Thereafter he obtained a commission in the Regular Army and went to the Philippines, where he saw considerable action in the insurrection.

Just prior to America's entry into the World War, Colonel Curtis was detailed to the National Guard Bureau in the War Department. Once this country got in the war, Colonel Curtis was detailed to the office of the Chief Signal Officer. For his services in this office throughout the war he was awarded the Distinguished Service Medal.

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 ::: TRADE NOTES :::  
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The Federal Communications Commission this week was urged to grant an application of Isadore Goldwasser, of Anniston, Ala., for a construction permit to build and operate a broadcasting station on 1420 kc. with 100 watts power, daytime, by Examiner Ralph L. Walker.

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Of the total of all network sponsored mail received by the National Broadcasting Company in 1936, 68% was directed to daytime programs, according to the annual audience mail analysis prepared by the NBC Statistical Department. Seven of NBC's leading ten sponsored programs, ranked according to volume of mail received, were daytime features. There were 5,560,671 responses received by NBC during 1936, not including many millions more sent directly to NBC advertisers. This total set an all-time high.

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A favorable report was filed with the Federal Communications this week by Examiner P. W. Seward on the request of Harold M. Finlay and Eloise Finlay, of La Grande, Ore., for a construction permit to operate a broadcasting station on 1420 kc., with 100 watts nighttime and 250 watts daytime, unlimited hours.

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This year, Coronation robes are among the star exhibits of the Fashion Parade at the British Industries Fair. The Coronation robes of a Viscountess were recently shown for the benefit of women "viewers" in an afternoon program from the British Broadcasting Corporation's television station in London. Several of fashion's latest developments were seen in this program.

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This week WOR dispatched to more than 2,700 advertising agencies and advertisers the first copies of "Of These We Sing", claimed to be the most complete and intensive market data book published by any one station.

Running to more than 64 pages, measuring 9 x 12 inches, and high-lighted in special process colors, "Of These We Sing", probes deeply beneath the surface of Greater New York - the market WOR serves. WOR expects for "Of These We Sing", a reception even greater than that accorded "To Market-To Market", the prize-winning WOR book published during 1936.

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## WCKY ANNOUNCES POWER BOOST IN NOVEL MANNER

L. B. Wilson, President of Station WCKY, Covington, Ky., and the National Broadcasting Company adopted a novel scheme to advertise the recent increase in power of the station. Large copies of an RCA radiogram, addressed to the recipient personally in each instance, were mailed out by R. C. Witmer, Vice-President in Charge of Sales of NBC, with which WCKY is affiliated.

The telegram states:

"Station WCKY, Cincinnati, (Basic Blue Network) has just announced increase in power from 500 to 1000 watts. Stop L.B. Wilson of WCKY informs us that this will mean more than a fifty millivolt signal in heart of Cincinnati and will add over three hundred thousand potential listeners with WCKY's one-half millivolt line. Stop This is one more evidence of continued improvements being made in NBC networks and better NBC service to listeners and advertisers as outlined in book "Now 117 NBC Stations' sent you a few days ago."

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## C.I.O. PLANS TO ORGANIZE ALL ELECTRICAL INDUSTRY EMPLOYEES

The Committee for Industrial Organization, now engaged in negotiations with the leading electrical industries, plans to cover the entire fields of electrical manufacturing and communications, it was stated in Washington this week. It is expected that this drive ultimately will include the radio industries.

The executive board of the United Electrical and Radio Workers of America, C.I.O. affiliate, has opened collective bargaining conferences with the General Electric Co. at New York and plans to seek similar parleys with the Westinghouse Electric & Manufacturing Co. and the American Telephone & Telegraph Co. General Electric employs 60,000; Westinghouse, 45,000.

Looking beyond these "big three", William Mitchell, national representative of the Union, asserted:

"We are going to organize them all. We have organizers all over the country."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

RECEIVED  
MAR 20 1937  
E. P. H. JAMES

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## SENATOR WHITE SUPPORTS MOVE FOR RADIO INVESTIGATION

The first endorsement of the move in the House of Representatives for a broad radio broadcasting inquiry came this week from Senator Wallace White (R.), of Maine, co-author of the 1927 Radio Act, and one of the veteran radio legislators in Congress.

After making a prolonged review of radio legislation and the purpose of Congress in enacting the original radio regulatory law, Senator White said:

"Mr. President, I join in the hope which has been expressed by others that there may be an investigation of this entire subject matter."

Senator White criticized the Federal Communications Commission for yielding to political pressure, for allegedly disregarding the recommendations of its own engineers, and for ignoring the demand of one of its own members that the Broadcast Division investigate the feasibility of adopting special regulations for chain broadcasting.

Citing the growth of the networks in recent years, Senator White pointed out that NBC and CBS control the major clear-channel and high-power stations in the country.

"Now this control of this number of stations operating on clear channels with 50-kilowatt power means that two organizations, with headquarters in New York, determine the character of information going to a substantial part of the people of this country, both urban and rural", he continued. "With the exception of about 3 stations, all of the 26 mentioned by me have been acquired under the authority of the Commission since 1927. The process of centralized control is going on. The independent stations are becoming relatively, if not actually, fewer. Is the Congress interested in the process? If it is, I again urge that it investigate and study the facts and the implications thereof.

"The Congress at the time the 1927 Act was passed, while, perhaps, not fully appreciating the growth of the chain system, did recognize the possibilities of the situation and wrote into this early act the authority to make special regulations applicable to radio stations engaged in chain broadcasting. This provision was continued in the 1934 Act. The regulating body has seemed indifferent to the problem or without definite views concerning it.

"In November 1935 one of the Commissioners - and I do not get the information from him - presented a motion in a meeting of the Commission directing the Broadcast Division to report to the Commission: (a) Whether, in its opinion, the Commission should adopt special regulations for the regulation of chain broadcasting; and (b) in the event that the adoption of such special regulation is believed by that division to be desirable, the proposed text of such regulations.

"This motion was referred to the Broadcast Division for consideration and report. There has been no report. Nothing appears to indicate that the problem has been considered, notwithstanding its overwhelming importance.

"I do not want to reflect unwarrantably upon any member of this Commission. In past years I have given much attention to the problems presented and have some appreciation of the difficulties inherent in the situation. I feel justified, however, in general comments on the Commission's work.

"In the first instance, every Senator knows, that the air is full of reports that cases have been decided not alone on the evidence presented and the merits of the issue, but that political pressure has been often exerted, and that it has been determinative in many instances. There is, I believe, a public impression that applicants before the Commission should and must seek political aid. The Commission ought not to be subjected to such influences. Its decisions ought not to be under suspicion to the extent they now are because this or the other person of political power has intervened. I know of no more certain means of reestablishing the Commission in public respect than to turn on the light of publicity and thereby to stop these attempts to improperly influence a quasi-judicial and regulatory body of the Government.

"There is persistent report that the Commission, in the consideration of cases and in the determination thereof, disregards its own procedural rules and its established engineering standards. Is this true? If there is justification for the belief, what is the justification for the Commission's acts?

"There is a greater volume and persistence of criticism of this Commission than of any other bureau or commission of the Government. Is there warrant for this? I think the Congress should free the Commission from unjustified suspicion or it should act if its policies and purposes and the standards which ought to guide a regulatory body of the public importance of this Commission are being disregarded. Only a searching inquiry will give the answer to these questions.

"Scientists tell us we are on the threshold of great events in radio. New bands are to be available in what are termed the "ultra high frequencies." The practical use of television is believed to be at hand. The possibilities of the

future are beyond our knowledge. It is certain that governmental regulation cannot be dispensed with. Regulation must be dictated by sound principles, so far as these are known, and by a body whose acts shall be guided by a sense of public responsibility and by an independence which is deaf to every political and other unworthy suggestion."

Senator White contended that the authors of the 1927 Act sought to guard against monopolistic control of radio communication facilities. Three principal evils, he said, were aimed at in the law.

"Of first importance", he said, "is the principle that the licensing of a station and of the right to use a designated frequency therein should not create a vested right in the license or in the frequency."

He then called attention to the profits of broadcasting and particularly to the sale prices of stations as disclosed by recent Senate and House appropriations hearings.

"Such figures", he added, "suggest that an inquiry should be made into the radio industry in order that the Congress may have complete knowledge as to the investment in radio stations and their equipment; as to profits; as to the real considerations for the sale, assignment, and leasing of stations; as to whether licensees are receiving huge sums for licenses which cost them nothing; and generally into the basic question of whether property rights in the nature of vested rights are being asserted in frequencies and are being recognized by the Commission."

Senator White discussed the trend toward newspaper control of radio stations and the hostility it has engendered. Without taking sides, he warned publishers that, besides taking monetary risks in investing in broadcasting stations, they would court government curbs on freedom of the press.

"It is not unreasonable to fear that the development of newspaper ownership in this governmentally controlled means of communication is the great threat to the freedom of the press in America", he said.

The other two major points discussed by Senator White were (1) alleged trafficking in licenses, and (2) charges of monopoly.

"Why should the government be concerned?" he said with regard to the former issue. "The price paid cannot affect the legal powers of the Commission. In a legal sense a station licensee who has paid a huge sum for an assignment, a sale, or a lease, and who has violated the law is subject to the penalty of revocation or to the rejection of a renewal of application as is one paying a nominal consideration, but I am afraid the



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human element enters into the equation and punitive action is not so certain in the one case as in the other.

"If we will regard the relatives, we will recognize that, in disregard of the Congressional purpose, stations and licenses and frequencies are being freely bought and sold and leased; that prices are being asked and paid which have no possible relation to the investment, and which can only be explained upon the theory that the frequency is being highly capitalized."

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#### MEXICO'S 68 STATIONS STUDIED AT HAVANA CONFERENCE

One of the principal topics of discussion at the North American radio broadcasting conference in Havana March 15-22 is the question of how many of the 96 clear channels allocated to this continent shall be used exclusively by Mexico. Another is whether the "border stations" shall continue to disturb United States broadcasters.

Consequently a new authorized list of broadcasting stations now in operation in Mexico, together with their frequencies, discloses the extent of the problem. The list was obtained from the American Embassy in Mexico City.

It shows that Mexican broadcasting has grown rapidly in the last few years and now includes 68 long wave stations and two short-wave stations. It has two transmitters that are more powerful than any of the regular U. S. stations, excluding the experimental WLW, and both are "border stations".

