

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

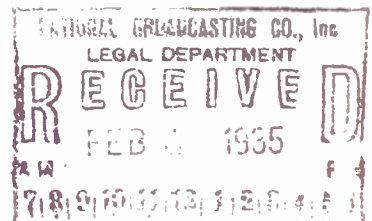
WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF FEBRUARY 1, 1935

Uncle Sam Conducts Postcard Radio Survey.....	2
WLW Gets Temporary Power Reduction Stay.....	3
Philco Hailed as Largest Radio Manufacturer.....	6
Barnett, WBAL Station Manager, Resigns.....	8
Britain Soon To Begin Television Broadcasts.....	8
French Stations Ban Advertising.....	9
Senate Committee Defers Confirmation; Awaits Witnesses.....	10
Wheelahan Of WSMB Is First State Chairman Elected.....	10
Program Bulletin Service Inaugurated By Radio Institute.....	11
Wheeler To Be On Radio Sunday Night.....	11
Salmon, State Dept. Communications Head, Is 56.....	11
Communications Officials' Hearing Feb. 4 and 5.....	12
New Brazilian Station To Stimulate Radio Sales.....	12

No. 795



Handwritten notes and signatures in red ink, including a large signature that appears to be 'J. L.' and some illegible scribbles.

UNCLE SAM CONDUCTS POSTCARD RADIO SURVEY

In an effort to supplement the work of the engineers in ascertaining the efficiency and necessity for maintaining 40 clear channels for coast-to-coast broadcasting, the Broadcasting Division of the Communications Commission has sent 100,000 postcard questionnaires to farmers and others living in rural or remote sections of the country.

The cards bear three questions:

1. Do you own a radio set? If so, what is its make, model number, number of tubes, when purchased, and is it now in good operating condition?
2. Name your four favorite radio stations by call letters in the order of your preference.
3. What is your post-office address?

Space was reserved on the post-cards for any general comments on broadcasting the listener cared to make.

In the meantime apparatus is being delivered by manufacturers for use in the ten observations posts to be established throughout the country to secure first hand engineering data in a survey of the clear channel, regional and local stations during the Winter and Spring months. The actual observations will begin in about two weeks.

The tentative plan of the clear channel survey as suggested by the Engineering Division of the Communications Commission involves four lines of endeavor, as follows - Continuous field intensity recordings of clear channel stations, the records to be made at distances varying from 1000 to 3000 miles; an analysis of duplicated clear channels (such as 790 kilocycles occupied by WGY, Schnectady, and KGO, Oakland, Calif), with complete determination of radiation characteristics of the individual stations as well as determination of the filed intensities and service rendered in the areas between stations; field intensity measurements made in rural districts throughout the United States with correlation with listener habits as determined by personal investigation, and listener habit survey of rural audiences now being conducted by post-card by the Commission.

Dr. C. B. Jolliffe, Chief Engineer of the Communications Commission is in charge of the work assisted by Andrew D. Ring, of the Engineering Division and Dr. J. H. Dellinger of the Bureau of Standards. J. C. McNary, Technical Advisor of the National Association of Broadcasters, is representing the broadcasters inasmuch as the undertaking is being participated in by about 35 stations who are bearing the greater portion of the expense. The survey will involve an expenditure of approximately \$60,000 of which one-fifth will be paid by the Commission.

X X X X X X X X

WLW GETS TEMPORARY POWER REDUCTION STAY

A temporary stay order has been granted by the District Court of Appeals to Station WLW, of Cincinnati, which forestalls the reduction of its 500,000 watt nighttime power until Monday, February 11th. At that time a motion will be argued as to whether or not a stay order shall be issued until after the Court has decided WLW's appeal. Following a complaint of the Canadian government that WLW was interfering with Station CFRB, at Toronto, the Federal Communications Commission refused to grant the Cincinnati station a renewal of the higher power license and Louis G. Caldwell and Arthur W. Scharfield, representing the Crowley Radio Corporation appealed the case to the District Court.

Ordinarily a stay order would either have been granted or refused by the judge appealed to, but because of the international aspects of the case, the stay order petition will be heard by the full court. This is a rare proceeding and will probably be the first time that a stay order has ever been argued in a radio case.

In their reasons for appeal, the Crosley counsel contended that the decision was rendered by the Commission without giving the American station an opportunity to be heard and that the Commission erred insofar as it proceeded on the assumption that its decision was required by any provision of the Madrid Convention or that it was justified by any provision of the radio agreement between the United States and Canada.

If WLW were given an opportunity for hearing, it could prove, its counsel set forth, the following:

"The representations of the Canadian Government communicated to the Commission on December 13, 1934, with respect to the alleged interference caused by the operation of WLW's station with reception from the Toronto station are grossly exaggerated and are not in accordance with fact, and it is not true that '50 miles out the signals from Toronto were completely obliterated.'

"Any interference that may exist between the two broadcast stations (WLW and CFRB) consists only of (1) such interference as is normal and to be expected of any two broadcast stations operating on adjacent frequencies separated by 10 kc, and as is not forbidden by any provision of any treaty, executive agreement or law, and/or (2) such interference as is due to the failure of Canadian Government and of the private agency operating broadcast station CFRB to comply with their respective obligations under the Madrid Convention and the Canadian agreement, and with respect to which the Canadian Government has no right to invoke the provisions of Chapter IV, Article 35 of the Madrid Convention or any other provision either of the Convention or the Agreement.

"Contrary to the requirements of the Madrid Convention, the installation used by CFRB is not operated by the best methods and procedure which the practice of the service have made known and has not been kept abreast of scientific and technical progress, and the choice of its transmitting apparatus has not, within limits compatible with economic requirements, been guided by the most recent technical progress, but on the contrary, the transmitting apparatus of CFRB is grossly inefficient and ineffective to such an extent that, while publicly rated as a 10-kilowatt station, its actual performance is only slightly more than that of a 2-kilowatt station, and the private agency operating CFRB has failed to make, and the Canadian Government has failed to require it to make, the repairs, improvements, and installation of new apparatus necessary to function efficiently and with enough power to make effective use of the frequency of which it has the exclusive enjoyment.

"Further, contrary to said requirements, much of the receiving apparatus in general use in the area surrounding Toronto, with respect to which the Canadian Government has made its said complaint of interference, is obsolete, non-selective and below modern standards, and any interference that may have been experienced on such receiving apparatus is not evidence of interference of the kind forbidden by the Madrid Convention.

"The Canadian Government has failed to take advantage of the right purportedly reserved to it under the Canadian Agreement, and has failed to make effective use of the frequency 690 kc., contemplated and purportedly agreed to in said Agreement, i.e., as a clear channel to be used by a broadcast station with power of 50 kilowatts in the Toronto area, and, on the contrary, has continuously permitted ineffective and inefficient use of said frequency, and thus is responsible for the apparent interference of which it complains.

"The tables cited in the Commission's decision from its Fifth and Seventh Annual Reports as to recommended night-time separations between broadcast stations on adjacent frequencies, are not conclusive or even strongly persuasive evidence of the existence or non-existence of interference between such stations,

1/1/35

and have not for several years been so regarded by the Commission itself which, in the great majority of instances, has disregarded said tables and has frequently permitted separations in the United States proportionately as little as, or less than, those involved between WLW and CFRB.

"The granting of the application will serve public interest, convenience or necessity in that the continued night-time use of the power of 500 kilowatts by appellant's station will provide improved broadcast service over vast areas in the United States, and to many millions of people, who do not otherwise receive satisfactory broadcast service, and will lead the way to the use of such power by some or all other broadcast stations operating in the United States and Canada on clear channels."

Finally the reasons for the appeal set forth in the decision were clearly contrary to public interest in that

"It deprives vast areas in the United States and many millions of people, who do not otherwise receive satisfactory broadcast service, of the improved broadcast service due to the use of 500 kilowatts by applicant's station.

"It closes the door to scientific and technical progress in the effective use of clear channels in the United States for the rendering of broadcast service to rural and remote areas, unless and until neighboring countries are ready and willing to keep abreast of such progress.

"It renders ineffective and virtually worthless an expenditure of over \$450,000 by WLW for a 500,000 watt transmitter, made in reliance upon the Commission's previous authorizations, upon apparatus which is of the most efficient type and is available for the rendering of much-needed improved broadcast service.

"It discourages all other licensees of the Commission from making the same or similar expenditures and from contributing to scientific and technical progress in the improvement of broadcast service.

"It deprives American citizens and corporations licensed by the Commission of any forum where their claims may be heard when the protest of a foreign government is involved, and further deprives them of their right to the protection and support of the Government of the United States in the prosecution and defence of their just claims."

X X X X X X X X

PHILCO HAILED AS LARGEST RADIO MANUFACTURER

That 1,250,000 out of the 4,200,000 radio sets sold last year bore the Philco trade-mark is stated in the February issue of Fortune Magazine. This table is given to show how the leading manufacturers ranked in set sales in 1934:

Philco	1,250,000
R.C.A.	500,000
Crosley	300,000
General Household Utilities (mostly automobile radios)	300,000
Colonial (mostly for Sears, Roebuck)	300,000
Wells-Gardner (mostly for Montgomery Ward)	200,000
Emerson (mostly midget)	200,000
G. E. (made by R.C.A.)	200,000
Atwater Kent	100,000
Zenith	100,000
Bosch	100,000
	<hr/>
Total Accounted for	3,550,000

"These figures are made up from conflicting trade estimates and must be taken with consideration of a possibly wide margin of error", the article says. "Total sales for the entire industry were around 4,200,000 compared to 4,100,000 for 1933. But average price per set went from \$35 in 1933 to last year's \$50.

The rise of Philco is sketched thus:

"In the Fall of 1927 the Radio Corporation of America nearly put the Philadelphia Storage Battery Company out of business. The Radio Corporation felt no special animus toward the battery maker. What happened was merely one of those scientific advances that result in what is politely termed technical obsolescence. The radio industry had been going along with sets whose power was supplied by batteries. In the Fall of 1927 the Radio Corporation announced a new tube that made batteries superfluous. Plug a set with these tubes into any household electric outlet and words and music resulted. The new A.C. (alternating current) tubes were undeniably a tremendous forward step; the great radio boom of the late twenties was indeed based upon them. But they were no boon to Philadelphia Storage Battery Co., whose sales (\$15,443,000 in 1927) were almost entirely in radio batteries. The whole works was simply obsolete. In 1925 the American Piano co. had been driven into receivership by radio and by 1927 the Victor Phonograph Co. was almost ready to sell itself out of an independent existence. And now Philadelphia Storage Battery looked like one more victim of progress.

"How it escaped extinction is the subject of this story. But if it had merely survived, its narrative would hardly be worth writing. What the battery company did - as everyone knows - was to go into the radio business with its philco radio. What it also did was to become by a wide margin the biggest manufacturer in the radio field. In 1934 Philco sold 1,250,000 radio sets for a sales volume of \$33,000,000. Furthermore, it sold more than twice as many radios as the Radio Corporation itself and its sales came to 30 per cent of the total registered by the entire radio industry (which still has 150 set manufacturers left out of the 800 that was the high-water figure of its 1926 expansion). In the course of reaching this high position it also got the reputation among its competitors of being the hard-hitting, price-slashing wild man of the radio industry. It is perhaps too much to say that feeling between Radio Corporation (which has never realized its natural possibilities as the rationalizing influence in the radio-set field) and Philco has ever reached the level of a feud. Even so, there are times when Radio Corporation finds itself with the hot tears of jealousy in its eyes; the jealousy of a maid who has introduced her swain to another maid and sees between the two a growing tendency to cuddle together in a corner.

"And if there are times when Radio Corporation feels this way, it is not notably assuaged by Philco's bland and wide-eyed attitude of unconsciousness toward Radio Corporation's feelings. Thus it is that no apology can be made in this article for more than one comparison between Philco and Radio Corporation; an integral part of the story of Philco concerns Philco's ability to turn on a dime while its big rival was attempting to turn over a dollar."

The conclusion reads:

"So Philco sits pretty. As a privately owned company, it publishes no reports on sales or earnings. The set and dollar sales figures in this story, hitherto unpublished, are official. Mr. Skinner is still not divulging any net income figures. The company has a simple capital setup, with 40,000 shares of a \$5 preference stock and 40,000 shares of common stock with no specified dividend. It has paid the preference dividend every year since it was created in 1917, even including the depression period. Common dividends are presumably declared only when the Directors feel it appropriate. The company carried all its fixed assets - land, buildings, machinery, etc. - at only \$2,000,000. There is no funded debt and current assets were six times current liabilities. Total assets are \$16,000,000 - the oak tree that grew from an acorn of \$10,000 in 1906.

As Philco's condition has improved, so has the condition of its competitors. General Electric is planning to get back into radio manufacturing in June, 1935, after having bought its sets from Radio Corporation for two and a half years. Radio Corporation has a line that, advertised under the slogan of the 'Magic Brain', has caught the public imagination more than anything Radio Corporation has turned out for many years."

X X X X X X X X

BARNETT, WBAL STATION MANAGER, RESIGNS

Stanley W. Barnett, Station Manager of WBAL, Baltimore, has announced his resignation from the WBAL staff, effective February 24th.

The Baltimore station, recently purchased by the Hearst interests, was founded and operated for ten years by the Consolidated Gas & Electric Company, of Baltimore.

Barnett, who is one of the pioneers in radio broadcasting, was brought to Baltimore at the time the station was being built, and is said to have played a leading part in the development of the station as one of the country's foremost broadcasters technically and commercially.

For three years prior to his Baltimore association, he was connected, as Station Manager, with WOC, Davenport, Iowa, one of the first high power stations west of the Mississippi.

Mr. Barnett has made no announcement of his plans following the effective date of his resignation at WBAL.

X X X X X X X X

BRITAIN SOON TO BEGIN TELEVISION BROADCASTS

Those who happened to have their all-wave sets tuned in on London last Thursday night heard a recording of the Postmaster General, Sir Kingsley Wood, submitting the report of the British Government's Television Committee, which had been submitted to the House of Commons earlier in the day. Sir Kingsley Wood announced, as a result of the report, that television service would probably be offered to the public the latter half of this year.

"Put on by the British Broadcasting Corporation television service will be tried out by a London station and will have an average service range of about 25 miles", the Postmaster General explained. "If successful and popular other stations will be established. The cost of the receiving sets £50 to £80 would be rather high but it is hoped later that the price may be substantially reduced."

On the basis of a pound being worth \$4.87, this would bring the cost of the British television sets to from \$243 to \$293. Sir Kingsley added the assurance that listeners need not fear that once having purchased sets that they would become obsolete or that different systems might be installed.

The television broadcasts will use two services in the beginning with the Baird and Marconi systems operating alternately from one transmitting station in London under control of

1/1/35

the British Broadcasting Corporation. At present the service will not cause additional expense to the public or the government but will be borne by the British Broadcasting Corporation out of the 10-shilling license required from owners of radio sets. An additional tax may be levied later.

The size of the television picture now produced is about 6 by 8 inches, but can be increased by a magnifying device with a corresponding loss of definition. Experimental work is progressing toward pictures of much larger dimensions but they are only in the early stages of development.

It is believed that eventually 50 per cent of the population can be covered by ten stations. Ultra short waves will be used.

In the beginning Sir Kingsley said it will be possible to televise speakers and actors, also small scenes, such as a tennis match or the finish of a race.

"For instance, they could probably televise my talking to you", the speaker said laughingly, "but whether or not that particular picture would add to your enjoyment is for you to say."

The Postmaster General told of receiving a letter from a lady who had some apprehension that television might be used to look in on domestic scenes in the homes.

"I should like to reassure the nervous", the British Postmaster General said, "that it cannot possibly be used in this way."

Sir Kingsley concluded by saying that no doubt there would be many achievements in 1935, not the least important of which would be the introduction of broadcast television. The British television committee report said the time may come when a sound broadcasting without television would be almost as rare as the silent film today.

X X X X X X X X

FRENCH STATIONS BAN ADVERTISING

Advertising on French broadcasting stations has been banned by Premier Flandin, effective this month.

X X X X X X X X X X

1/1/35

SENATE COMMITTEE DEFERS CONFIRMATION; AWAITS WITNESSES

The Senate Interstate Commerce Committee is still marking time in the matter of confirming the Federal Communications Commissioners. It is awaiting the arrival of several witnesses who are expected to testify in connection with the charges made by Senator Bilbo, of Mississippi, against Judge E. O. Sykes, who is alleged to have campaigned against Bilbo.

The impression seems to be that Sykes and all the other Commissioners will eventually be confirmed. One supposition is that because of the Interstate Commerce Committee having just had the Eastman report referred to it, the great burden of work that this will require from the Committee may cause them to dispose of the Communications nominations just to get them out of the way. Up to now, however, the Committee has proceeded very deliberately in the matter.

One theory is that the Senate Committee is on a "fishing expedition" trying to get something on the Commissioners. This is based on the fact that the Committee has called for all the Commission's press releases, decisions in such as the "Old Man" Henderson, Normal Baker and other cases, and has asked for additional Commission records.

X X X X X X X X

WHEELAHAN OF WSMB IS FIRST STATE CHAIRMAN ELECTED

Phil Loucks, Managing Director of the National Association of Broadcasters, has returned to Washington after attending the organization of five State NAB Committees. Mr. Loucks will head for New England early next week and continue the work until all States have been organized.

Harold Wheelahan, WSMB, New Orleans, was elected Chairman of the Louisiana Committee Tuesday, January 15th, and John C. McCormack, KTBS, Shreveport, Vice-Chairman.

Gordon Persons, WAPI, Birmingham, was chosen head of the Alabama group Friday, January 17th; Harry Stone, WSM, Nashville, head of the Tennessee Committee, January 19th, and Harry Slavick, WMC, Memphis, Vice-Chairman.

L. B. Wilson, of WCKY, Covington, and Credo F. Harris, WHAS, Louisville, were named Chairman and Co-Chairman respectively by the Kentucky Committee January 21st.

X X X X X X X X

PROGRAM BULLETIN SERVICE INAUGURATED BY RADIO INSTITUTE

The inauguration of a bulletin service listing some of the worthwhile offerings to be heard on the radio, and designed to aid schools, clubs, music groups, and interested individuals in deriving the maximum benefits from available radio programs, was announced by the Radio Institute of the Audible Arts, which is sponsored by Philco.

The first issuances consist of a listing of educational programs, education being used in the broad sense to include informative talks on subjects of current interest; a bulletin of music programs; and a bulletin featuring comments on current programs by Pitts Sanborn, prominent music critic and Director of the Institute.

A total of sixty-three musical programs are listed in the music bulletin, including chamber music, classical and semi-classical orchestral programs, and broadcasts by opera and concert stars.

The bulletins are limited, for the time being, to programs appearing on the networks of the National Broadcasting Company and the Columbia Broadcasting System. Listeners are urged, however, to seek out the many other worthwhile programs to be heard over the hundreds of local stations throughout the country.

X X X X X X X X X X

WHEELER TO BE ON RADIO SUNDAY NIGHT

Senator Burton K. Wheeler, Chairman of the Interstate Commerce Committee, will be a speaker in the Fireside Hour Sunday night, February 3 on Station WJZ at 10:30 o'clock EST. His topic of discussion has not been announced.

X X X X X X X X X X

SALMON, STATE DEPT. COMMUNICATIONS HEAD, IS 56

One hundred and fifty employees of the Communications and Records Division of the State Department staged a surprise party for David Salmon, their Chief, on his fifty-sixth birthday anniversary.

X X X X X X X X X X

COMMUNICATIONS OFFICIALS' HEARING FEB. 4 AND 5

In compliance with the Federal Communications Commission's orders as to directors and officers of communications companies authorizing them to file personal application with the Commission for authority to hold the positions of officer or director of more than one carrier and directing that they shall hold such positions pending final order by the Commission on their respective applications, subject to all of the limitations set out in orders heretofore issued, and their being no affirmative showing in their respective applications sufficient to convince the Commission that public and private interests will not be adversely affected thereby, each of said persons hereinafter named will be given a hearing at the office of the Commission. These hearings are to be held February 4th and 5th, having been originally set for January 21st but postponed on account of the appearance of the various Commissioners before the Senate Interstate Commerce Committee.

Those scheduled to appear before the Commission en banc on Monday, February 4th, are Sosthenes Behn, Newcomb Carlton, Edwin F. Carter, Edwin F. Chinlund, John W. Felton, E. Y. Gallagher, and Frank L. Polk.

Those to appear on February 5th are Walter S. Gifford, Joseph J. Halpin, Lewis MacConnach, and David Sarnoff.

X X X X X X X X

NEW BRAZILIAN STATION TO STIMULATE RADIO SALES

It is estimated by one trade source, A. A. Barrington, U. S. Assistant Trade Commissioner at Rio de Janeiro reports, that importations of American radios into Brazil during 1934 will number between 50,000 and 60,000 sets. The same source predicts that sales of American radios in 1935 will reach 80,000 sets, shared by more than 60 different American brands. Sales of radios of European make are estimated to reach less than 10 percent of this figure. It is expected with the erection of a new 25 kw long-wave station now being constructed at Rio, the largest in Brazil, that the market for radios will be favorably affected, especially in the northern states which heretofore have not been covered very successfully.

Owing to the keener competition, it is felt that retail prices may decline, possibly as much as 20 percent. The lower customs duties, with the advent of the new tariff schedules, effective September 1, 1934, which levy duties on a weight basis instead of an ad valorem rate, also constitute a factor which has some influence on the price of radios.

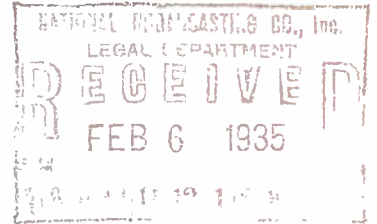
X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



200
20
all
Future

INDEX TO ISSUE OF FEBRUARY 5, 1935

Dill, Counsel in Radio News Case, Sees Victory.....	2	✓
Is FCC To Take Over Public Education? Educators Ask.....	3	
Mulrooney Sees Radio As Law Enforcement Aid.....	5	
If Not, Why Do They Move Away?.....	5	
Senate Committee Reports FCC Commissioners Favorably.....	6	
Officials Would Continue Interlocking Service.....	6	
NAB Withholds Endorsing Food & Drugs Bill.....	8	
Applications Granted By Broadcast Division, FCC.....	9	
Radio Service Men Urged To Reform.....	11	

No. 796

Smith
my
12-9
J

February 5, 1935

DILL, COUNSEL IN RADIO NEWS CASE, SEES VICTORY

Former Senator C. C. Dill, of Washington, recently returned to the practice of law and retained by the National Association of Broadcasters to represent the radio interests in the appeal to the Court of Appeals in San Francisco of the decision of Judge John Bowen of Seattle, believes the latter's decision will be affirmed. Judge Bowen upheld the right of radio stations to broadcast news from newspapers as soon as the papers were on the street.