XENT, Nuevo Laredo, operates with 150,000 watts on 910 kc. under the direction of Norman T. Baker, former American broadcaster, while XERA, Villa Acuna, uses 75,000 watts on 840 kc., with Dr. John P. Brinkley, goat gland specialist, in charge.

Mexico has two 50,000 watt stations: XEAA, Mexicali, and XEPN, Piedras Negras. There are 17 stations operating in Mexico City.

The complete list as prepared by the American Embassy follows:

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<u>City</u>	<u>Call Letters</u>	<u>Operator</u>	<u>Frequency in Kilocycles</u>	<u>Power in Watts</u>
Agua Caliente	XEBC	Cia. Mexicana del Agua Caliente, S. A.	730	5,000
"	XFC	Gobierno del Estado de Agua Caliente	810	350
"	XFA	" " " "	1,310	5
Chihuahua	XEFI	Feliciano Lopez Islas	1,440	250
Ciudad Juarez	XEJ	Juan G. Buttner	1,020	1,000
"	KEFV	Jose Onofre Meza	1,210	100
Cordoba	XEAG	Diodoro Zuniga	1,310	10
Durango	XEE	Alejandro O. Stevenson, Jr.	1,210	50
Guadalajara	XED	Cia. Radiofonografica, S.A.	1,160	2,500
"	XEA	Alberto Palos Sanza	1,060	125
Guanajuato	XEAZ	Antonio Zavala	1,420	7
Hidalgo del Parral	XEAT	David G. Cervantes	1,210	50
Jalapa	XFD	Gobierno del Estado de Veracruz	1,340	350
Jalapa	SFB	" "	1,270	250
Leon	XEKL	Cia. Difusora del Bajio	1,240	500
Matamoras	XEAM	M. L. Salinas	960	7
Merida	XEY	Ramon Rubio	1,000	10
"	XEFC	Julio Molina Font	550	100
"	XEZ	Jorge L. Palomeque	630	500
Mexicali	XEAO	Luis L. Castro	560	250
"	XEG	Juan C. Chavez	1,270	200
"	XEAA	Carlos Blando	920	200
Mexico City	XEW	Cadena Radiodifusora Mexicana, S. A.	890	50,000
"	XEYZ	Radiodifusora Continental S. A.	780	10,000
"	XEB	El Buen Tono	1,030	10,000
"	XEFO	Partido Nacional Revolucionario	940	5,000
"	XFO	" "	940	5,000
"	XEN	Cerveceria Modelo S. A.	710	1,000
"	XEAL	Cia. Pan-America de Radio	660	1,000
"	XEP	Ana Maria Rovalo de Pasalaqua	8d0	500
"	XFX	Secretaria de Educacion Publica	610	500
"	XEL	Esperanza Romero de Gonzales	1,100	250
"	XEAL	Carlos Gonzalez Caballero	1,240	100
"	XEFZ	Manuel Zetina	1,370	100
"	XELC	Manuel Valdes Bravo	740	100
"	XEWZ	J. V. Esparza	1,150	100
"	XEK	A. Martinez	990	100
"	XEMX	Alfonso Traslosheros Avalos	1,280	12
"	XECX	M. E. Bravo de Cardero	1,310	10

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<u>City</u>	<u>Call Letters</u>	<u>Operator</u>	<u>Frequency in Kilocycles</u>	<u>Power in Watts</u>
Monterrey	XET	Cadena Radiodifusora Mexicana	690	500
"	XEH	Constantino de Tarnava	1,150	250
"	XEX	Luis F. Petit Jean	1,310	125
"	XEFJ	Rodolfo Junco de la Vega	1,230	100
"	XEFB	Jesus Quintanilla	1,420	100
Morelia	XEI	Carlos Gutierrez	1,370	125
Nogales	XEAF	Francisco G. Elias	990	750
Nuevo Laredo	XENT	Cia. Industrial Universal de Mexico, S. A.	910	150,000
"	XEFE	Rafael T. Carranza	850	250
Piedras Negras	XEPN	Cia. Radiodifusora de Piedras Negras, S. A.	590	50,000
"	XELO	" " "	1,110	10,000
Oaxaca	XEAJ	Enrique M. Orihuela	1,310	15
Puebla	XETH	Ramon Huerta	1,210	100
Reynosa	XEAW	Cia. Internacional Difusora de Reynosa	960	10,000
Saltillo	XEOX	Antonio Garza Castro	640	250
"	XELA	Enrique Gomez	1,240	50
San Luis Potosi	XEZZ	Emilio Delgado	1,370	100
Tampico	XEFW	Jose Expedito Martinez	1,310	250
"	XES	Fernando Sada	909	250
"	XEMA	Manuel M. Pier	1,080	50
Tia Juana	XEMO	Fernando Federico	860	2,000
"	XEAE	Adolfo Labastida Jr.	980	250
"	KEMZ	Adolfo Labastida Jr.	1,210	250
"	XEFL	Luis J. Garcia	1,150	250
"	XEOK	Carlos de la Sierra	760	200
"	XEC	Luis E. Enciso	1,160	30
Veracruz	XEU	Fernando Pazos	1,160	25
"	XETF	Jose Rodriguez Lopez	1,220	12
Villa Acuna	XERA	(Dr. John R. Brinkley)	840	75,000

SHORT-WAVE STATIONS

Mexico City	XECR	Secretaria de Relaciones Exteriores	7,380	20,000
"	XEBT	El Buen Tono	6,100	500

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The Georgia Supreme Court recently handed down a decision that forbids the City of Atlanta from assessing a \$300 license tax against Station WGST. The high court upheld contention of WGST that it was exempt from the tax because it operated under the Interstate Commerce Act and by authority of the Federal Communications Commission, which granted its license. Fulton County Superior Court, in a previous decision, had enjoined city from collecting the tax.

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## PARIS TO BUILD 30 KW. TELEVISION STATION

A 30,000-watt commercial television broadcasting station, which it was said would be the world's most powerful thus far, was announced in an order this week by the French Ministry of Posts, Telegraphs and Telephones from La Materiel Telephonique Licensee, a company of the International Telephone and Telegraph Corporation of New York. The station is to be installed on the Eiffel Tower, with its antenna protruding from the top of the flagpole 1,100 feet above the ground.

The equipment, which will be developed in the Paris research laboratories of the Materiel Telephonique Company, must be put into service with reduced power by July 1 and operate with full power by the Autumn.

This new permanent broadcaster, being within the Paris Exposition grounds, will offer World's Fair visitors one more attraction illustrative of French progress and technique in the electrical communications field.

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## RADIO INQUIRY BELIEVED CERTAIN ON CAPITOL HILL

Informed members of Congress this week predicted that an investigation of the radio broadcasting industry at this session of Congress is certain to be ordered and that probably within a few weeks.

The House Rules Committee, it is understood, has practically agreed to report out the Connery resolution but is waiting to allow Representative Wigglesworth (R.), of Massachusetts, an opportunity to be heard. This probably will be granted next week.

Congressman Wigglesworth wants the resolution to specify the Federal Communications Commission although it is generally recognized that the FCC will be drawn into the inquiry once it is launched. Representative Connery's original resolution named the FCC, but an amended draft omitted them and substituted the three major networks. This was done, it is understood, at the request of members of the Rules Committee.

Senator White (R.), of Maine, who this week made an address on the subject in the Senate, has stated that unless the House undertakes the investigation the Senate will. House members who are friendly to the FCC believe that the House probe would be less embarrassing.

While the inquiry probably will be directed at the charges of monopoly by the networks, indications are that it will delve into recent sales of stations and varied grants by the FCC as well.

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3/19/37

OFFICERS NAMED BY INTERNATIONAL RADIO COMMITTEE

Commdr. T.A.M. Craven, Chief Engineer of the Federal Communications Commission, was elected president recently at a meeting of the American Section of the International Committee on Radio in Washington.

Other officers chosen are:

Louis G. Caldwell, Vice-President; Howard S. LeRoy, Treasurer; and F. P. Guthrie, Secretary. Executive counsel includes: John W. Guider, Chairman; A. L. Ashby, Thad H. Brown, William R. Vallance, J. H. Dellinger, and Francis C. deWolf.

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PAYNE INITIATES INQUIRY BUT HAS NOTHING TO SAY

Although the special committee of the Federal Communications Commission headed by George Henry Payne held its first meeting this week in connection with the inquiry in the George S. Smith case, it was stated at his office that there had been no developments worth reporting yet.

The committee is understood to have called Miss Mary Belle Anthony, FCC employee, before it as the first witness. Miss Anthony was transferred from the Docket to the Accounts Division after she allegedly aided Mr. Smith, Washington radio lawyer, in inserting affidavits in a file in violation of FCC rules.

Radio Daily, however, quoted Commissioner Payne as saying that a good portion of the work which the FCC is trying to accomplish is being impaired by the activities of organized radio lobbyists.

"This lobby consists of a few lawyers who claim they can get the FCC to do most anything", he said. "What they actually do is to work through subordinates within the FCC and get them to do things they should not do. The FCC should definitely be free from influence of such groups."

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3/19/37

REVISED SAFETY-AT-SEA BILL REPORTED TO SENATE

A completely rewritten bill amending the Communications Act of 1934 for the purpose of promoting safety of life at sea was reported to the Senate this week by Senator Wallace White (P.), of Maine, for the Senate Commerce Committee.

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CBS EARNS \$4.41 A SHARE, REPORT SHOWS

The Columbia Broadcasting System, Inc., in its annual report for the fiscal year ended on January 2 (a fifth-three week period), showed gross sales of time amounting to approximately \$27,800,000, on which the company earned \$3,755,522, or \$4.41 a share on the 852,335 capital shares outstanding. This compared with sales in 1935 of \$22,771,000 and a net profit of \$2,810,078.

William S. Paley, President, told stockholders in his report that the company had set aside \$934,000 out of the 1936 earnings as addition to the surplus account, and that it had provided out of current earnings a tax on undistributed profits of \$97,622.

Touching on the company's activities in the field of television, the report stated: "Much remains to be done. At the moment satisfactory general television broadcasting is still well in the distance. We are doing our part to hasten its coming."

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David Sarnoff, President of the Radio Corporation of America will extend greetings to the N. V. Philips Omroep Holland-Indie, pioneer European short-wave transmitter, on the tenth anniversary of its first world program, Saturday, March 20th. The message, to be sent by short-wave to Eindhoven, Holland, will be heard in the United States from 9:21 to 9:30 A.M., EST, over combined NBC-Red and Blue Networks. Mr. Sarnoff's greeting will be in the nature of a tribute to N. V. Philips, founder of Station PHOHI in 1927.