John W. Davis will be chief counsel for the Associated Press and the United Press which appealed the case. If Judge Bowen is reversed at San Francisco, the motion will be carried to the Supreme Court of the United States. It promises to be a hard fought battle between the broadcasters and the press associations over the property rights of news. The broadcasters expect to raise a fund of \$25,000 or more with which to assist KVOS, of Bellingham, Wash., defendant in the case, to carry on the litigation.

Former Senator Dill was responsible for the appointment of Judge Bowen and therefore declined to have any part in the case while it was before him.

A curious turn caused by the decision is that although Judge Bowen is naturally friendly to Senator Dill, for the time being it puts a quietus on Senator Dill's reported plan to organize a press agency to supply news to broadcasting stations. If stations can get news free by buying a newspaper, it is not believed that many of them will subscribe to a news agency. Nevertheless Senator Dill, feeling strongly that stations are entitled to broadcast news and that the newspapers have endeavored to prevent this, expressed himself as being very happy in his present assignment and declared that he foresaw victory for the broadcasters.

X X X X X X X X X

IS FCC TO TAKE OVER PUBLIC EDUCATION? EDUCATORS ASK

Making public its first comment on the report of the Federal Communications Commission recommending that Congress veto the idea of fixed allocations for educational and religious stations but instead call a national conference of all parties concerned, the National Committee on Education by Radio asks, in apparent alarm, if the Federal Communications Commission is to take control of public education in the United States?

"They propose to call this conference of educators to define policies", the Committee declares. "They will decide who shall come and who shall not come. They will be in a position to dictate or strongly influence the findings. They will decide what use will be made of the findings. Their attitude may be strongly influenced by the radio industry with whom they have more dealings than with public education. If there is to be a conference to determine the status of education on the air - a decision of century-long importance - should it not be called by the legally constituted educational authorities and not by a commission whose primary responsibility is elsewhere? Shall we not have sooner or later to decide whether the technical management of radio is to be the master or the servant of the cultural interests of America?"

"The National Committee on Education by Radio will be glad to cooperate wholeheartedly in the conference. However, it takes this opportunity to remind the Commission that a conference of this same type was held in 1929. It consisted of representatives of education and the broadcasting industry. These persons, constituting the Advisory Committee on Education by Radio, were appointed by the Secretary of the Interior on June 6, 1929. After a thorough study, a number of recommendations were made. The clash between the educators and the broadcasters was such that the principal recommendations have never been put into effect. If such a result is reached by the conference which the Federal Communications Commission proposes to call, little good will be done. The National Committee on Education by Radio, the Institute for Education by Radio, and the National Advisory Council on Radio in Education have all held conferences from time to time. These conferences have been attended by both educators and commercial broadcasters. The principal difficulty seems to be that commercial broadcasters are willing to provide time to educators until that time can be sold profitably to advertisers. It appears probable that education will never have security on the air until some form of legislation or regulation forces the broadcasters to assure that security. When that time comes, many of the difficulties will be solved."

"The National Committee on Education by Radio does not feel that everything has been done that could be done to make radio serve the best interests of the public. The Committee feels that the newly-created Federal Communications Commission arrives on

2/5/35

the scene at a particularly opportune time. It has more authority under the law than it has ever exercised. It can assume leadership in ironing out the repeatedly recurring difficulties that educational institutions have had either in securing adequate facilities of their own or in securing satisfactory and permanently guaranteed time on commercial stations."

Nevertheless the opinion seems to be unless unusual activity is shown by the educators and the Rev. John B. Harney, Superior General of the Paulist Fathers, owners of Station WLWL in New York, that nothing much will result in the way of legislation, for the time being at least.

If the proposal which Father Harney has made for his station to secure a clear channel is approved, it is believed that he may not be so active in pressing further consideration of the educational and religious aspects but if the plan, which is highly complicated, fails, it is expected further bills may be introduced into Congress such as the one recently presented by Representative Ruud, of New York, earlier in the session providing that 25% of all facilities be allocated to non-profit stations.

The proposal submitted by Father Harney to the Communications Commission is briefly as follows:

WLWL, New York, would shift from present limited time assignment on 1100 kc., clear channel to 810 kc. clear channel, operating with present power of 5,000 watts, with full time.

WWL, New Orleans, (operated by Loyola University) would shift from present full-time clear channel assignment on 850 kc. with 10,000 watts to 810 kc. clear channel, operating full-time simultaneously with WLWL, and with power increase authorized up to 50,000 watts. It would break-down this clear channel, since more than one station would operate on it at night.

WCCO, Minneapolis, operated by CBS, would shift from 810 kc. to 800 kc. clear channel, using present power of 50,000 watts. This shift is deemed necessary to meet technical requirements regarding interference between stations on neighboring channels.

WFAA, operated by Dallas News and WBAP, operated by Fort Worth Star-Telegram, which now share time with 50,000 watts on the 800 kc. clear channel, would move to 850 kc. clear channel, vacated by WWL.

WNYC, New York, operated by City of New York as daylight station on 810 kc. would be shifted to 1130 kc., clear channel assigned to KSL, Salt Lake City, Mormon station owned equally by Salt Lake Tribune and Church of the Latter Day Saints. WOV

New York, operated by the International Broadcasting Corp. would remain on its assignment on this channel, but would share time day and night with WNYC, each using 1,000 watts. This would break down the 1130 kc. wave as a clear channel.

WPG, Atlantic City, owned by that municipality but leased to CBS, would be given full time operation on the 1100 kc clear channel on which the Paulist station now using limited time. These two stations have battled incessantly in past years over time division, with WLWL trying to get half-time operation.

X X X X X X X X

MULROONEY SEES RADIO AS LAW ENFORCEMENT AID

In the opinion of Edward P. Mulrooney, former Police Commissioner of New York City, radio undoubtedly has been the greatest weapon placed in the hands of law enforcement bodies since the development of the finger-printing system.

"If the Federal Government earnestly desires to aid in the war on crime, it might well consider, when making Federal appropriations, the applications of States for adequate funds to install a modern police radio system", Mr. Mulrooney said.

"If this suggestion were adopted and developed, it would be possible to cover every main highway and every avenue of escape from any given locality within a matter of minutes."

Mr. Mulrooney suggested the establishment in each county, in addition to State trooper service, of a group of criminal investigators. Existing conditions, he said, could be remedied by a consolidation of all county, town and municipal forces into a single police agency, or by having the State assume the responsibility for police administration and create police districts to be controlled and financed by the State.

X X X X X X X X

IF NOT, WHY DO THEY MOVE AWAY?

Asking, "Is radio a necessity?" a listener continues:

"If not, why do people move away from places where there is too much static? I mean, why do rents go down if tenants move away on account of the radio?"

"In this case the radio may not be a necessity to the rentee but it is to the renter and the radio which is a necessity in this case to the renter is not the radio which the renter listens to."

X X X X X X X X

SENATE COMMITTEE REPORTS FCC COMMISSIONERS FAVORABLY

Despite objections raised against Judge E. O. Sykes, Chairman of the Federal Communications Commission by Senator Bilbo, of Mississippi, the Senate Interstate Commerce Committee reported favorably the nominations of Messrs. Sykes, Col. Thad Brown, Walker, Case, Payne and Stewart to continue to serve as members of the Federal Communications Commission.

These recommendations will go to the Senate tomorrow (Wednesday), lay over a day and probably be taken up Thursday. Although there may be objection raised from the floor by Senator Bilbo and others, it is believed all Commissioners will be confirmed. Commissioner Anning S. Prall, seventh member of the Commission, has previously been confirmed by the Senate.

X X X X X X X X

OFFICIALS WOULD CONTINUE INTERLOCKING SERVICE

Officials who appeared at the hearings which began Monday, at which they sought authorization to hold positions of officer or director of more than one communications company argued that they could serve the public better in this way than if a director was limited by law to serve only upon one board.

Commissioner Irvin Stewart presided at the sessions which were conducted by the Telegraph Division of the Communications Commission. The officials were summoned to Washington in conformity with the Communications Act which authorizes the Commission to approve such applications after an open hearing.

Sosthenes Behn, President of the International Telephone Corporation, recited his connections. These included serving on the Board of the All-America Cables, Cuban-American Cables, Postal Cable and Telegraph Co., Commercial Cables, Postal Telegraph Company, and Mackay Radio Telegraph Co. Mr. Behn explained that all these companies operated as one unit. He said that the All-American Cables connected up with South America establishing closer trade relations between the countries.

Mr. Behn said in the interest of cooperation and efficiency the services to these companies of someone like himself was necessary and important.

"My presence on the Board or as Chairman of the Executive Committee of these companies is warranted and justified by the public interest", the I. T. & T. head declared. "Through the interlocking directorates of these companies the public gets all possible advantages."

In answer to a question from Commissioner Stewart, Mr. Behn asserted the interests of the minority stockholders are always considered and protected although they have no direct representatives.

Newcomb Carlton, Chairman of the Board of the Western Union, who also serves as President and Director of the Mexican Telegraph Company explained the connection between the two companies. In effect, the Mexican company is a subsidiary of the Western Union. Mr. Carlton explained how the American Telephone & Telegraph Company formerly was able to control the Western Union when it only owned 30 per cent of the stock. This interested the Commissioners who seemed surprised that such a small percent of stockholding could dominate a company. Mr. Carlton explained that a small cohesive group could accomplish considerably more than a larger group of independent stockholders who were widely separated.

Commissioner Paul Walker wanted to know how small a percent of stockholders might control a company but Mr. Carlton couldn't say.

Edwin F. Carter, Vice-President of the American Telephone and Telegraph Company asked for authorization to continue as a Director of the Bell Telephone Company of Ohio.

Joseph J. Halpin, Assistant Treasurer of the All-America Cables requested that he be allowed to continue to serve as a Director of the Cuban-American Cables, Commercial Cables, Mackay Radio, and the Postal Telegraph.

W. S. Gifford, President of the American Telephone and Telegraph Company said that he likewise served as a member of the Executive Committee of twenty-one Bell System Telephone Companies. All but two of these companies, he testified, are controlled by the A. T. & T. through stock ownership and in sixteen companies the A. T. & T. owned 100 percent of the stock.

Mr. Gifford defended his connection with these companies on the ground that it was more economical and that it was essential that the companies, whose business relation is identical, should be controlled and managed by the same group of men. The witness said that management correlation is equally as important as the tying together of the lines and that equipment alone will not give telephone service.

"There has to be close cooperation", Mr. Gifford continued. "As my distinguished predecessor put it a quarter of a century ago, 'One system, one policy, universal service.'

"These companies are not competitive. I can see no valid distinction between my functions as a Director of the A. T. & T. and as a Director of the twenty-one associated companies. I represent the same ultimate owners of the property in both cases."

Mr. Gifford contended that the interest of these companies properly conserved is also the public interest inasmuch as it concerned 250,000 employees and 700,000 stockholders. Cross-examination by Commissioner Walker brought out the fact that the A. T. & T. has \$200,000,000 in government securities and \$16,000,000 cash working capital in New York and Boston banks. The financing is done by the J. Pierpont Morgan and Company.

The hearings were adjourned Tuesday noon until Saturday, February 9th, when David Sarnoff, President of the Radio Corporation of America, will testify.