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## HOW SOVIET BROADCASTING TIME WAS APPORTIONED IN 1936

The following table has been circulated by Radio Centre, Moscow, to show how broadcast time on Soviet broadcasting stations was apportioned in 1936:

<u>Kind of Broadcast</u>	<u>Percentage</u>
1. Musical Broadcasts:	
a. Opera and ballet	5.8
b. Operetta	0.2
c. Montage of opera and operetta	4.7
d. Music-symphonie, chamber and vaudeville entertaining	28.5
e. Dance music	2.2
f. Folklore	2.3
g. Amateur	0.7
Total:	<u>44.5</u>
2. Television	1.7
3. Literary broadcasts	3.7
4. Self-education broadcasts	5.4
5. Information:	
a. Current events (actual events broadcast, not from the studio)	1.4
b. Latest News	10.9
c. Reports and talks	18.2
d. Advertisements	2.7
Total:	<u>33.2</u>
6. Miscellaneous:	
a. Children's broadcasts	5.8
b. Physical Culture broadcasts	3.5
c. Miscellaneous	2.2
Total:	<u>11.5</u>
Grand Total:	100.00

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A report from Western Australia gives an illustration of how, in isolated communities, primitive methods of sending signals may be linked up with short-wave broadcasting. A sheep-station hand was reported missing from an out-station in the Roebourne Tableland. The police at Port Hedland were informed. Before setting out on what might have been a long and fruitless search, the police broadcast messages to all who had short-wave receivers in a given area, asking them to put up smoke signals if they were able to receive the message. A second message was then transmitted, asking those who had responded to put up another smoke signal if they knew that the missing man had been found. After an interval a second smoke signal gave the police the information they required.

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## WLW TO USE WHN STUDIO IN REPORTED NEGOTIATION

An arrangement has been made between WLW, Cincinnati, and WHN, New York, for the 500,000-watt station to use the New York station as the exclusive source of its New York programs, according to Variety. A contemplated deal of the same nature between WLW and WMCA was dropped, the report stated.

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## AUT. INDUSTRY GAVE NBC 15.8% OF TOTAL 1936 REVENUE

Automobile and allied industries last year accounted for 15.8% of the National Broadcasting Company's total revenue, according to figures just released by the NBC Statistical Department. The amount invested in NBC time during 1936 by this classification topped all previous years. NBC received 57.4% of the automobile and allied industries' total expenditures on national networks.

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## CESAR SAERCHINGER RESIGNS AS CBS EUROPEAN DIRECTOR

Cesar Saerchinger, European Director of the Columbia Broadcasting System since June, 1930, has resigned in order to gain leisure for literary work. He will return soon to this country after having lived abroad for eighteen years.

Edward R. Murrow, at present Director of Radio Talks for CBS, succeeds Mr. Saerchinger, and will be stationed at Columbia's London headquarters about May 1st. Mr. Murrow's successor in New York will be announced soon.

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## GERMANY FORCED TO DUMP EXCESS RADIO RECEIVERS

Apparently the German radio industry ended last year with a lot of old radio sets on hand, the U. S. Trade Commissioner Rolland F. Welch at Berlin reports, because the Minister of Economics has issued a permit to the radio industry covering a price reduction of from 5 to 15 percent retail on all 1936 radio receivers on hand. The lowest price reduction will be on small, cheap sets and the larger reductions will be on the expensive receivers of many tubes.

The radio season begins in Germany each Fall with the introduction of new models but there have been very few changes in 1935 and 1936 and few changes are predicted for 1937.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

*File*

RECEIVED

MAR 24 1937

WAYNE L. RANDALL

RECEIVED

MAR 24 1937

E. P. H. JAMES

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## FCC STARTS TO CLEAN UP BROOKLYN CASE AS PROBE LOOMS

With a Congressional investigation of radio broadcasting and its regulation accepted as a certainty, the Federal Communications Commission this week started to clean up one of its most troublesome cases.

Involving five Brooklyn stations and the Brooklyn Daily Eagle, the fight over facilities has been pending before the FCC since its organization and prior to that before the Federal Radio Commission.

It has been decided once by the FCC; the decision has been withdrawn; hearing after hearing has been scheduled on the reconsideration only to be postponed. Now, as the House Rules Committee prepares to pass upon the Connery resolution for a radio inquiry, the hearing has started. It probably will continue all week.

The continued operation of three Brooklyn stations - WLTH, WARD, and WVFW is at stake. The Commission in October, 1935, ruled that these stations should be denied license renewals, and at the same time decided that the disputed 1400 kilocycle channel should be divided between WBBC and the Brooklyn Daily Eagle.

Commissioner Irvin Stewart thereupon issued such a vigorous dissent and other protests proved so forcible that the decision was withdrawn and a rehearing was ordered.

Also involved in the case is Station WEVD, of New York City, now operating on 1300 kc. It is seeking assignment on the 1400 kc. wave.

As the hearing opened, indications were that it would be "a dog fight" among the stations involved for the 1400 kc. channel. That the FCC is now determined to go ahead with the hearing was apparent from the action of Chairman Anning S. Prall in over-ruling a motion by counsel for WBBC that it be postponed further.

The Commission in reaching its decision in the Fall of 1935 explained its conclusions as follows, in part:

"The Commission has before it eighteen conflicting applications with respect to the assignment of a single facility; viz., 1400 kc. Manifestly, all of them cannot be granted. The mandate of the Communications Act of 1934, to which we must

adhere, requires us to undertake a careful comparison of the merits of competing services.

"Of the four applications originally filed by Station WARD, WBBC, WLTH and WVFW the evidence, although contradictory in many respects, ultimately impels us to the conclusion that the operation of Stations WARD, WLTH and WVFW does not serve public interest, convenience and necessity. Upon the record before us we do not feel justified in renewing the licenses of Stations WARD, WLTH and WVFW for one-fourth time each, let alone increase the hours of any one of them.

"It is true that each of the stations operating in the Brooklyn area permitted the use of its facilities to certain civic, educational and religious organizations, but a complete review of this record indicates in no uncertain terms that Stations WARD, WVFW and WLTH were operated by the licensees in a negligent, slipshod and unbusinesslike manner. It further appears from this record in spite of much contradictory evidence, that the licensees of Stations WARD, WLTH and WVFW are far more interested in the financial return they get out of the station, than they are in rendering a good service to the listening public. This is evident, in part, from the practice indulged in by two of the stations of selling time and giving complete control over the programs to the person to whom the time is sold. In the case of the Paramount Broadcasting Corporation, as has hereinbefore been pointed out, the licensees apparently turned over complete control of the station to its manager who, for all practical purposes, was really the licensee.

"If there were unlimited facilities so that all who desired them might be accommodated, there would be less necessity for rigid selection between applicants, but in the existing state of the art, with available facilities severely restricted by physical and scientific factors, only a limited number can be so favored. In a measure perhaps all of them give more or less service. Those who give the least service, however, must be sacrificed for those who give the most. The abstract right of all persons to engage in the business of broadcasting is not absolute but exists only if their operation will serve public interest, convenience and necessity.....In the case at bar, on the record before it, the Commission is of the opinion that the applications for renewal of the licenses of Stations WARD, WVFW and WLTH standing alone, are not worthy of approval. Needless to say, no consideration can be given to their applications for additional time.

"On the record before us we have determined that the application of the Brooklyn Broadcasting Corporation (WBBC) for renewal of license should be granted. We can now undertake a comparison of the showings made by this station (WBBC) on its application for modification of license, with those made by the pending applications by the other applicants for modification of license.

"The Brooklyn Broadcasting Corporation(s) (WBBC) application for modification of license requests the use of 1400 kc full time. So also does the application of Brooklyn Daily Eagle for construction permit to erect a new station in Brooklyn. Competing with these two is the application of Arde Bulova and Norman K. Winston for construction permit to erect a new station in Brooklyn, for full time use of 1400 kc., and the application of Debs Memorial Radio Fund, Inc., licensee of Radio Station WEVD for modification of license to operate full time on the frequency 1300 kc., requesting that stations WFAE, WBBR and WHAZ, assigned to this frequency, and with which it shares time, be transferred to the frequency 1400 kc. in the event the Commission should deny the renewal license applications of WARD, WVFW, WLTH and WBBC.

"The application of the Debs Memorial Radio Fund, Inc., (WEVD) for modification of license, if granted, would result in causing objectionable interference with the service of other existing stations. Since there is no other proposal which the Commission can consider on the record before it, it is compelled to refuse this application.

"Thus the competition for the frequency 1400 kc. is limited to the following: Brooklyn Broadcasting Corporation (WBBC); Brooklyn Daily Eagle Broadcasting Company, Inc., and Arde Bulova and Norman K. Winston. Of these three applicants the Commission feels that the existing Station WBBC, whose operation at Brooklyn over a long period of time has been handicapped to some extent by its lack of sufficient time, has the financial, technical, legal and other qualifications necessary to its successful operation on a larger scale, so as to allow this station one-half time on the frequency 1400 kc. As to the remaining half time between the applicants, Brooklyn Daily Eagle Broadcasting Company, Inc., and Arde Bulova and Norman K. Winston, the Commission is of the opinion that the Brooklyn Daily Eagle Broadcasting Company, Inc., is clearly in a position legally, financially, technically and otherwise, to render better service in the public interest, particularly because of its intimate knowledge of the needs of that section of the country, it having been in close touch with that community through its newspaper for a long period of time and, therefore, its application is granted in part so as to permit the erection of a new station to operate on the 1400 kc. frequency with the remaining one-half time."

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Station WDGX, Minneapolis, has started a new series of television broadcasts through its station W9XAT, at 12:30 p.m. daily, under the personal direction of George Jacobson, chief technical.

Dr. George Young, owner of the station, is one of the pioneers in television and has complete studio equipment costing between \$40,000 and \$50,000.

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## SENATE PASSES SAFETY-AT-SEA MEASURE AFFECTING RADIO

Without debate the Senate last week passed a bill to amend the Communications Act of 1934 for the purpose of promoting safety of life and property at sea through the use of wire and radio communication and to make more effective the International Convention for the Safety of Life at Sea, 1929.

The measure, which now goes to the House, specifies what radio equipment is necessary for the various classes of sea vessels and certain types of life boats. It is intended to broaden the use of radio at sea.

A similar bill passed the Senate last session but died in the House.