X X X X X X X X

NAB WITHHOLDS ENDORSING FOOD & DRUGS BILL

As yet the National Association of Broadcasters has not decided to endorse any one of the three Food and Drugs Bills thus far introduced in Congress.

Declaring that he had thoroughly examined the three bills pending in Congress to revise the Federal Food and Drugs Act, Lee H. Bristol, former President of the Association of National Advertisers, endorsed the Mead Bill and urged its passage in the present session of Congress.

The chief advantage of the Mead Bill, Mr. Bristol said, is that by amending and revising the present Food and Drugs Law, it covers carefully every point on which the public needs protection but does not lose the protection to the public afforded by court decisions that have been rendered in connection with the present law.

While Senator Copeland's new bill represents improvement over the original Tugwell bill, it still retains some of the unfortunate and unworkable provisions of the latter, Mr. Bristol stated. The Mead Bill, he pointed out, provides for control of false advertising without cluttering up the courts with criminal prosecutions, and at the same time provides a means for prompt and complete stoppage of dangerous advertising through court injunction and Federal Trade Commission procedure.

The provision in the Copeland Bill that an advertisement shall be considered false if it contains any representation about a drug that is not sustained in every particular by demonstrable scientific facts or substantial medical opinion would be the cause of serious confusion in the industry, Mr. Bristol warned.

X X X X X X X X X X

APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

New - The Ashland Broadcasting Co., Ashland, Ky., C.P. for new station, 1310 kc., 100 watts, unlimited time; WHBD, The Vee Bee Corp., Mt. Orab, Ohio, C.P. to make changes in equipment and move transmitter and studio from Mt. Orab to Portsmouth, Ohio (site to be determined, subject to approval of commission); WWJ, The evening News Association, Inc., Detroit, Mich., C.P. to install new equipment, move transmitter to site to be determined by Commission, increase day power from 1 KW to 5 KW, 920 kc., 1 KW night, unlimited time; New, James R. Doss, Jr., Decatur, Ala., C.P. for new station, 1370 kc., 100 watts, daytime; KGVO, Moxby's, Inc., Missoula, Mont., C.P. to install new equipment, move transmitter locally, change frequency from 1200 to 1260 kc., increase power from 100 w. to 1 KW; WHB, WHB Broadcasting Co., Kansas City, Mo., modification of license to increase daytime power from 500 watts to 1 KW; WDAF, The Kansas City Star Co., Kansas City, Mo., modification of C.P. to make changes in equipment and extend completion date to Jan. 30, 1935; also granted license to cover C.P. 610 kc., 1 KW night, 2½ KW day, unlted.

Also, WIBW, Topeka Broadcasting Association, Inc., Topeka, Kans., license to cover C.P. 580 kc., 1 KW night, 2½ KW day, share with KSAC; also C.P. to increase day power from 2½ KW to 5 KW; WOW, Woodmen of the World Life Ins. Assn. Omaha, Neb., C.P. to move transmitter to site to be determined, subject to approval of Commission; make changes in equipment and increase day power from 2½ KW to 5 KW day, appl. to increase night power to 5 KW was set for hearing; WDAF, The Kansas City Star Co., Kansas City, Mo., C.P. to increase day power from 1 KW to 5 KW, and make changes in equipment; application to increase night power set for hearing; KFRU, KFRU, Inc., Columbia, Mo., modification of license to increase day power from 500 w. to 1 KW; KTUL, Tulsa Broadcasting Co., Inc., Tulsa, Okla., extension of special exp. authority to operate with additional 250 watts nighttime for period beginning Jan. 25, 1935, and ending not later than March 26, 1935.

Also, WIP, Penna. Broadcasting Co., Philadelphia, Pa., special experimental authority to increase power from 500 w. to 1 KW for period of three months; KFAB, KFAB Broadcasting Co., Lincoln, Neb., extension of special experimental authorization to operate synchronously with WBBM from local sunset at Lincoln to midnight CST; WBBM, WBBM Broadcasting Corp., Chicago, Ill., extension of special experimental authorization to operate synchronously with Station KFAB, from LS at KFAB to midnight, for period not to exceed Aug. 1, 1935; KMPC, Beverly Hills Broadcasting Corp., Beverly Hills, Cal., renewal of license for a period of 3 months; 710 kc., 500 w., limited time; WWL, Loyola Univ., New Orleans, La., extension of special experimental authority to operate unlimited time on frequency 850 kc., 10 KW power, for period Feb. 1 to Aug. 1, 1935; KWKH, International Broadcasting Corp., Shreveport, La., extension of special experimental authority to operate on 1100 kc., 10 KW daytime with conventional non-directional antenna, and at night with directional antenna for period ending Aug. 1, 1935.

Also, WTCN, Minnesota Broadcasting Corp., Minneapolis, Minn., modification of C.P. giving exact transmitter site; extend commencement date from 1/18/35 to 10 days after grant and extend completion date from 4/18/35 to 90 days thereafter; KWTN, The Greater Kampeska Radio Corp., Watertown, S. Dak., modification of C.P. to extend completion date from 1/1/35 to 2/15/35; KFRC, Don Lee Broadcasting System, San Francisco, Cal., modification of C.P. extending commencement date from 11/2/34 to 2/1/35 and extending completion date from 2/2/35 to 5/1/35; same for KHJ, Los Angeles, Cal.; WLBF, WLBF Broadcasting Co., Kansas City, Kans., C.P. to move transmitter and studio locally; WNEL, Juan Piza, San Juan, P.R. license to cover C.P. 1290 kc., 500 w. unlimited time; KSEI, Radio Service Corp., Pocatello, Idaho, license to cover C.P., authorizing installation of new equipment; increase in daytime power, change frequency from 900 to 890 kc., and moving transmitter to new site locally, 250 w. night, 500 w. day, unlimited; KGBX, KGBX, Inc., Springfield, Mo., extension of special experimental authority to operate from local sunset to midnight on frequency 1230 kc., 500 w. WIBA, Badger Broadcasting Co., Inc., Madison, Wis., extension of Spec. Exp. Auth. to operate with 500 watts additional night power employing directional antenna, for period Jan. 30 to April 1, 1935.

Also, WCFL, Chicago Federation of Labor, Chicago, Ill., renewal of license for period of 3 months, 970 kc., 1½ KW, limited time; WHBL, Press Publishing Co., Sheboygan, Wis., C.P. to install new eqpt.; WHDL, Tupper Lake Broadcasting Co., Inc., Olean, N. Y., authority to install automatic freq. control; WDRG, WDRG, Inc., Hartford, Conn., auth. to determine operating power by direct measurement; KSL, Radio Service Corp. of Utah, Salt Lake City, auth. to determine operating power by direct measurement of antenna; Same for KOA, National Broadcasting Co., Inc., Denver, Colo.; KSD, Pulitzer Publishing Co., St. Louis, Mo., mod. of C.P. to make changes in eqpt; extend commencement date from 12/6/34 to 10 days after grant, and extend completion date from 2/1/35 to 150 days thereafter; KOL, Seattle Broadcasting Co., Seattle, Wash., license covering local move of station, changes in eqpt. and increase in daytime power, 1270 kc., 1 KW night, 2½ KW day, unlt'd; KQW, Pacific Agricultural Foundation, Ltd., San Jose, Cal., license to cover CP authorizing installation of new equipment, increase in power from 500 w. to 1 KW, 1010 kc., unlimited time.

Also, WINS, American Radio News Corp., New York City and WISN, Same, Milwaukee, Wis., modification of license to change name from American Radio News Corp. to Hearst Radio, Inc.; KOIN, KOIN, Inc., Portland, Ore., mod. of license to increase day power from 2½ to 5 KW; WHBU, Anderson Broadcasting Corp., Anderson, Ind., consent to transfer of control of Anderson Broadcasting Corp. at Anderson, Ind. (licensee of WHBU) from the Citizens Bank, Anderson, Ind. to Leo M. Kennett, license expires June 1/35 and authorized operation on 1210 kc., 100 w., unlimited; WPTF, WPTF Radio Co., Raleigh, N. C., license to use old eqpt. as auxiliary; also auth. to use W.E. 6-B transmitter as an auxiliary during the hours of operation as authorized by S.E.A. (that is to 11 P.M. EST), subject to check by Engineers;

Also WJZ, National Broadcasting Co., Inc., New York, extension of special Auth. for the next license period ending Aug. 1, 1935, to operate with 50 KW; KFBB, Battery Broadcast, Inc., Great Falls, Mont., Spec. Exp. Auth. to change freq. from 1280 kc to 610 kc. for remainder of license period ending April 1, 1935; WORK, York Broadcasting Co., York, Pa., extension of special Auth. for period ending Aug. 1, 1935 to operate on 1320 kc., 1 KW night, 1 KW day, unlted.; KGA, Louis Wasmer, Spokane, Wash., petition that Commission reconsider and grant on a regular basis, the renewal application which was set for hearing Oct. 30, 1934; WHJB, Pittsburgh Radio Supply House, Greensburg, Pa., C.P. to make changes in eqpt.

Also, New, Bell Telephone Labs., Inc., Whippany, N. J., CP Exp. - Spec. Exp. Serv. 560, 900, 1340 kc., 5 KW, time of operation 12-6 A.M.; also granted license covering same; W2XHI, Bamberger Broadcasting Service, Inc., Newark, N. J., modification of C.P. extending commencement date to 2/27/35 and completion date from 3/27/35 to 5/27/35; W10XG, National Broadcasting Co., Schooner "Seth Parker", mod. of Lic. for additional 1 KW transmitter and 1 KW operating power; WKEM, American Radio News Corp. Portable-Mobile (N.Y.) mod. of Lic. (Temp. Brdcst. Pickup) to change name from American Radio News Corp. to Hearst Radio, Inc.

X X X X X X X X X

RADIO SERVICE MEN URGED TO REFORM

The following is proposed to its members by the Institute of Radio Service Men:

LET'S STOP

Delivering sets without first testing them,
 Connecting sets to old aerials, that are noisy and inefficient,
 Forgetting to loosen the chassis hold-down bolts and removing
 the blocks
 Using steam pipes and gas pipes for grounds,
 Failing to instruct customer in correction operation of the set,
 Returning sets with nothing wrong but a tube,
 Knocking the job done by the last service man,
 Arguing with the customer,
 Kidding ourselves that cheap parts are "just as good".

X X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF FEBRUARY 8, 1935.

Contends FCC Regulations Force Private Censorship.....	2
Bilbo's Sykes Depth Bomb Proves Dud.....	4
House Committee Also Approves A. T. & T. Inquiry.....	5
Year's Radio Advertising Climbs To \$72,887,169.....	6
Shepard New NAB Massachusetts Chairman.....	7
Canada's Health Talk Policy.....	7
Business Letter Notes.....	8
FCC Seeks To Keep International Communications Control.....	10
NBC Heads Join In Salute To Governor Cox's Station.....	11
Pacific Radio Units Asked By Airline.....	11
Decisions of Broadcast Division, FCC.....	12

No. 797

FEB 11 1935

A

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

CONTENDS FCC REGULATIONS FORCE PRIVATE CENSORSHIP

Declaring that broadcasting is burdened with a real, though somewhat elusive, censorship and citing the fact that four stations have been closed down for objectionable utterances - KVEP, Portland, Ore., owned by William B. Schaeffer; KFKB, Milford, Kans., Dr. Brinkley; KTNT, Muscatine, Ia., Norman Baker, and KGEF, Los Angeles, Rev. Schuler - Louis G. Caldwell, first General Counsel of the old Radio Commission, addressing the American Academy of Political and Social Science, declares that the Federal Communications Commission forces the broadcasters themselves, or at least the more timorous among them, to exercise a private censorship over the speeches of those who use their facilities. Mr. Caldwell contends that they feel it necessary to require advance submission of the manuscripts of proposed speeches and to scrutinize them carefully for matter which might be deemed objectionable by the Commission.

"The guarantee of the freedom of speech has ceased to keep pace with the progress of science", Mr. Caldwell said. "The Court of Appeals suggested that a speaker is perfectly free to indulge in his strictures upon the characters of men in public office anywhere except over a broadcast station. That is to say that freedom of speech still exists for the obsolescent public platform, but not for the great means of mass communication that is replacing it. This is but another way of saying that the freedom of speech (in its true sense of the right of the public not to be deprived of unobstructed avenues for the communication of ideas) has failed to keep abreast of the freedom of the press, and the latter henceforth must carry the torch alone.

"I am confident that if the reader will examine the contents of the issues of the Saturday Evening Press involved in the case of Near v. Minnesota, and compare them with those involved in the four radio cases I have referred to, he will concede that the following conclusion is unassailable: A broadcasting station can be put out of existence and its owner deprived of his investment and means of livelihood, for the oral dissemination of language which, if printed in a newspaper, is protected by the First Amendment to the Constitution against exactly the same sort of repression."

Suggesting remedies, Mr. Caldwell said that Congress can contribute greatly by amending the Radio Act so as to eliminate the arbitrary power of the Government in time of war or of emergency, and specifically to exclude consideration at any time of broadcast programs and particularly speeches, as well as to negative any invasion of the jurisdiction of the Federal Trade Commission over unfair methods of competition, of the National

Recovery Administration and the Federal courts over code violations, or of any other Federal or State agency.

"The matter of obscene, indecent, or profane language should be left to the criminal laws of the States; medical charlatany should be left to the State medical practice acts", he continued. "Language which is not illegal within a State should not become a crime by the accident of crossing the State boundaries. If, however, any of these matters are to be prohibited by Federal law, let them be treated solely as crimes, punishable by fine or imprisonment, and not as a cause for deprivation of license."

"The cause of justice would be substantially advanced if the term of license for broadcast stations were increased to the full maximum of three years now permitted by the law (and this term might well be further increased by Congress); and if the Commission, in its discipline of stations, would employ revocation proceedings (instead of confining its actions to renewal applications), so that the Government would have to sustain the burden of alleging and proving specific misconduct, and would relieve the citizen of the burden of proving himself innocent.

"There are, however, deeper roots than any of these remedies will reach. The phrase 'public interest, convenience or necessity' has proved to be the Achilles' heel by which a serious wound has been inflicted on the First Amendment to the Constitution. But the type of legal machinery employed in radio regulation, like the type employed in the dispensing of second-class mail privileges, is such as to strip away almost all armor of defense against the nullification of constitutional guaranties. In explaining this, let me again make it clear that I am discussing the power, and not any actual conduct, of the Commission.

"The Commission involves so complete an amalgam of executive, legislative, and judicial powers, is so little subject to judicial control, and, as the dispenser of licenses, wields so powerful a weapon to gain its ends, that inevitably there is free play for the achievement of arbitrary and unauthorized purposes. The safeguards of judicial independence and isolation from extraneous influences, which centuries of experience have thrown around our courts, are lacking in such a combination. The license system is the machinery of government thrown into reverse gear; the servant becomes the master."

"The license system seems necessary on the technical side of radio regulation; in any event, it is not likely to be abandoned. But it is not necessary that the government agency, which as legislator make the rules and as prosecutor attempts to secure a conviction, should also sit as judge. Cases involving the rights of radio licensees, and particularly cases of discipline, should be heard and decided by an independent tribunal such as was intended under the Radio Act of 1927 as originally enacted."

2/8/35

"The undeniable advantages of administrative machinery in certain fields of regulation (including radio) where the continuous supervision of experts with regulation-making power is of value, should not blind us to the ever present necessity for proper checks and restraints on governmental authority. We may not fear (and I do not) that, on the plea of national emergency, our present President would in time of peace close down any broadcast station. Yet, there are other persons who, if they succeeded to the office, might not justify the same confidence. Similarly we may not fear the conduct of the present members of the Federal Communications Commission, but we have a right to be concerned over their possible successors."

X X X X X X X X

BILBO'S SYKES DEPTH BOMB PROVES DUD

Senator Bilbo, of Mississippi, heralded as "one who would raise more hell in the Senate than Huey", and who has repeatedly said that he would spend his entire time in the Senate in an effort to oust Judge E. O. Sykes from the Communications Commission cooled off to such an extent when the matter actually came up in the Senate that all he did was to have some correspondence pertaining to the case inserted in the Congressional Record presumably for "home consumption".

"I most respectfully request that the Record show that I registered my vote against the confirmation of Judge Sykes", Senator Bilbo said mildly. "I am willing to concede that with the facts and evidence before the committee possibly this was the only course the committee could pursue, but I am forced to entertain the strong belief that if the committee could have made a thorough investigation of all the acts of the old Radio Commission, and could have known how the gentleman in question has discharged the duties of his office in every respect, there would be a different story to tell.

"In explanation and justification of my action and vote in this matter, I respectfully ask unanimous consent to have printed in the Record at this point my formal and written statement presented before the committee."

As a result, the statement which Senator Bilbo made to the Interstate Commerce Committee making various charges against Judge Sykes, a fellow Mississippian, the main allegation of which was that the latter had worked against his election, a telegram to President Roosevelt from a former employee of the Radio Commission who credited his discharge to Sykes, and other correspondence were printed in the Congressional Record covering about 2½ pages, agate type.

Following this, Judge Sykes was confirmed by the Senate for a 7-year term, dating from last July, without even taking a record vote.

Previously the other five Commissioners had been confirmed the only debate being occasioned by the clerk leaving out the middle initials of Commissioners Case and Walker.

"His full name is Norman S. Case", said Senator Metcalf, of Rhode Island. "Through the Secretary of the Senate I have received from the President permission to have that mistake corrected. I ask to have the mistake corrected and the letter 'S' incorporated in the name."

"There is also a mistake in the name of the nominee just read", Senator Wheeler echoed. "The full name should be Paul A. Walker. As in the previous case, in a communication received from the President of the United States through the Secretary of the Senate, I have received permission to have that mistake corrected. I ask to have the mistake corrected, and the initial 'A' incorporated in the name."

Commissioner Case was confirmed for a two-year term from last July, Commissioner Stewart for a three-year term, Commissioner Case a four-year term, Commissioner Walker a five-year term, and Commissioner Thad Brown, six years. Commissioner Prall had previously been confirmed in serving the unexpired term of Hampson Gary and will be up for reappointment next July.

X X X X X X X X X X

HOUSE COMMITTEE ALSO APPROVES A. T & T. INQUIRY

Following closely upon similar action by the Senate Interstate Commerce Committee, the House Committee on Interstate and Foreign Commerce approved a resolution authorizing an investigation of the American Telephone & Telegraph Company.

The measure, by Committee Chairman Rayburn, of Texas, would direct the Commission to look into reasons for what was termed the general failure to reduce telephone rates and charges during the years of declining prices. It also would investigate the effect of monopolistic control upon the reasonableness of telephone rates and charges, upon methods of competition with independent telephone companies, and upon the character of service given.

Of special interest to broadcasters will be that charges for telephone lines used in network programs and public address systems will be gone into.

Enabling legislation is expected to follow in both the Senate and the House at an early date.

YEAR'S RADIO ADVERTISING CLIMBS TO \$72,887,169

The total broadcast advertising in 1934, as estimated by the National Association of Broadcasters, amounted to \$72,887,169 and constituted a gain of 27.0% above the estimated gross time sales of the medium for the preceding year. Advertising revenues of the industry equalled, if they did not actually exceed the previous peak year of 1931, when, according to estimates by the Federal Radio Commission, corrected for duplications, the total gross revenues ranged between \$70,000,000 and \$73,000,000.

The 1934 report of broadcast advertising volume makes available for the first time comprehensive data regarding all forms of radio advertising for a full calendar year. Established in July, 1933, the statistical reports of the National Association of Broadcasters constitute the only source where information is available for national and local non-network and regional network advertising, in addition to the usual national network figures. The appreciation of the officers and board of the Association is extended to those stations whose cooperation has made possible the compilation and publication of these statistics.

National network advertising experienced the most rapid rise of any portion of the broadcasting structure. Gross time sales by national networks exceeded the 1933 level by 35.3%, and were 9.2% greater than the volume of advertising experienced during the previous peak year of 1932. Regional network volume declined slightly during the year.

Local broadcast advertising, on the other hand, failed to register any gains. Gross time sales of this class of business were 3.2% less during the last six months of 1934 than during the corresponding portion of 1933.

Total volume of broadcast advertising remained comparatively unchanged in December as compared with the preceding month. Gross time sales of the medium amounted to \$7,176,211, and were 8/10 of one per cent less than in November.

National network advertising continued to gain, rising 1.9% above the November level. National spot volume declined 6.0% as compared with the previous month, while local broadcast advertising decreased 1.9%. At least a portion of these declines was in the nature of a seasonal trend. There was a marked decline in regional network volume, due to a cessation of political advertising.

December broadcast advertising exhibited a marked improvement over that of the same month of 1933. Gross revenues of the medium were 16.6% greater than in December 1933. National spot volume registered the greatest increase, standing 30.3% above the level of the same period of the previous year. National network volume was 20.4% greater than during December 1933, while local broadcast advertising remained at practically the same level. Regional network advertising declined somewhat.

SHEPARD NEW NAB MASSACHUSETTS CHAIRMAN

At a meeting of Massachusetts radio executives recently held in Boston, the Massachusetts Committee of the National Association of Broadcasters was organized.

Officers of the Committee elected were John Shepard, 3rd, President of the Yankee Network, Chairman; J. J. Storey, Manager of WTAG, Worcester, Vice-Chairman; and A. S. Moffat, President of WMAS, Springfield, Secretary.

The purpose of the formation of the Massachusetts Committee is to cooperate with the National Association of Broadcasters in legislative and administrative matters that will affect the interests of the broadcasting industry in general and in Massachusetts in particular. The Committee's activities will also serve to bring the heads of the several Massachusetts radio stations together at frequent intervals for the discussion of important problems in the industry.

The organization of this State Committee is a part of the present trend in building separate departments of the N.A.B. in the several States. These sub-divisions are being formed with the assistance of Philip G. Loucks, Managing Director of the N.A.B., who was in Boston to attend the meeting. Committees have already been formed, or are in the process of organization, in about 10 other States, and others will follow shortly.

Aside from the officers enumerated above, the following Massachusetts radio executives, who constitute the Massachusetts Committee, were present at the organization meeting:

J. A. Holman, WBZ, Boston; Joseph Groce, WEEI, Boston; R. L. Harlow, WAAB, Boston; Al Pote, WMEX, Boston; Robert Donahue, WLLH, Lowell; E. E. Hill, WORC, Worcester; Irving Vermilya, WNBH, New Bedford; F. M. Maddix, WBSO, Wellesley; and W. T. Welch, WSAR, Fall River.