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## HIGH FREQUENCY BAND ATTRACTS APPLICANTS UNDER NEW RULES

The high-frequency broadcasting band, which may eventually open up a new field of purely local broadcasting, is again attracting applicants who otherwise have little chance of obtaining licenses from the Federal Communications Commission.

After more than a year's inactivity in this band, the FCC has again started issuing permits for new stations to operate in accordance with revised regulations. As a consequence almost a score of applications have been filed for assignments on the band although it is still listed as "experimental".

Newspapers are showing particular interest in the high frequencies because of the possibilities of their eventual development on a commercial scale.

Under the amplified rules adopted by the FCC the 33 stations now operating in this band may broadcast regular programs, including those commercially sponsored, provided they get no direct revenue from the broadcasts.

These high frequency stations appear at present to be limited in their coverage and most suitable for local reception with low power. Much experimental work remains to be done, however, before they can be placed on a commercial scale.

With the assignment of the two new groups of frequencies below 30,000 kc. for high-frequency broadcasting, the FCC took recognition of the allocation of these bands internationally for broadcast use. No international allocations have been made with respect to frequencies above 30,000 kc. except for general experimental operations. As a consequence, it is assumed that stations licensed on the bands below 30,000 kc.

will stand a good chance of retaining their assignments whereas it is quite probable that those operating on the higher frequencies may not retain the precise channels, under some future allocation treaty.

Grants made this month were to the Charleston Broadcasting Co., operating WCHS, Charleston, W. Va., on the 2600 kc. band with 50 watts; to Ben S. McGlashan, operator of KGFJ, Los Angeles, for assignment on the 88, 120, 240 and 500 megacycle bands with a maximum power of 500 watts, and to the General Electric Co., for such a station in Albany, on 31,600 to 41,000 kc., with 150 watts.

Of the 30 "apex" stations already licensed, eight are newspaper-owned. The 30 high-frequency stations already in operation are:

E. Anthony & Cons, Inc., W1XEQ, Fairhaven, Mass., 31600, 35600, 38600, 41000 kc., 100 w.; Edwin H. Armstrong, W2XMN, No. of Alpine, N. J., 41600, 86500, 111000 kc., 40,000 w.; Baltimore Radio Show, Inc., W3XEY, Baltimore, Md., 31600, 35600, 38600, 41000 kc., 100 w.; Bamberger Broadcasting Service, Inc., W2XJI, Newark, N. J., 31600, 35600, 38600, 41000 kc., 100 w.; Julius Brunton & Sons Co., W6XAS, San Francisco, Calif., 31600, 35600, 38600, 41000 kc., 100 w.; Columbia Broadcasting System, Inc., W2XDV, New York, N. Y., 31600, 35600, 38600, 41000 kc., 50 w.; Columbia Broadcasting System, Inc., W9XHW, Minneapolis, Minn., 31600, 35600, 38600, 41000 kc., 50 w.; Virgin V. Evans, a/b as The Voice of South Carolina, W4XH, Spartanburg, S. C., 31600, 35600, 38600, 41000 kc., 50 w.; Evening News Association, W8XWJ, Detroit, Mich., 31600, 35600, 38600, 41000 kc., 100 w.

Also, Head of the Lakes Broadcasting Co., W9XJL, Superior, Wis., 31600, 35600, 38600, 41000 kc., 80 w.; The Journal Company (The Milwaukee Journal), W9XAZ, Milwaukee, Wis., 26400 kc., 500 w.; Ben S. McGlashan, W6XKG, Los Angeles, Calif., 25950 kc., 1000 w.; Memphis Commercial Appeal, Inc., W4XCA, Memphis, Tenn., 31600, 35600, 38600, 41000 kc., 250 w.; Midland Broadcasting Co., Inc., W9XER, Kansas City, Mo., 31600, 35600, 38600, 41000 kc., 50 w.; Monumental Radio Co., W3XES, Baltimore, Md., 31600, 35600, 38600, 41000 kc., 300 w.; National Broadcasting Co., Inc., W2XDG, New York, N. Y., 31600, 35600, 38600, 41000 kc., 5000 w.; National Broadcasting Co., Inc., W2XHG, New York, N. Y., 31600, 35600, 38600, 41000 kc., 150 w.; National Broadcasting Co., Inc., W9XBS, Chicago, Ill., 31600, 35600, 38600, 41000 kc., 2500 w.

Also, Pulitzer Publishing Co., W9XPD, St. Louis, Mo., 31600, 35600, 38600, 41000 kc., 100 w.; Shepart Broadcasting Service, W1XER, Quincy, Mass., 31600, 35600, 38600, 41000 kc., 500 w.; Star-Chronicle Publishing Co., W9XOK, St. Louis, Mo., 31600, 35600, 38600, 41000 kc., 100 w.; Stromberg-Carlson Telephone Manufacturing Co., W8XAI, Victor Township, N. Y.,

31600, 35600, 38600, 41000 kc., 100 w.; WBEN, Inc., W8XH, Buffalo, N. Y., 31600, 35600, 38600, 41000 kc., 100 w.; WDOD Broadcasting Corp., W4XBW, Chattanooga, Tenn., 31600, 35600, 38600, 41000 kc., 100 w.; WKY Radiophone Co., W5XAU, Oklahoma City, Okla., 31600, 35600, 38600, 41000 kc., 100 w.; WTAR Radio Corporation, W3XEX, Norfolk, Va., 31600, 35600, 38600, 41000 kc., 50 w.; Westinghouse E. & M. Co., W1XKA, Boston, Mass., 31600, 35600, 38600, 41000 kc., 50 w.; Westinghouse E. & M. Co., W3XKA, Philadelphia, Pa., 31600, 35600, 38600, 41000 kc., 50 w.; Westinghouse E. & M. Co., W8XKA, Pittsburgh, Pa., 31600, 35600, 38600, 41000 kc., 150 w.; Westinghouse E. & M. Co., W1XKB, E. Springfield, Mass., 31600, 35600, 38600, 41000 kc.

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#### NBC DENIED PRESS ACCOMMODATIONS BY COURT

Radio broadcasters have been denied access to the press accommodations in the Supreme Court Building in Washington, D.C. A National Broadcasting Company representative filed a request with the Court that the chain be allowed to place a man in the press section of the new court room, and that he be allowed to broadcast digests of decisions immediately after they were handed down.

Marshal Frank Green told the NBC man that the nine justices had decided that the "request must be denied" although no explanation was given.

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#### RADIO LINK BETWEEN U. S. AND HAWAII OPENED

Completion of installation of the new radio apparatus at Fort Shafter, Hawaii, and in the Munitions Building in Washington, was celebrated yesterday (Monday) with an exchange of messages between Major Gen. Hugh A. Drum, commanding the Hawaiian Department, and Major Gen. J. B. Allison, Chief Signal Officer.

The equipment permits communication between Washington and Hawaii at a rate up to 300 words a minute.

Use of similar high-speed apparatus during the recent floods enabled the War Department's radio system to transmit a half million words, in addition to the normal traffic of government messages.

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## MC DONALD PUTS CROSLLEY TO WORK CHARTING GEORGIAN BAY

How Commander E. F. McDonald, Jr. put his guest, Powel Crosley, Jr., to work as an assistant in helping him chart dangerous passages in and around the 30,000 islands in Georgian Bay, thousands of which still remain unexplored by man, is told by Pierre Boucheron in the March issue of "The Rudder", the magazine for yachtsmen. The article is profusely illustrated by photographs of Commander McDonald's yacht "Mizpah", Senatore Marconi and David Sarnoff aboard the yacht, and numerous other views.

Last year there was published for the first time a chart of McGreagor Bay by McDonald and his crew with up-to-the minute scientific range and depth finding instruments. Only ten miles square there nestle within this Bay some 3,000 islands previously uncharted. Even so, this new chart is not complete by any means. It shows one where to go but not where one cannot go. At one stage of this charting, Powel Crowley, Jr., a guest, flew over McGreagor Bay in his amphibian for a full day taking photos to ascertain the location of rocks, otherwise unseen.

"Commander McDonald actually rates the title", writes Mr. Boucheron, formerly of the Radio Corporation of America but now with the Remington Arms Company, who himself is a Lieut. Commander in the Naval Reserve. "He is a lieutenant commander in the U. S. Naval Reserve, having first been commissioned in 1917 when he served in the Navy as a lieutenant during the war, and the 'Mizpah' today is one of the very few private vessels on the Great Lakes privileged to fly the Naval Reserve pennant. Moreover, he takes this naval association seriously and demonstrates it in a practical way each year when local Sea Scouts take over the ship for their annual training cruise. Also, the professional master of the 'Mizpah' has standing orders to put out to sea in time of storm when it can be of help to small craft. Practically in commission the year around, the 'Mizpah' has won the unofficial title 'watch dog of the water front.'

"The 'Mizpah' may look like another millionaire's yacht but to a nautically minded visitor she is a most unusual vessel combining as she does a year-round home, laboratory and cruising office. Built in Hampton Roads in 1928, of 559 gross tons, and powered with two 1,000 horse-power Diesels, she has a cruising range of some 7,000 miles and carries a crew of twenty-seven. The range of her voice and telegraph radio is practically unlimited, as demonstrated during the ship's sojourn in the Galapagos and in Labrador when Commander McDonald was in constant communication with his Chicago business headquarters, thousands of miles away, with fifteen-minute daily long range conferences a common occurrence."

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3/23/37

::: TRADE NOTES :::  
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Colombia's National Police Department, under the jurisdiction of the Ministry of Government, at different times has considered the installation of a broadcasting station at Bogota and the establishment of radio car patrols in and about the capital. Heretofore a lack of funds has prevented the materialization of this scheme, but there is a chance of it being carried into execution before 1938, according to the U. S. Commerce Department.

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A favorable report on the application of H. W. Wilson and Ben Farmer, of Wilson, N. C., for a construction permit to build and operate a broadcasting station on 1310 kc. with 100 watts power daytime was filed with the Federal Communications Commission this week by Examiner P. W. Seward.

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Sale of merchandise by means of plans involving lottery schemes, in violation of Section 5 of the Federal Trade Commission Act, is alleged in two complaints issued by that Commission. Albert J. Tarrson, 230 East Ohio St., Chicago, is respondent in one complaint. Trading as National Advertisers Co., A. J. Sales & Manufacturing Co., The Tarrson Co., and Pla-Pal Radio & Television Co., Tarrson is engaged in the sale of cameras, pen and pencil sets, radios, safety razors, clocks, and other merchandise.