X X X X X X X X

CANADA'S HEALTH TALK POLICY

Radio Station CKUA, the University of Alberta, Edmonton, Alberta, presented last month, a program entitled, "Venereal Diseases - Prevention and Control." The speaker was Dr. Harold Orr, Director, Social Hygiene Division, Provincial Department of Health. The program was given at 2 P.M. and was presented not only by the University station, but by stations CFAC and CJOC."

"This action by the Canadian authorities is in strong contrast to that of the Columbia Broadcasting System", the National Committee on Education by Radio comments. "It will be recalled that on November 19, 1934, Columbia barred a similar broadcast which was to have been given by Dr. Thomas Parran, Jr., New York State Commissioner of Health. The details of this instance of censorship by CBS were related in the December 6, 1934, issue of Education by Radio."

2/8/35

:::::
:::::BUSINESS LETTER NOTES:::::
:::::

An amended public utility tax bill which would extend a 3 per cent city tax to radio broadcasting companies has been introduced in the Board of Alderman in New York City. The 3 per cent tax would apply to the gross profits of radio stations. Radio executives have always held that virtually all their business is interstate commerce, and therefore not liable to taxation by the city.

No time has as yet been set for the Government's anti-trust action against the American Society of Composers but it is believed the trial will not begin much before April.

The Federal Communications Commission has been notified that Station WLAC, of Nashville, has been sold by the Life and Casualty Company in that city to J. Truman Ward, formerly an officer in that company and now President of the National Association of Broadcasters.

Mr. Ward will serve as President and Treasurer of the new operating company, WLAC, Inc.; F. C. Lowell, Jr., will be Vice-President and Secretary, and W. F. Carpenter, General Counsel. Mr. Lowell has served for some time as Production Manager of the station. WLAC will continue to be a part of the Columbia network.

Mrs. A. Vic Donahey, wife of the Senator from Ohio, and Mrs. Frank E. Mason, of New York City, wife of Vice-President Mason of the National Broadcasting Company, were the guests of honor at a luncheon given in Washington by Mrs. Thad H. Brown, wife of the Federal Communications Commissioner, at the Shoreham Hotel. Mrs. Mason is visiting Mrs. Brown.

Other ranking guests included Mme. Alfaro, wife of the Minister of Panama; Mme. Djalal, wife of the Minister of Persia; Mrs. Charles L. McNary, wife of the Senator from Oregon; Mrs. Robert J. Bulkley, wife of the Senator from Ohio, and Mrs. James J. Davis, wife of the Senator from Pennsylvania.

2/8/35

Drastic bills intended to wipe out public utility holding companies within five years were introduced in the House and Senate by Chairmen Rayburn and Wheeler, of the House and Senate Interstate Commerce Committees, respectively.

A special broadcast to Poland honoring the memories of Kosciuszko and Lincoln on their common birthday, Tuesday, February 12 (WEAF network 11:45 A.M., EST), will mark the opening of an exhibit of radio equipment donated by the Polskie Radjio and the Polish Government for display in the International Radio Fair now being staged in Radio City.

The Polish Ambassador, Stanislaw Patek, will speak and the broadcast will include a description of the exhibit, the first of a series of foreign displays at Radio City to which European countries will contribute broadcast equipment associated with each nation's radio history.

"Telephone men were not startled by the bill proposing an appropriation of \$750,000 for the FCC to permit an investigation of the A. T. & T. and other companies, regarding this simply as a means of restoring the funds of the Commission to the amount originally requested, which had been cut down", the New York Times comments. "A poverty-stricken Commission is generally unsatisfactory from every standpoint, since it must often exercise guesswork instead of ascertaining facts."

In the reports of their security holdings to the Federal Security and Exchange Commission, Powell Crosley, Jr. is listed as having \$2,000,000 in the Crosley Radio Corporation, and Gwendolyn A. Crosley, \$1,700,000.

Mr. Louis G. Caldwell's entire address on the subject "Freedom of Speech and Radio Broadcasting", from which excerpts were quoted on pages 2, 3 and 4 of this issue, has just been printed and comprises a 30-page booklet.

X X X X X X X X X X

2/8/35

FCC SEEKS TO KEEP INTERNATIONAL COMMUNICATIONS CONTROL

In the opinion of the Federal Communications Commission, legislation, such as it has suggested in its recommendations with regard to international communications, is essential if the control of these communications is not to pass out of American hands.

The Communications Commission recommends that new communication circuits between the United States and any foreign country shall be opened only after the Commission has found that American interests will be protected and served. The Commission would not approve the opening of any circuit upon terms which are less favorable to American interests than the most favorable terms upon which the same communication service is being rendered by an American company.

The Commission gives the following reasons for its recommendations:

"Competition has its worst effects in the field of foreign communication. Communications in most foreign countries are handled as a monopoly. Where the monopoly has two competing American companies offering to establish circuits, it can drive progressively harder bargains to the detriment of American interests. As existing contracts expire or are terminated, it will undoubtedly develop that those which replace them will be upon terms much more adverse to American interests.

"The proposed amendment would give the Commission some degree of control over this situation. Where one American company has an established circuit to a foreign country, a competing company wishing to establish a similar circuit will be tempted to take less favorable terms than the established company. If the establishment of the circuit is subject to the right of the Commission to see that American interests do not suffer, it will be possible for the Commission to keep this generosity to the foreign company from running riot.

"Some American communication companies are affiliated with manufacturing companies in the United States or abroad, and with operating companies abroad. It is thus at least theoretically possible for a contract made by a carrier subject to the Act to be fair on its face and yet have been induced by actions taken or terms made by American or foreign companies not subject to the Act, which are detrimental to American interests. For instance, an affiliated manufacturing company might give equipment free of charge, if the communication company were to receive the right to open a circuit. The Commission's jurisdiction to examine into all the phases of the transaction, therefore, must necessarily extend to persons not subject to its jurisdiction.

2/8/35

"The proposed amendment will not operate to prevent a lowering of international rates. If an existing contract provides for an equal division of tolls between the American and the foreign company, a new contract providing for a lower rate with the same equal division of tolls would obviously not be contrary to American interests. In practice, the newer contracts have not provided for lower rates; rather they keep the same rates in effect, but they may have been induced by a surrender on the part of the American company of some of its proceeds under the contract."

This, according to an advocate of the recommendations would mean the elimination of toll reductions as an inducement to secure foreign business. If contracts could be secured through offering more efficient service O.K., but monetary splits would be out. The recommendations would also hold for cable.

X X X X X X X X X X

NBC HEADS JOIN IN SALUTE TO GOVERNOR COX'S STATION

Two special programs formally welcoming WHIO, Dayton, Ohio, as the 88th station on the coast-to-coast NBC networks, will be broadcast on Saturday evening, February 9. M. H. Aylesworth, President, and Richard C. Patterson, Jr., Executive Vice-President of NBC, will join Will Rogers, Amos 'n' Andy and other radio headliners in greetings to the Ohio station.

At 7:30 P.M., EST, NBC-WEAF network listeners will hear WHIO's formal dedicatory program. Patterson, who will be a guest at the WHIO studios, will extend his greetings to J. M. Cox, Jr., former Governor of Ohio, and owner of the station, who will speak briefly.

X X X X X X X X X X

PACIFIC RADIO UNITS ASKED BY AIRLINE

The Pan-American Airways has applied to the Federal Communications Commission for a point-to-point aeronautical broadcasting station to be established at Alameda, Calif., with other stations in Hawaii, Marietta Islands, The Midway Island and Wake Island. Each would have an 1,800-mile radius instead of 300 miles of land stations.

X X X X X X X X X X

DECISIONS OF THE BROADCAST DIVISION, FCC

KFIO, Spokane Broadcasting Corp., Spokane, Wash., C.P. to make changes in equipment and move studio and transmitter locally; WPHR, WLBG, Inc., Petersburg, Va., Modification of C.P. to move transmitter to a location $1\frac{1}{2}$ mile, NE of Petersburg, also to extend commencement date to 30 days from this date and completion date to 60 days hereafter; WSGN, R. R. Broyles Furniture Co., Birmingham, Ala., modification of C.P. extending completion date to Feb. 15, 1935; also license covering C.P., 1310 kc., 100 w. night, 250 w. day, unlimited time; WNBR, Memphis Broadcasting Co., Memphis, Tenn., authority to determine operating power by direct measurement of antenna; WHIS, Daily Telegraph Printing Co., Bluefield, W. Va., C.P. to make changes in equipment and increase day power from 250 w. to 500 w.; KMTR, KMTR Radio Corp., Los Angeles, Cal., C.P. to make changes in modulation system; WKRC, WKRC, Inc., Cincinnati, Ohio, modification of C.P. to extend commencement date to Jan. 29, 1935 and completion date to April 29, 1935; WSPA, Voice of S. Carolina, Spartanburg, S. C., modification of C.P. to make changes in equipment; KIT, Carl E. Raymond, Yakima, Wash., modification of C.P. to extend commencement date to Jan. 10, 1935 and completion date to April 11, 1935.

Also, WDAF, The Kansas City Star Co., Kansas City, Mo., authority to determine operating power by direct measurement of antenna; WCNW, Arthur Faske, Brooklyn, N. Y., license to cover C.P., 1500 kc., 100 watts night, 250 w. day, specified hours; WLBZ, Maine Broadcasting Co., Inc., Bangor, Me., license covering C.P. authorizing changes in equipment and increase in day power from 600 w. to 1 KW, 500 w. night, 620 kc., unlimited time; WADC, Allen T. Simmons, Tallmadge, Ohio, license to cover C.P., authorizing changes in equipment and increase in day power from 1 KW to $2\frac{1}{2}$ KW, 1 KW night, 1320 kc., unlimited time; WNBR, Memphis Broadcasting Co., Memphis, Tenn., modification of license to increase day power from 500 w. to 1 KW; WTAW, Agr. & Mech. College of Texas, College Station, Texas, modification of license to change hours of operation to specified hours; WIBW, Topeka Broadcasting Assn., Inc., Topeka, Kans., modification of license to use old 1 KW transmitter as auxiliary when licensed for $2\frac{1}{2}$ KW; KGCX, E.E. Krebsbach, Wolf Point, Mont., modification of license to make changes in specified hours.

Also, KGKO, Wichita Falls Broadcasting Co., Wichita Falls, Texas, special experimental authority to operate on 1240 kc., 1 KW power, from 1 to 6 A.M. CST, for period Feb. 11 to March 1, 1935; KTAT, KTAT Broadcast Co., Inc., Fort Worth, Tex., special experimental authority to operate on 570 kc., 500 w. from 1 to 6 A.M. CST, period Feb. 11, to March 1, 1935; W9XBY, First National Television, Inc., Kansas City, Mo., license to cover C.P. 1530 kc., 1 KW, unlimited time (Exp.-Exp. broadcast.); New - Midland Broadcasting Co., Inc., Kansas City, Mo., C.P. (Gen. Exp.) 31600, 35600, 38600, 41000, 86000-400000 kc., 50 watts; also for PortableOMobile, same; also same except $1\frac{1}{2}$ watts power.

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

*all
w/ file*

INDEX TO ISSUE OF FEBRUARY 12, 1935.