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The 1937 International Exhibition in Paris will be opened on May 1st and the annual Paris Fair will continue May 15 to 31. As usual there will be a special section at this Fair devoted to radio.

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Denial of an application of the Falls City Broadcasting Corp., Falls City, Nebr., for a construction permit to build and operate a broadcasting station on 1310 kc., with 100 watts power, unlimited hours, was recommended in a report to the Federal Communications Commission this week by Examiner Ralph L. Walker. The station, the Examiner said, would cause objectionable interference.

David Guthrie, 13 years old, son of F. P. Guthrie, Washington Manager of R.C.A. Communications, Inc., died last Friday following a long illness. The funeral was held Monday in the churchyard near Staunton, Va., where other members of the Guthrie family are buried.

Imports of radio sets into Habana in January, according to private compilations from ships' manifests, numbered 3,425 units valued at 80,232 pesos. These data compare with 2,627 sets valued at 78,936 pesos, entered in December and 3,348 units valued at 71,895 pesos corresponding to incoming shipments in January of 1936. More than 25 brands were represented in the total imports for January.

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#### PHILCO LEADS RADIO MAKERS IN NEWSPAPER ADVERTISING

Philco Radio & Television Corp., Philadelphia, led radio manufacturers in newspaper lineage used last year, according to a tabulation made by Editor & Publisher.

The complete list, covering dailies in 100 cities, follows:

	<u>Sets</u>
American Bosch.....	26,637
Arvin.....	54,070
Atwater-Kent.....	5,400
Crosley Radio.....	53,259
Delco Radio.....	7,438
Emerson.....	55,577
Fairbanks Morse.....	16,524
General Electric Radio.....	417,810
Grunow.....	428,518
Kadette.....	1,750
Little Giant.....	1,740
Majestic.....	11,180
Midwest.....	60,279
Motorola Auto Radio.....	19,069
Philco.....	2,071,238
R. C. A. Victor Radio.....	559,146
Royale.....	488
Sparton.....	43,601
Stewart-Warner Radio.....	68,990
Stromberg Carlson.....	147,269
Westinghouse Radio.....	24,030
Zenith.....	422,730

	<u>Tubes</u>
R. C. A. Tubes.....	42,065
Sylvania Tubes.....	8,764

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3/23/37

### NBC GETS OUT SPECIAL SHORT-WAVE PROGRAM

Made up five weeks in advance to get them to foreign countries in time for publication, program listings for short-wave Station W3XAL, at Bound Brook, New Jersey, are now being distributed by the National Broadcasting Company which operates that station. The listings are prepared by Vance Babb, Manager of the Press Division, and according to Wayne L. Randall, Director of Publicity, are published in response to a strong newspaper demand.

Such a listing service has been maintained by the General Electric Company for its short-wave stations W2XAD and W2XAF, at Schenectady, and also by the Columbia Broadcasting System for W2XE at New York and W3XAU, Philadelphia.

The first NBC-W3XAL listing covering the week of April 4-10 was mailed from New York March 5th.

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### NETWORK ENGINEERS TO GO ON 5-DAY WEEK

The two "inside unions" representing the operating engineering staffs of the fifteen stations owned and operated by the National Broadcasting Company and the nine owned by the Columbia Broadcasting System, have completed arrangements with their managements under which the engineers of both networks will be working a five-day, forty-hour week on or before September 1st, according to the New York Times.

The engineers now are on a six-day, forty-eight hour week. The NBC engineering staff includes about 350 who are members of the Association of Technical Employees; the staff at CBS consists of 160 engineers who are members of the Associated Columbia Broadcast Technicians. The change in policy will not affect the wages of the technical employees, it was said by the network officials.

Neither association is affiliated with the American Federation of Labor or the Committee for Industrial Organization, it was pointed out.

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### U. S. RADIOS SELL RAPIDLY AS DEVALUATION BOOSTS PRICES

Following is an account of the effect of devaluation in Switzerland on the radio market, as reported to the U. S. Commerce Department by Consul Maurice W. Altaffer, of Zurich:

"Nearly all American radios are imported as chassis, for which cabinets are manufactured here. Before devaluation the average cost of an American radio chassis was approximately 100 francs. After devaluation, therefore, this amounted to 140 francs. Considering the comparatively high retail prices charged for radios in this country and the good margin of profit obtained by the retail dealers, the loss resulting from devaluation could have been absorbed by the latter. The Price Control Bureau, however, permitted them to increase prices of imported radios in an amount exactly equal to the loss in value of the currency.

"The domestic radio industry has requested the permission of the Price Control Bureau to increase prices on Swiss made radios by 10 percent but this has not been granted. It is not unlikely that a price increase approximating this amount will be approved by the Government around the first of 1937. This will cover the increased costs of materials going into the assembly of domestic sets, since Swiss radios are without exception assembled products. Sales are less a matter of price than of quality and advertising, so this price increase is likely to have little effect on turnover.

"As a result of the wave of periodic buying immediately after devaluation, stocks of American radios were soon sold out. Inasmuch as the quota for American radios is small, in spite of its increase through the provisions of the Trade Agreement, these stocks were of little significance. The contingent system, which was intended to afford protection behind which domestic interests could build up a radio industry in Switzerland, has been responsible for the reduction of American radio imports to a comparatively small volume. This is the more regrettable since American radio dealers were pioneers in this market and formerly controlled a large share of the trade."

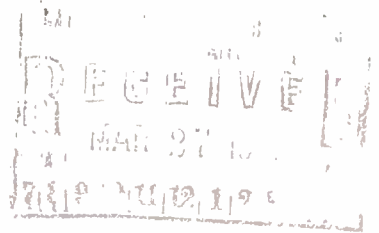
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



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## STEWART ASSAILS ALLOCATION, CHAINS, AND RADIO REGULATION

The present allocation of broadcasting frequencies, whereby the metropolitan areas have the most desirable wavelengths, the duplication of programs via the networks, and the failure of the Federal Communications Commission to regulate properly in some instances were assailed by Dr. Irvin Stewart, Vice Chairman of the FCC, in an address at Duke University, Durham, N. C.

Going far beyond the criticisms of Commissioner George Henry Payne in a series of university lectures, Dr. Stewart gave a sweeping and highly critical analysis of the whole subject of public control of radio and the problems it raises. His address covers 27 mimeographed pages.

"The person who has the largest stake in American broadcasting is the listener," Dr. Stewart declared, "While the investment of the individual listener in his receiving set is small compared to that of the broadcast station owner or that of the large advertiser, in the aggregate the total investment in receiving sets is far greater than that in transmitting stations or in advertising time. In theory, broadcasting is for the benefit of the listener. It should be; for its heart is an uncompensated use of public property, and the listener is the man who foots the bill for broadcasting when he pays the cost of governmental regulation and when he buys the advertised product.

"One corollary of the American system in which broadcasting is supported by advertising revenue is generally overlooked. Somewhat over-simplified for emphasis, it is that a broadcasting system supported by advertising is one in which broadcast stations are located where the advertisers want them, not where they will best serve the country as a whole. This corollary is not entirely free in its operation for Congress, in setting up the regulatory authority, has said that in granting facilities, the Commission must so distribute them 'as to provide a fair, efficient, and equitable distribution of radio service' to each State. This general statutory requirement has operated as a limitation upon the complete freedom of broadcast station owners to locate their stations where the prospect of advertising revenue was the greatest.

"Another characteristic of the American system of broadcasting is that the initiative in the establishment of stations for the most part comes from persons who have a private interest, usually financial, in the ownership of the stations.

Their primary purpose is not to locate the proposed station so as to serve that portion of the population of the United States most in need of radio service. Generally speaking, the primary consideration of the applicant is that of financial return, not of service rendered. In practice this means intense competition for stations in areas with large population, and little demand for stations where population is comparatively sparse. The result is a distribution of broadcast stations in the United States which no engineer would attempt to defend as an efficient way to deliver broadcasting service to the country as a whole. . . .

"Clear channels were designed to provide rural coverage. On such channels, there was to be but one station operating with comparatively high power, having its secondary service area interference-free in order that large areas might be served.

"At this point, the economics of the American system of broadcasting come into play. With clear channel stations designed to provide rural coverage, most of them are located in the larger cities. The New York metropolitan area has four clear channel stations, Chicago four, Philadelphia two and Los Angeles two. Due to the breaking down of certain clear channels, there are now a total of 47 stations operating on the 40 clear channels. Twenty of them are located in metropolitan areas having a population of a million or more; fourteen in metropolitan areas having a population ranging from a quarter-million to a million. Forty-three of the 47 clear channel stations are located in metropolitan areas having a population of 100,000 or over.

"This leads me to another phenomenon in the American broadcasting picture, the networks or chains. In addition to about 40 local or regional chains there are three chains providing coast to coast service at the present time. All of the high power clear channel stations upon which the rural areas depend for broadcast service are owned or are affiliated with one of these three. A result of this is that a considerable portion of the population of the United States is largely dependent upon programs from chain stations. . . . The duplication of programs on clear channels raises the fundamental question as to how successfully clear channels are meeting their declared purpose when they are used to pound the same program in on the listener from several stations rather than to give him a selection from which to choose the program to which he wishes to listen.

"The three coast-to-coast networks own a comparatively small number of stations, but they provide programs for a total of 249 out of the 696 broadcast stations in the United States, including practically all of the more powerful stations.

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"Undoubtedly the chains have made available to small communities programs which it would have been difficult for them to receive otherwise. They have made it possible for national audiences to listen to programs of national importance. But, with three organizations in a position to determine what programs shall be carried on the most powerful broadcast stations all over the country at the times when most people are free to listen, it is small wonder that the cry of monopoly has been raised. At the present time there is pending before the House of Representatives a resolution providing for an investigation of charges of the existence of a monopoly in radio broadcasting.

"While Congress in the Radio Act of 1927 and again in the Communications Act of 1934 specifically gave to the Commission power to issue special regulations applicable to radio stations engaged in chain broadcasting, there are no such regulations at the present time, nor have any ever been in effect."

Some of his observations on other topics in radio regulation were as follows:

#### License transfers:

"A radio station license is personal to the licensee, granted after a finding that his holding the license will be in the public interest. There is nothing in that finding which says that he may sell the license to the highest bidder who may be technically qualified. Station licenses are not pieces of merchandise; they are evidences of a privilege to serve the public.