Exports Of Radio Equipment In 1934 Establish All-Time Record...	2
Seth Parker Ship Troubles Keep Washington Guessing.....	3 ✓
Urges Press Support Radio Free Speech.....	4 ✓
Colonel Arnold Heads FCC Examiners.....	5
RMA Organizes To Eliminate Unnecessary Interference.....	6
Court Allows WLW Additional Week On 500 KW.....	6
U.S.-China Service Short Wave Direction Finders.....	7
FCC Wrestles With Boston Clear Channel Problem.....	7
Hearst Seeks To Erect Albany Station.....	8
Radio Aids Housing.....	8
Business Letter Notes.....	9
A. T. & T. Long Lines Increased Revenue.....	10
Directional Antenna For New WOR 50 KW Transmitter.....	10
Sarnoff Would Continue On RCA Subsidiaries Boards.....	11
Wheeler For President In 1936?.....	12

No. 798

FEB 1

P
[Handwritten signatures and initials]

[Small handwritten mark]

February 12, 1935

EXPORTS OF RADIO EQUIPMENT IN 1934 ESTABLISH ALL-TIME RECORD

A new all-time record for exports of radio equipment from the United States was recorded in the calendar year 1934 when sales abroad were valued at \$24,856,898 compared with \$16,125,719 in 1933, an increase of \$8,731,179, or 54 per cent, according to Andrew W. Cruse, Chief, Electrical Equipment Division, Department of Commerce.

Overseas sales of radio equipment during the year exceeded by \$1,723,083 the former record sales of 1930, it was stated.

Exports of all classes of radio equipment during 1934 increased compared with 1933, statistics show. Foreign sales of radio transmitting sets, parts and tubes were valued at \$1,090,269 compared with \$743,423 in the preceding year, an increase of 47 per cent; receiving sets were valued at \$15,338,143 against \$9,323,535, or 65 per cent; components, \$4,358,350 against \$2,783,730, or 56 per cent; receiving tubes, \$3,210,729 against \$2,623,261, or 22 per cent; loudspeakers, \$361,076 against \$338,055, or 7 per cent; and other accessories; \$498,331 against \$313,725, 59 per cent.

During the past few years the average unit value of radio receiving sets sold abroad from the United States has steadily decreased until 1933 when the value was recorded at \$18. This decrease, Mr. Cruse stated, has been occasioned by the increasing popularity of small receiving sets in foreign markets. All-wave sets are credited with the increase in 1934 to \$25.

The value of the export sales for the year evidences a recovery in foreign markets from the conditions which adversely affected sales abroad of American radio equipment in 1932 and 1933, according to Mr. Cruse.

While complete statistics showing the destination of exports during the year are not yet available, Mr. Cruse stated that it is quite evident that our current markets for radio equipment are in countries other than those to which such exports were consigned in the years prior to 1933.

Spain, the United Kingdom, Mexico and Brazil will undoubtedly be shown in the complete statistical compilation as first-ranking foreign markets for American radio equipment, it was stated.

X X X X X X X X X

SETH PARKER SHIP TROUBLES KEEP WASHINGTON GUESSING

Inquiries poured in on the Federal Communications Commission asking what, if anything, it proposed to do by way of investigating the authenticity of the various calls for help sent out by the schooner "Seth Parker", 800 miles east of the Samoan Islands. Because the ship was manned by Philips Lord, the radio actor, and had been broadcasting programs enroute, it was suspected that the first calls for help might have been for publicity purposes. However, with the British cruiser "Australia", returning to the schooner a second time, and if, as reported, they rescued the crew, the aspect of the situation is decidedly changed.

ing
"Send out a false S O S is very serious business", a Navy Department official said. "We are a party to an international agreement to punish anyone guilty of doing this. The maximum punishment is 5 years imprisonment and \$5,000 fine.

"If commercial vessels had responded to the call, there might or might not have been an official report or complaint but with a British warship twice standing by and an American Naval vessel enroute to the scene, it is quite different and you may depend upon it that we will get the facts."

At the Navy Department it was said that there were few, if any, false S O S calls.

"Occasionally someone for the excitement of it, and with about the same complex as a person who turns in a false alarm of fire, sends one in but it is rare."

it
Although Coast Guard officials would not quite acknowledge there was good grounds for believing that New England fishing boats had been "putting over" some S O S calls for commercial purposes.

"About a year ago it came to my ear that the fishing boats were using the Coast Guard to save money and here's one way that it was supposed to work", said Frank Jenkins, well known Boston radio editor. "A vessel would start out with fuel tanks half full or enough to take her to the fishing grounds and make a catch. Just after the catch was made the vessel would shout for help, all out of fuel, and ask the Coast Guard to tow her home.

"Lots of boats went out of here, I am told, with machinery badly in need of repair which usually broke down after the fish had been caught and it was another tow job for the Coast Guard."

It was said at the Federal Communications Commission that a report of the "Seth Parker" incident would doubtless be received either through the British or the American naval vessels and until then the Commission would reserve judgment in the case.

X X X X X X X X

URGES PRESS SUPPORT RADIO FREE SPEECH

It is the belief of E. H. Harris, Chairman of the Radio Committee of the American Newspaper Publishers' Association that when the guarantee of freedom of expression was placed in the Constitution the newspaper automatically became the protectors of the civil rights of the people.

"Therefore the press owes a duty to its citizens to do its full share in preserving radio broadcasting as a free medium for the presentation of the facts", Mr. Harris declared addressing the Southern Newspaper Publishers' Association.

"The best that can be said about radio broadcasting in the United States is that it is only half free, because it is operated under a license and is subject to the influences of the political party which is in power.

"No matter how insistently the government proclaims its belief in the doctrine of absolute freedom of expression, there is no definite assurance that this freedom extends to radio broadcasting. The threat to its freedom lurks in the fact that the license of any station may be revoked at the slightest provocation.

"The essential difference between news collected by a newspaper and news collected by a radio broadcasting station is that the press is a free institution and radio is a licensed medium, dependent for its existence upon a government grant.

"The operator of the African tom-tom speaks with the authority of his chief. The Town Crier carried the authority of the town government. The modern broadcasting station must speak either with the authority of its government, or, as is the case in this country, with the authority of the regularly organized news agencies, which are accepted sources of authentic news. In speaking of authentic news sources, I refer to The Associated Press, the United Press, and the International News Service, three competing national press association, which function independently of each other and serve the American public through the daily newspapers.

"The American press associations are an asset of American democracy, because they enable our citizens to obtain the news of the world from unbiased sources.

"The contention of the newspapers is (1) that no agency directly or indirectly under government license should function as a news gathering organization; (2) that important news bulletins should be supplied to the broadcasters by the newspapers, in order that the general public may enjoy complete protection on news obtained from reliable sources; (3) that the broadcasters cannot sell these news bulletins to an advertiser, because this news service must be supplied by the broadcasters as a public service to the listeners."

X X X X X X X X

COLONEL ARNOLD HEADS FCC EXAMINERS

Col. Davis G. Arnold, of Rhode Island, has been appointed Chief Examiner of the Federal Communications Commission to head the Examiners' Division, a unit separate and distinct from the Law Department, and under the direct supervision of the Commission itself.

Colonel Arnold, who joined the staff of the Commission as a Civil Service appointee, on September 1, 1934, as an attorney, is a native of Providence, R. I. Born in 1883, the son of Frank S. Arnold, a prominent Rhode Island lawyer, he received his education in the public schools of Providence and Cheltenham Military Academy, Pennsylvania. He was admitted to the Rhode Island bar May 6, 1907, and for nine years was engaged in the general practice of law in all the Rhode Island courts, in the United States Court of Appeals, First and Second Circuits, and the Supreme Court of the United States.

From 1916 until April, 1919, he devoted his time to military service on the Mexican Border and in France, serving with the rank of Major as a member of the AEF with the 26th and 42nd Divisions, chiefly in command of the Motor Transport Corps, where he was in charge of all transportation of the 26th Division, subsequently becoming Commanding Officer of Trains of the 42nd Division in France and Germany.

Upon his discharge from the army in France he was appointed Managing Director of the Near East Relief, where he had charge of its organization and service for a year in Turkey.

Shortly after his return to the United States in 1923, he became Assistant to Gen. John F. O'Ryan in the investigation of the then Veterans' Bureau by a United States Senate Committee, and obtained and presented to the grand jury the evidence which resulted in the conviction of Charles R. Forbes. Following this investigation it was at the suggestion of General O'Ryan and members of the Senate Committee that Colonel Arnold became an official of the Bureau, with which he continued after it became the Veterans' Administration, serving in various capacities for more than ten years. His work as Special Assistant to the Attorney General, and as Special Assistant to United States Attorneys in many jurisdictions in the prosecution as well as defense of provisions of the World War Veterans' Act brought him in close association with a large number of Judges throughout the country, whose comments upon his capabilities as an attorney and the uniform fairness of his presentation of cases bear witness of their high esteem. In 1931 he became Chief of the Field Division in the Solicitor's Office of the Veterans' Administration, where he became responsible for the supervision of all guardianship matters, and all field examinations or investigations, either as independent activities of the Administration or in cooperation with the Department of Justice.

X X X X X X X X

RMA ORGANIZES TO ELIMINATE UNNECESSARY INTERFERENCE

Organization by the Radio Manufacturers' Association of an inter-industry committee on radio interference has been effected. Dr. Alfred N. Goldsmith, of New York, prominent radio engineer, is Chairman of the committee which includes representatives of the U. S. and Canadian government commissions, associated radio and also electrical organizations. Bond Geddes, Executive Vice-President of the Radio Manufacturers will assist in the work. Reducation of man-made noises which interfere with radio reception is the objective of the committee.

The first meeting of the committee will be held March 8 at the Hotel New Yorker in New York. Last November at a general "interference conference" at Rochester, the RMA, through its Engineering Division of which Dr. W. R. G. Baker, of Camden, N. J. is Chairman, arranged for the inter-industry committee. Invitations were sent to the leading organizations in the radio, electrical and allied fields, and acceptance of membership on the committee of a distinguished group of leading organizations augurs well for the future activities and success of the committee. Their participation promises broad cooperation of the radio and electrical industries for the benefit of radio listeners. The following constitutes the present list of organizations on the committee:

Federal Communications Commission, U. S. Bureau of Standards, Canadian Department of Marine; RMA of Canada; National Association of Broadcasters; Society of Automotive Engineers; National Electrical Manufacturers' Association; American Institute of Electrical Engineers; Institute of Radio Engineers; Radio Wholesalers' Association; American Radio Relay League; Institute of Radio Service Men; Radio Club of America; Dr. O. H. Caldwell (Member at Large) and R. D. Duncan, Jr. (Guest Member).

X X X X X X X X

COURT ALLOWS WLW ADDITIONAL WEEK ON 500 KW

After hearing arguments as to whether or not a stay order should be granted to prevent the cutting of the power of WLW, of Cincinnati, from 500,000 watts because of complaints that it interfered with Station CFRB, at Toronto, the District Court of Appeals extended authority for WLW to continue using 500,000 watts until next Monday, February 18th. In the meantime further briefs have been submitted by Paul D. P. Spearman, General Counsel of the FCC and Louis G. Caldwell, representing WLW and the Court will study the case further.

It is believed because of the international aspects of the situation that the Court will act with all speed in the matter.

X X X X X X X X

U.S.-CHINA SERVICE SHORT WAVE DIRECTION FINDERS

The Pan American Airways have applied to the Federal Communications Commission to license communications stations on its new California-China service. This will include a system of direction finders using short wave transmission with a service range of 1800 miles.

Using long waves, 1,200 to 1,500 meters, polarization effects at sunrise, sunset and during the hours of darkness have made ordinary loop or radio compass direction finders subject to serious errors during these periods and limited their consistent range to thirty miles. The new apparatus, however, has made a number of successful records in directing aircraft at night on frequencies as high as 6,000 kilocycles or 50 meter wave length. By overlapping the range of two stations a range of 3,600 miles, or a distance equivalent to that between New York and London, can be attained.