"There have been suggestions that, if the Commission does not explore its own powers to check sales of broadcast stations at inflated prices, Congress might recapture for the public the profit on the transfer of public property. The transfer of licenses at prices far in excess of the value of the physical equipment involved will sooner or later offer a tempting field for the middleman."

#### Newspaper control of stations:

"Men will differ in the weight they attach to the matter of newspaper control of broadcast stations as well as in the treatment they will propose. I can not agree with those who contend that the matter has no element of public interest which may be considered by a Commission granting applications under a statutory standard of 'public interest, convenience or necessity.'"



Advertising:

"How effectively the Commission can regulate advertising has never been shown and need never be shown if broadcast station licensees will accept the public responsibilities that go with a broadcast station license. Good taste can not be legislated, and I suspect that it cannot even be administratively required. Good taste, a sense of public responsibility and elementary decency on the part of broadcast licensees should make it unnecessary for the Commission ever to explore the possibilities of its power effectively to regulate advertising."

Programs:

"Can the Commission set up minimum standards of program quality which all licensees would have to meet? Standards of engineering efficiency are fairly easy of formulation and of application. Standards of program quality would be difficult both of formulation and of application. I for one, however, am not prepared at this time to state that standards of program quality are impossible either of formulation or application. The field is one in which the Commission has done nothing - it may possibly remain one in which the Commission will do nothing. The answer must depend upon the broadcaster."

Station Censorship:

"The refusal of a station owner to permit the use of his facilities for the expression of views inimical to his own may have serious results. In a large part of the country only a very few stations can be heard consistently. When a minority group is refused expression of its views over a single broadcast station, it means that those views cannot be heard in a section of the country where that station is the only one received."

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PROTECTION FOR CANADIAN STATION PROPOSED IN REPORT

Recognition of the rights of a Canadian broadcasting station to operate without interference by an American transmitter, Examiner P. W. Sewart in a report to the Federal Communications Commission this week recommended that an application be granted providing a directional antenna is built to protect the Canadian station.

WELI, New Haven, requested authority to transfer from 900 to 930 kc. and to operate at night with 250 watts power. It now uses 500 watts daytime. The Canadian station is CHNS, Halifax, Nova Scotia.

At the same time the Examiner recommended the denial of an application by Lawrence K. Miller, of Pittsfield, Mass., for a construction permit to operate on 930 kc. with 250 watts daytime on the ground that it would interfere with Station CFLC, Prescott, Canada.

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✓ RULES COMMITTEE HEARS WIGGLESWORTH; MAY ACT NEXT WEEK

The House Rules Committee this week heard Representative Wigglesworth (R.), of Massachusetts, speak in support of the Connery resolution for a radio inquiry but adjourned without taking action. It was said that another meeting may be held next week to act on the resolution.

Representative Wigglesworth, who took the lead in cross-examining members of the Federal Communications Commission during hearings on the appropriations bill, urged that a sweeping investigation be made to ascertain what legislation, if any, should be enacted to assure proper regulation of broadcasting.

"It is perfectly apparent", he said, "that certain definite objectives were sought by Congress through the Federal Radio Act of 1927 and the Federal Communications Act of 1934. Among these objectives were the elimination of private ownership in the channels of interstate and foreign radio transmission, the elimination of undesirable trafficking in licenses issued by the Federal Government and the elimination of monopoly or the evils of monopoly. No one can read the provisions of the Acts referred to without coming to this conclusion.

"Nevertheless, it appears today that we are confronted by a virtual monopoly in the hands of the three big broadcasting companies of the nation, National, Columbia and Mutual. It also appears in the absence of further explanation that we have failed to eliminate private ownership or its equivalent in radio channels as well as undesirable trafficking in radio licenses, with all the possibilities with which we have been familiar in the past in other fields for the capitalization of earnings and profits to the detriment of the American people.

"A thorough going impartial investigation into the entire situation should serve to establish the extent and effects of monopoly in the broadcasting field. It should serve to determine the extent to which the elimination of private ownership and trafficking in licenses has been accomplished. It should serve to throw light on the matter of proper program control. It should serve to determine the earnings of the industry, whether or not rates charged are reasonable and what contribution, if any, the industry may be fairly asked to make to the Federal Treasury. The industry today is dependent for its very existence on Federal licenses. It pays nothing for these licenses, yet it commands a gross income which has been estimated for 1937 as amounting to between \$125,000,000 and \$135,000,000."

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FCC ADVISED TO REJECT REQUEST FROM NORMAN BAKER INTEREST

The name of Norman Baker, who was driven off American air waves only to bob up on the Mexican border, was before the Federal Communications Commission again this week.

Examiner Ralph L. Walker recommended the denial of an application by J. L. Statler in behalf of the Baker Hospital, Muscatine, Ia., for authority to produce recordings and transmit them to stations in Mexico and Canada for broadcasting.

Explaining his recommendation, the Examiner said:

"The record contains no showing of the character of the programs other than general characterizations by the applicant, which are obviously insufficient to enable the Commission to make a finding thereon. Applicant does indicate it as his intention to advertise the Baker Hospital, the lessor of which is undisclosed, and, in the absence of evidence of the type of advertising to be used, reference may be made to the decision of the Federal Radio Commission, filed June 5, 1931, In re Norman Baker (Station KTNT), Muscatine, Iowa, Docket No. 967. That proceeding arose upon the application of Norman Baker for a renewal of license for Station KTNT. It appears from the decision that Norman Baker was the owner of the Baker Enterprises, which included the Baker Institute, a hospital for the treatment of the diseases treated at the applicant's Baker Hospital.

The decision details excerpts from some of the talks made by Mr. Baker in advertising the Baker Institute, and concludes:

"This Commission holds no brief for the Medical Associations and other parties whom Mr. Baker does not like. Their alleged sins may be at times of public importance, to be called to the attention of the public over the air in the right way. But this record discloses that Mr. Baker does not do so in any high-minded way. It shows that he continually and erratically over the air rides a personal hobby, his cancer cure ideas and his likes and dislikes of certain persons and things. Surely his infliction of all this on the listeners is not the proper use of a broadcasting license. Many of his utterances are vulgar, if not indeed indecent. Assuredly they are not uplifting or entertaining."

"The burden of proof is upon the applicant to establish that public interest, convenience and necessity will be served by the granting to him of the permit sought. This burden the applicant has failed to sustain."

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CBS STOCKHOLDERS VOTE TO DOUBLE SHARES

Stockholders of the Columbia Broadcasting System, Inc., authorized this week an increase in the number of authorized shares from 1,500,000 shares of \$5 par value to 3,000,000 shares of \$2.50 par value and the exchange of each present capital share for two shares of the new stock.

William S. Paley, President, said the Company's net profit for the first half of 1937 was expected to run \$400,000 ahead of the same period last year.

At a meeting of Directors in New York, Frank White was elected Treasurer as of April 1st. He has been Treasurer and Business Manager of News Week. Mefford B. Runyon, who has been Treasurer and Vice-President of Columbia, will relinquish the treasurership to devote all his time to general executive work.

The stockholders approved a proposal to increase the number of Directors from ten to fourteen and the granting to certain executives of options to purchase at \$30 a share an aggregate of 7,850 shares of unissued Class A stock. No additional Directors will be elected until some time next month.

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EXAMINER FINDS THAT FCC MADE A MISTAKE IN 1935 GRANT

The Federal Communications Commission this week was advised to deny an extension of time to one J. B. Roberts, of Gastonia, N. C., for the construction of a station to operate on 1420 kc. with 100 watts power, unlimited time. The Examiner, the report disclosed, found that the applicant was financially and otherwise unqualified to operate the station although it had been granted by the FCC, apparently without a hearing, on October 15, 1935.

Roberts failed to appear at the hearing on a request for extensions of time, but many witnesses from Gastonia, including the Mayor pro tem, testified that he is without funds to build the station and that "the people generally in Gastonia have no confidence in his ability to operate a radio station."

"Testimony shows that Roberts is without funds, even to meet his actual living expenses", the Examiner said. "He appears to be a man of unusual ability in the matter of writing theatrical serials, which might be turned to a useful purpose in radio programs.

"His friends expressed deepest sympathy for his plight, but all who appeared as witnesses were of one accord that he was not in a position to construct or operate a radio station."

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## BALDWIN OPTIMISTIC OVER HAVANA RADIO CONFERENCE

James W. Baldwin, Managing Director of the National Association of Broadcasters, returned to Washington this week after attending the preliminary North American radio parley at Havana very optimistic over prospects of a satisfactory agreement among the United States, Canada, and Mexico.

"I think this conference will prove the most successful ever held on radio matters in North America", he said. "I am satisfied that an agreement will be reached that will be satisfactory to all parties."

Final accord on controversial matters had not been reached when Mr. Baldwin left Havana. The conference was scheduled to end the latter part of this week.

Whatever formula the engineers attending the parley may devise for allocating frequencies among the three countries will be subject to approval at the general conference to be held next November, when all North American countries will be invited to participate.

It is understood that the troublesome question regarding the Mexican border stations was soft-pedalled at the Havana conference. This was one of the issues that broke up the Mexican parley four years ago.

The official United States representatives at Havana are Comdr. T.A.M. Craven, Chief Engineer of the Federal Communications Commission; Lieut. E. K. Jett, Assistant Chief Engineer of the FCC; Gerald C. Gross, Chief of the International Section; and Harvey B. Otterman, State Department lawyer.

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## RMA DIRECTORS TO PLAN JUNE CONVENTION

Final arrangements for the thirteenth annual Radio Manufacturers' Association's convention and membership meetings at Chicago, June 8-9, will be made at a meeting of the RMA Board of Directors in April. President Leslie F. Muter of the Association has tentatively planned the Board meeting April 16 at The Homestead, Hot Springs, Virginia.

Several immediate industry problems and future sales promotion plans also will be considered at the April meeting of the RMA directorate. It is expected there will be early developments in connection with the pending trade practice rules for set manufacturers, still in negotiation with the Federal Trade Commission.

A banquet of the RMA in the Grand Ball Room of the Stevens Hotel, Wednesday evening, June 9, is a projected highlight of the RMA convention. A. S. Wells, of Chicago, again will head the banquet and convention arrangements committee of RMA. The banquet will precede the opening on June 10 of the radio parts manufacturers National Trade Show at the Stevens.

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RULE RELATING TO LAWYERS AMENDED BY THE FCC

The Federal Communications Commission this week adopted an amendment to its rules of practices to permit former FCC attorneys representing governments - Federal, State, or City - to appear before the Commission without complying with Rule 101.7. The rule now reads:

"101.7. No person serving as an attorney at law in the Federal Communications Commission or on or after July 1, 1935, shall be permitted to practice, appear, or act as an attorney in any case, claim, contest, or other proceeding before the Commission or before any Division or agency thereof until 2 years shall have elapsed after the separation of the said person from the said service. The provisions of this rule shall not apply to any person practicing, appearing or acting as an attorney in behalf of any municipality, or State or the Federal Government in any case, claim, contest or other proceeding before the Commission or before any Division or agency thereof. The term 'attorney at law' includes attorney-examiner. Nothing herein shall be construed to prevent any former officer or employee of the Federal Communications Commission from appearing as a witness in any hearing, investigation, or other proceeding before it."

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U.S. RADIO INSTRUMENTS, MEASUREMENTS CIRCULAR REPRINTED

"Radio Instruments and Measurements", a circular of the National Bureau of Standards, Department of Commerce, copies of which have not been available for several years, has just been reprinted.

Dr. J. H. Dellinger, Chief of the Bureau's Radio Section, stated that the new issue is a reprint of the second edition, originally published March 10, 1924, with errors indicated and obsolete appendixes omitted. While much of the subject matter of the Circular was written 20 years ago, it is still of current value to engineers and students, according to Dr. Dellinger. It was because of the insistent demands from these groups that the reprinting was decided upon, he stated.

Among the subjects treated in the circular are the fundamentals of electromagnetism; the principles of alternating currents; graphical methods of solving radio circuit problems; methods of measuring radio-frequency resistance, inductance, capacity, and current; and formulas and data for the calculation of inductance, capacity, resistance, and other quantities. In all, the circular has 329 pages filled with essential information for everyone interested in radio communication.

No stock of the circular will be available for free distribution from the Bureau, but copies are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 60 cents each.

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::: TRADE NOTES :::  
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The Federal Communications Commission announced this week that the hearing in the telephone investigation, set for March 29, has been continued until April 5th.

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An increase in the hours of operation of WBAX, Wilkes-Barre, Pa., from specified to unlimited was recommended to the Federal Communications Commission this week by Examiner John P. Bramhall on condition Rule 131 is complied with.

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The Directors of Zenith Radio Corporation have voted a dividend out of current earnings of \$.50 per share on the outstanding stock of the corporation, payable April 20, 1937, to shareholders of record at the close of business April 9, 1937, according to High Robertson, Executive Vice-President and Treasurer.

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Denial of the applications of Harold Thomas, Pittsfield, Mass., and H. O. Davis, Mobile, Ala., for construction permits to operate stations on 1310 kc. and 610 kc., respectively, were recommended to the Federal Communications Commission this week by Examiners.

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A brooklyn firm distributing radios has entered into stipulations with the Federal Trade Commission to discontinue unfair advertising representations in the sale of its products. The respondents are Frederica K. and Albert M. Frank, trading as Custom-Bilt Radio Co., 226 Adams St., Brooklyn, N.Y. The firm agrees to stop using the word "Gillette" as a mark, brand or label for its midget radio sets.

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NBC ADDS THREE STATIONS BRINGING TOTAL TO 121

Carrying program service into two new territories and expanding it in a third, the National Broadcasting Company this week announced the addition of three stations to the NBC networks and the replacement of another. The additions increase the number of NBC affiliated stations to a new total of 121.

The new territories to be serviced are Erie, Pa., and Wichita, Kans. Station WLEU, Erie, will become an optional outlet of the NBC-Basic Blue Network on Thursday, April 1st. Station KANS, Wichita, will become an optional outlet available to either the NBC-Basic Blue or the NBC Basic Red Network on the same date.

Expansion of service will occur at Richmond, Va. WRTE, as the NBC-Blue Network outlet, and WMBG, as the NBC-Red Network outlet, will replace WRVA, a member of the NBC South-eastern Group, on June 27th.

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DYKE JOINS NBC AS EASTERN

DIVISION SALES MANAGER

Ken R. Dyke, former General Advertising Manager of the Colgate-Palmolive-Peet Company, and prominent in national advertising organizations, will become Eastern Division Sales Manager of the National Broadcasting Company on April 1st. Mr. Dyke takes the place left vacant by Mr. John H. Bachem who on April 1st will become Assistant to Roy C. Witmer, Vice-President in Charge of Sales.

Mr. Dyke, who has just returned from a six months' trip to the Far East, resigned his post with the Colgate-Palmolive-Peet Company last July. Previous to that he was Vice-President in Charge of Sales Promotion for the Johns-Mansville Corp. At the time of his resignation from the Colgate-Palmolive-Pett Company, Mr. Dyke was Chairman of the Board of the Association of National Advertisers, a Director of the Advertising Research Foundation and a Director of the Advertising Federation of America.

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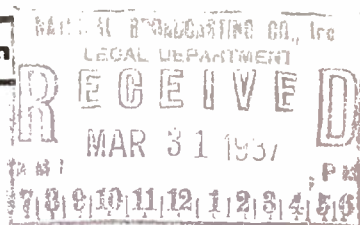


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March 30, 1937

ACCORD REACHED AS HAVANA CONFERENCE CONCLUDES

The regional radio conference being held in Havana by representatives of the United States, Canada, Mexico and Cuba has reached an understanding on basic technical principles as a preliminary step toward calling an inter-American radio conference next November, according to a special dispatch to the New York Times. The article continues:

"The Autumn meeting, it is hoped, will reach a formal agreement on radio relations among the countries of the Americas. Cuba will issue invitations to twenty-three countries, following the closing of the conference March 29th, to meet in Havana on November 26th in an effort to solve the unsatisfactory situation in radio communications caused by the simultaneous use of certain frequencies by adjacent nations with resulting interference.

"The present conference has been of a technical nature and its conclusions are purely advisory. While no specific agreement has been reached concerning allocation of frequencies, all the delegations express satisfaction with what has been accomplished. T. A. M. Craven, Chief Engineer of the Federal Communications Commission, and head of the United States delegation, in commenting on the conference, said:

"The accomplishments to date at this preliminary conference have been outstanding in that for the first time in the history of their radio relations, a common understanding has been reached by the countries represented on the technical principles that are basic, adoption of which is deemed essential if coordination is to be accomplished.

"We have also paved the way for study of the facts and conditions that exist today in the chaotic and unsatisfactory situation in short-wave communications in this hemisphere with the view that, at the approaching November conference, all the American nations will be in far better positions to suggest effective means for meeting this situation."

"The specific recommendations of the conference include an increase in the regular broadcast band used for the national broadcasting services from 550-1,500 kilocycles to 540-1,600, thus increasing the available channels from ninety-six to 107.

"Fifty-eight of these would be set aside as clear channels to be used by high-power stations in each nation, to render service over wide areas. The remaining forty-nine channels

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would be assigned for use by regional and local stations providing, through engineering principles and location of stations, against the present objectionable interference, on which the delegates have reached a common definition for the first time.

"There is also a recommendation for a change in the existing amateur band from 1,750-2,050 kilocycles to 1,715-2,000 and for extension of the existing bands allocated to State or Provincial police.

"A study looking toward elimination of interference by radio therapeutic machines and other apparatus will be made by all the attending countries and an international plan will be drawn up to provide for emergency communications in the event of disruption of normal channels of communication by hurricanes, earthquakes and other disasters.

"Likewise, study will be given to adoption of suitable regulations with respect to frequency bands above 1,600 kilocycles that might permit interchange of international police communications.

"The delegations have refrained from touching on the political phase of international radio problems, but it is undeniable that this is likely to prove the greatest stumbling block at the coming conference.

"It will be highly necessary for each nation to establish standards of control for its own stations. In Cuba, for example, due to lack of adequate regulations, the interference of stations has become so intense, not only with each other but with stations in the United States, that a wave of protest has swept the nation. However, the economic situation of the island's stations and political influences have thus far prevented enactment of efficient measures of control."

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#### WORLD'S RADIOBEACONS INCREASE 22%

The total number of radiobeacons in the world operating regularly as aids to marine navigation, and excluding those so operating only on request, has shown an increase of 22 percent, from July 1, 1935, to January 1, 1937, according to the latest edition of Radio Aids to Navigation, 1937, published by the Hydrographic Office of the Navy Department.

On July 1, 1935, there were approximately 311 radiobeacons in the entire world, of which 33 percent were in United States waters. On January 1, 1937, the total number had increased to 379, of which 33 percent were in United States waters. Radiobeacons at the present time are distributed as follows: North America, 153; South America, 13; Europe, 153; Asia 42; Africa, 13; and Australia, 5.

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## STEWART EXPLAINS WHY FCC DOES NOT TAKE BAN OFF TELEVISION

Problems which must be solved before the Federal Communications Commission permits television stations to operate on a commercial basis, as broadcasting stations, were explained by Dr. Irvin Stewart, Vice Chairman, recently in a public address.

Pointing out that there are now 18 licensed experimental television stations, he said:

"The Commission is faced with two major problems. The first is the determination of the time when television can be placed upon a commercial basis. Involved is the matter of standardization whether by the Commission or by the industry. When television comes, it will be desirable for every person owning a television receiver to be able to receive the transmissions of every television transmitter within range. That seems to mean that the transmitters and the receivers should be built according to the same system.

"Experiments are still going on, inventors are still pitting their genius against the problems remaining to be solved. We cannot know that the system of today will not be junked by the developments of tomorrow. To put television on a commercial basis too soon may mean a standardization which might retard development. To standardize at all may mean to deliver television into the hands of a monopoly controlling the patents essential to meet the specified standards.

"But suppose there is no standardization. Receivers may be built for one transmitting system which are not capable of receiving programs from stations using other transmitting systems. The ultimate consumer may have the alternative of buying two or more television receivers or not being able to receive the transmissions of a desired television station. The owner of a television receiver may find it useless when he moves into an area served by a transmitter using a different system. Standardization seems desirable, but the questions which confront the regulatory body are 'when' and 'on what'.

"The second major problem connected with television is that of frequencies. Those television transmission systems which have been best developed up to the present require enormous bands of frequencies. In connection with an informal hearing held before the Commission last year bands 6 megacycles or 6,000,000 cycles wide were requested for television transmission. That is, each television channel would take up as much space in the ether as 600 conventional sound broadcast channels or, roughly, six times the entire present broadcast band. Each television transmitter would serve an area corresponding roughly to the line of sight from the transmitter, but its interference range would be substantially greater.

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"While television stations could be duplicated on the same frequency at fairly close intervals, a total television band width of tremendous proportions appears to be indicated. The Commission must determine how much space can be allotted to television in the light of the need for frequencies for other services. Television may be glamorous to others; to the Commission it still is a series of problems."

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### CENSUS REPORT SHOWS SPURT IN RADIO INDUSTRY

Substantial increases in radio industry, employment, wages and production, especially of short wave and automobile sets, during 1935 are recorded in a report completed by the U. S. Bureau of the Census covering the radio industry in its biennial census of American manufacturing industries. The census was conducted with the cooperation of the Radio Manufacturers' Association.

The 1935 Census report shows that the radio and phonograph industry employed 44,792 wage earners, an increase of 36.2 percent over 1933, and their wages of \$42,910,316 exceeded the 1933 wage payments by 44.7 percent.

Industry production in 1935 (at f.o.b. factory prices) totaled \$202,865,672, an increase of 70.1 percent over 1933, including radio sets valued at \$131,341,846, as compared with \$70,553,334 in 1933.

Tube production in 1935 totaled 78,227,513 valued at \$28,973,820, compared with production in 1933 of 59,869,259 tubes valued at \$25,215,080.

In units, the set production report for 1935 was 5,568,294 sets against 3,599,522 in 1933, including a marked increase in short wave sets of 2,940,214 such sets compared with only 115,519 short-wave sets in 1933. Also the great expansion in automobile sets was recorded in production of 1,170,423 sets of this type in 1935, compared with 700,018 in 1933.

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## RMA BOARD MEETING CHANGED TO N. Y.

The Spring meeting of the Board of Directors of the Radio Manufacturers' Association will be held in New York Thursday, April 22nd, instead of at Hot Springs, Va., April 16th, as previously announced. The meeting is now scheduled to be held in the Hotel Roosevelt, New York City, by those changing the time and place. Bond Geddes, Vice-President and General Manager, said that a much larger attendance was assured.

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## PHILIPS LOSES IMPORTANT RADIO PATENT CASE

The important manufacturer of incandescent lamps and radio products Philips, at Eindhoven, which owing to its strong patent position practically controls the Netherland radio market, is reported to have lost a patent case to a telephone manufacturing company at Antwerp, Belgium, which has a local representative in The Hague, according to a U. S. Consular report to the Department of Commerce. The firm, which is said to represent American interests, had registered a patent in The Netherlands under No. 3195 covering the so-called "push-pull" principle.

"Philips used this patent without approval or license of the owner, who summoned Philips to court on the basis of infringement of patent rights", the report stated. "The latter company then tried to obtain a so-called emergency or compelled license, which under the Netherland patent law the Patent Office may extend when public interest or welfare requires it. It is reported that in its defense before the Patent Office the Netherland firm is said to have argued that the principle involved might be circumvented by it without infringing others' rights, but only at far higher costs. The Patent Office could not see how this affected Netherland public interest, and advised the district court accordingly. It seems that the telephone company's claim that Philips cease the application of the push-pull patent in its manufacture was decided favorably, but that the right of compensation for any product with the 'push-pull' sold after the date of decision, was refused. The claimant appealed against this decision passed on October 27, 1936, and the Court of Justice in The Hague cancelling it on January 22, 1937, judged the claims fully justified. The amount of compensation for patent infringement sales will be decided later.

"This is one of the few cases in which Philips has completely lost a radio law suit. However, the last word has not yet been spoken, for it is reported that the telephone company is still involved in 23 other suits with Philips."

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 : : : TRADE NOTES : : :  
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Collections during February 1937 of the five percent tax on radio and phonograph apparatus by the U. S. Bureau of Internal Revenue were \$464,853.41, an increase of ten percent over the February 1936 collections of \$423,673.38.

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J. R. Poppele, Chief Engineer of WOR, recently placed an order for 33 of the new Western Electric "Salt-Shaker" microphones, which represents the largest single order to date for this new type of broadcasting equipment.

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Exclusive of politicals, NBC revenue for 1936 was \$33,613,633 of which 4% came from new advertisers and 96% from NBC's repeat clients. There were 26 new clients in 1936 and 118 repeat-clients. This means that during 1936 82% of NBC's advertisers repeated on its networks with the 16% new ones. The 82% repeat-advertisers gave NBC 96% of its 1936 billings.

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"Seasonal slackening of activities" caused a decrease of 3.7 percent in radio industry employment during December, 1936, according to the December report of the U. S. Bureau of Labor Statistics. Of the eighty-nine manufacturing industries included in the monthly government survey, fifty-two showed more employees in December than in the preceding month and sixty reported larger payrolls, not including gifts or bonus payments.

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The Federal Communications Commission this week was advised to grant an application by Red Lands Broadcasting Association, Lufkin, Texas, for a construction permit to build and operate a station on 1310 kc. with 100 watts power day-time in a report filed by Examiner P. W. Seward. Denial of a similar application by J. R. Curtis and R. Lacy was recommended.

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William S. Paley, President of the Columbia Broadcasting System, Gerard Swope, President of General Electric Company, and Andrew W. Robertson, Chairman of the Westinghouse Electric & Manufacturing Company, have been added to membership of the Board of Directors of the New York World's Fair of 1939.

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WJSV's presentation of the "Parsifal" program of the New York Philharmonic Symphony Orchestra in Washington Easter Sunday afternoon was badly marred by interference from another station. Sometimes the voices on the interfering station were as loud as the voices of singers who took part in the "Parsifal" program.

The Hundred Leading Network Radio Advertisers placed a total of \$52,971,493 for time on NBC and CBS Networks during 1936, a study prepared by NBC's Statistical Department reveals. Of this total, \$31,532,725, or 59.5% was invested with the National Broadcasting Company.

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#### WOMEN'S COMMITTEE TO MAKE RADIO AWARDS WEDNESDAY

Six of the best radio productions of the year, in the opinion of leaders of more than 10,000,000 women affiliated with the Women's National Radio Committee, will be acclaimed as winners of the organization's annual awards at a luncheon Wednesday at the Hotel St. Regis, in New York City.

For its third annual selections, the Committee is weighing the merits of programs in six groups - musical, dramatic, variety, news, children's and adults' educational, the news classification being an innovation this year. Only those offerings especially devised for radio presentation are considered for awards.

Guests of honor will be Mrs. Vincent Astor, Chairman of Women's Activities for the 1939 World's Fair; Dr. Walter Damrosch, and Mrs. Harold Vincent Milligan, former Chairman of the Committee. Anning S. Prall, Federal Communications Commissioner, will present parchment scrolls to the winners.

Other speakers will be William S. Paley, President of the Columbia Broadcasting System, and Alfred J. McCosker, President of the Mutual Broadcasting System.

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### U. S. RADIO EXPORTS JUMP 27% IN JANUARY

Export trade of the radio industry in January 1937 showed an increase of 27 percent over January, 1936, according to a report of the U. S. Bureau of Foreign and Domestic Commerce. Total radio exports in January 1937 were \$2,534,207, compared with \$2,039,522 in January, 1936.

Receiving set exports last January numbered 59,457 valued at \$1,584,538, compared with 46,951 sets exported in January, 1936, valued at \$1,243,672.

Tube exports numbered 653,520 units valued at \$280,597, compared with January 1936 exports of 491,354 tubes valued at \$227,822.

Exports of receiving set components in January, 1937, were \$522,775, compared with \$315,064 in January, 1936.

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### U. S. PLANS RADIO BLOCK SYSTEM FOR AIRLINES

A radio block signal system for the airlines of the country, which will inform the pilot of his exact position in any sort of weather, is being planned by a committee of technical experts of the Bureau of Air Commerce, according to Mr. L. D. Lyman, writing in the New York Times last week.

"Recent developments in the practical application of the ultra-high frequency radio bands", he said, "are the basis for one of the most radical programs for airway beacons yet undertaken by the government. The engineers and research workers charged with the development are cautious in their statements, yet laboratory experiments indicate that their plan is practical.

"Experimental engineers employed by some of the big broadcasting companies on television and by the government have learned that for short distances radio frequencies above 40 megacycles, or 40,000 kilocycles, have certain characteristics which are not possessed by the frequencies used for ordinary broadcasting and commercial sending and receiving.

"Their signals can be controlled easily and they will go through weather and other conditions where static is present, which interfere seriously with the bands now in use. Moreover they require a very small power output.

"These factors are important in connection with their use in aviation. The plan for which the government engineers have great hope consists of the erection of a series of radio 'fans' or curtains, along the airways, each sending out a distinctive signal both visual and audible."

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## BBC NAMES TALKS ADVISORY COMMITTEE

A Talks Advisory Committee has been established by the British Broadcasting Corporation to advise on talks policy, to make suggestions for both the National and Regional programs, and to act as consultants in the planning of particular series. The Committee will not be concerned with news talks, nor will it deal with religious subjects and broadcasts to schools, which are respectively the province of the Central Religious Advisory Committee and the Central Council for School Broadcasting.

Sir Walter Moberly is Chairman of the Committee, and the following have accepted invitations to serve on it: Rt. Hon. Sir Francis Dyke Acland, M.P., Mr. Arthur Bryant, Hon. Sir Evan Charteris, Mr. N. R. Cummings, Mr. Bernard Darwin (the well-known authority on golf), Hon. Frances Farrer, Prof. George Gordon, Sir Robert Blyth Greig, Mr. A. P. Herbert, M.P., Prof. Julian Huxley, Mr. G. Isaacs, Mr. A. T. Lennox-Boyd, M.P., Miss Megan Lloyd George, M.P., Miss Rose Macaulay, Prof. J. H. Nicholson, and Mr. Robert Richards.

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## NAZIS DROWN OUT ANONYMOUS RED STATION

The radio sleuths of Dr. Joseph Goebbels, the German Propaganda Minister, this week finally got on the trail of the Communist who for a fortnight or more has been disseminating Red propaganda in Germany by short-wave, according to a Berlin dispatch in the New York Times.

Up to Monday night, the whereabouts of the secret broadcaster had baffled the German authorities, although the announcer usually began his tirades with the statement that the German radio listeners were being served from Hamburg by the German Communist party.

Monday night's talk had scarcely gotten under way when it was swamped by a chorus suggesting an agglomeration of steam sirens, foghorns and puffing donkey engines, all working in unison, leaving the Communist speaker completely blotted from the air.

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