Seven new radio stations, complete from individual power plants to aerial towers and combining both direction finding and communications equipment will be assembled on the Pacific Coast within the next ten days, it was said. The application submitted to the Federal Radio Commission was to cover ground control stations in California, Hawaii, Wake Island, Midway Island and the Philippines.

X X X X X X X X

FCC WRESTLES WITH BOSTON CLEAR CHANNEL PROBLEM

Station WHDH, Boston, Monday withdrew its application for unlimited time on 830 kc. clearing the way for favorable action on the application of WNAC which desires to change its frequency from 1230 kc. to 830 kc. and to operate unlimited time with 5 KW power. At the present time WNAC is licensed to use 1 KW, night and $2\frac{1}{2}$ KW day.

In withdrawing its application for night time on the 830 kc band, WHDH, through its attorney, James Hanley, former member of the Radio Commission, expressed the hope that the Communications Commission can see its way clear to grant that station full time on 1230 kc, with enough power to insure a good, reliable signal for Boston and vicinity.

"That is a matter entirely in the hands of the Commission", Judge E. O. Sykes, who was presiding, said. "Attorneys cannot arrange deals among themselves like that. The Commission will have to pass on it."

John M. Littlepage, attorney for WNAC, explained to the Broadcast Division of the Commission, which is holding a hearing on the applications from Boston and elsewhere involving the frequencies 830 kc. and 1230 kc., that his client feels that the proposed change in frequencies will insure much better radio reception from WNAC in Boston and its environs.

To meet the objections of KOA, at Denver, which is a high powered station operating on 830 kc., a clear channel, Mr. Littlepage said if its application is granted, WNAC will install a directional antenna to divert the signal from going in the direction of Denver. He argued the change will insure a very intense and reliable signal from WNAC for listeners in the Boston area without shutting down the service area of the Denver station.

It appears that WNAC's chief problem is to offset the application of WEEU, Reading, Pa. which also desires unlimited time on 830 kc.

X X X X X X X X

HEARST SEEKS TO ERECT ALBANY STATION

An application for a permit to erect a new station at Albany, N. Y. to operate on 970 kilocycles with 1000 watts power has been made by Hearst Radio, Inc.

X X X X X X X X

RADIO AIDS HOUSING

The Federal Housing Administration is receiving 98 per cent cooperation in broadcasts from the radio stations of the United States, according to statistics compiled by the Federal Housing Administration.

The 2 per cent who are not cooperating, it has been found, are in sympathy with the program, but are restricted from lending assistance due to limited air time or some similar cause. Since the inception of the better housing program there have been 25,000 spot announcements and 26,637 broadcasts of Federal Housing Administration programs, addresses, playlets and other messages.

A widespread radio series is now in effect to carry on into the Spring.

X X X X X X X X

2/13/35

:::
::: BUSINESS LETTER NOTES :::
:::

Mr. and Mrs. David Sarnoff were among those who waited over in Washington in order to take the Congressional Limited in its first trip from Washington to New York on the new Pennsylvania electrically operated system.

The tenth annual convention of the Institute of Radio Engineers will be held July 1-3 at the Hotel Statler in Detroit.

If, as reported, Dr. J. R. Brinkley, the goat gland specialist, has bought another Mexican broadcasting station (dispatches say that it is XEAW at Reynosa, across from Allen, Texas, that he paid \$50,000 for it and will establish a hospital at Allen), he may find an additional opponent on the Federal Communications Commission. It is Dr. Irvin Stewart who handled the State Department negotiations in squelching the other Brinkley station in Mexico and who is now a full-fledged Commissioner.

The Commission closed down Brinkley's station in Kansas and if Brinkley takes over the Reynosa station he will probably lose no time on endeavoring to have the Mexican Government close that down also.

Battery sets enjoyed an increased sale during 1934 according to information secured by the Radio Manufacturers' Association. Sales of battery sets last year aggregated about 300,000, according to the best information available and are regarded as another evidence of increased rural purchasing power.

Robert L. Stone, former production and sound effects man at NBC, is now Production Manager at WOR.

Arthur D. McIlvaine is a new addition to WOR's sales promotional department. He succeeds Al Rose in the post.

Although the auto smash in which F.C. Commissioner Anning Prall and Senator Robert Wagner, of New York, were in happened several months ago, it is still necessary for Mr. Prall to go to the doctor's each morning to have his injuries treated. As a result of this, meetings of the Broadcast Division are held at 11:30 o'clock in the morning instead of at 10 o'clock.

Also out of deference to Commissioner Prall, hearings which heretofore have been held in the morning are sometimes postponed until after luncheon. An instance of this was the hearing of the Boston stations which was originally scheduled for mornings.

The best time for those who have business with Commissioner Prall is to see him at his office late in the afternoon.

X X X X X X X X

A. T. & T. LONG LINES INCREASED REVENUE

The operations report of the long lines of the American Telephone and Telegraph Company to the Federal Communications Commission for 1934 shows gross operating revenues of \$89,447,908, compared with \$86,695,109 in 1933 and with \$88,158,782 in 1932. The high record was \$114,560,866 in 1930.

Net operating income, after depreciation, taxes and expenses, amounted to \$14,509,906, compared with \$13,653,460 in 1933 and with \$7,900,492 in 1932 and a high of \$40,110,018 in 1927. The report includes no income from dividends, interest and other sources, nor rental and charges paid for non-operating purposes.

For December, gross revenue was \$7,577,284, against \$7,426,636 a year ago and \$6,771,623 two years ago, and with a high mark of \$9,789,579 in 1929. Net operating income was \$1,696,065, against \$1,844,931 in 1933, \$849,814 in 1932, and a high mark of \$3,414,208 in 1926.

X X X X X X X X

DIRECTIONAL ANTENNA FOR NEW WOR 50 KW TRANSMITTER

The directional antenna system, said to be the first of its kind to be used by a commercial radio broadcasting station will be one of the outstanding features of the new WOR 50,000 watt transmitter to be in operation in early March.

The transmitter which is located at Carteret, New Jersey, has two towers each 385 feet high and 790 feet apart

2/12/35

and uses a three array directional antenna system with a cable suspended between the two towers forming the third antenna. The field of radiation takes the form of an hour glass, with Carteret and surrounding communities falling within the neck of the glass, and with the bulbs enclosing the New York and Philadelphia areas.

The primary purpose of the antenna system is to focus its greatest power where the largest number of listeners reside, and to diminish the signals over the mountainous sections and other thinly settled areas. The importance of obtaining this focus of power lies in the fact more electrical noises and disturbances are produced in congested areas than in sparsely populated sections, therefore stronger signals are necessary in cities. Another important function of the directional antenna will be to re-direct the signal from the Atlantic Ocean to the thickly populated Atlantic seaboard.

X X X X X X X

SARNOFF WOULD CONTINUE ON RCA SUBSIDIARIES BOARDS

Upholding the views of other communications officials who asked the Communications Commission last week to approve applications for them to serve upon more than one directorate, in the interest of the investor, and general public, David Sarnoff, President of the Radio Corporation of America, asked last Saturday that he be permitted to serve on the Boards of R.C.A. Communications, Inc., and the Radio Marine Corporation of America.

He said that R.C.A., parent of the two other organizations, was owned by about 271,000 stockholders, but the public generally did not own a single share of the subsidiary stock.

"As president of the Radio Corporation of America", he said, "I am responsible to these stockholders for the company's success or failure and, therefore, I must be responsible to them for the management and operations of the subsidiary companies."

He contended that the services of the subsidiary companies, if not coordinated, would not be as economically or efficiently performed as they are now carried out.

X X X X X X X

WHEELER FOR PRESIDENT IN 1936?

Democratic politicians are wondering about Senator Burton K. Wheeler, of Montana, Raymond Clapper writes in the Washington Post.

"In 1924 he left the Democratic Party to run on an independent national ticket. Will he do so again next year?"

"There is a suspicion in some Democratic quarters that he may, or rather that he is working himself into a strategic position, where he can do so if a propitious opportunity presents itself.

"Some Democratic leaders sought to head Wheeler off from the chairmanship of the powerful Senate Interstate Commerce Committee. They tried to persuade Senator Ellison Smith, of South Carolina, a former Chairman of the Committee, to return to that post, but he preferred to keep the key seat on the Agriculture Committee instead. After that, Wheeler inherited the chairmanship by seniority.

"This places him in a position to actively and effectively champion Government ownership of railroads, to which the Administration is opposed. The tall Montanan has extended his reach also by adding to his committee Senator Homer Bone, of Washington, one of the most aggressive champions of Government ownership in the country.

"Senator Wheeler is renewing his agitation for monetary inflation lending his support to the group now in session here which has the purpose of goading the Administration to a more venturesome currency policy. As a silverite, Wheeler once was somewhat aloof from the paper inflationists led by Elmer Thomas. He is playing with the entire inflationist group now much more than formerly.

"A certain amount of forward passing has taken place between Wheeler and Senator Huey Long. Wheeler opposed the Administration in his last campaign to the extent of campaigning for Governor Olson, the Minnesota Farmer-Laborite, and Senator Bronson Cutting, left-wing Republican. No one of these various circumstances would stamp a Democrat as heading definitely off of the reservation, but the combination of them all is sufficient to give rise to such a suspicion in some Democratic quarters.

"Wheeler was the elder La Follette's vice presidential running mate on the Progressive Party ticket in 1924. It would be curious if a younger LaFollette were his running-mate in 1936, on a third party ticket.

X X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF FEBRUARY 15, 1935

FCC Warns Against Divulging Short Wave Messages.....	2
Germany Soon To Broadcast On Ultra-Short Waves.....	3
ED Spence Goes From WPG To WBAL.....	4
Texas Publisher Lines Up For Clear Channel Breakdown.....	4
Philips Lord Claims SOS Calls Justified.....	5
A.P. Hauptmann Blunder To Blame For Erroneous Broadcasts.....	5
Eiffel Tower Shortens Wave To Cut Interference.....	6
British Listeners Pay Over \$16,000,000 License Fees Annually.....	6
House Committees Lock Horns Over Communications Jurisdiction.....	7
Persia Trails.....	7
Industry Notes.....	8
Senate Approves \$750,000 For A. T. & T. Investigation.....	9
FCC Issues New Telegraph Frank Rules.....	10
Applications Granted By FCC.....	12

No. 799

FCC WARNS AGAINST DIVULGING SHORT WAVE MESSAGES

Reports reaching the Federal Communications Commission indicate that in view of the large number of all-wave receiving sets in the hands of the public, listeners are increasingly intercepting police and other shortwave communications. Only in rare instances, it is believed, is this information abused. However, it was brought to the attention of the Commission that a young man in Baltimore intercepted a police call on a shortwave receiver in his home and notified law violaters that officers were coming to arrest them. The young man himself was taken into custody and found guilty in a police court for violating police regulations.

It has also come to the attention of the Commission that newspapers have published information obtained from intercepting police message, two-way conversations between ship and shore, etc. The publication of such information without permission is a violation of the Communications Act.

In order that the public may be fully informed concerning the protection provided for private radio messages, the Commission suggests that each purchaser of a combination broadcast and short-wave receiver be furnished by the salesman with the excerpts from the Communications Act concerning the secrecy of radio messages and the penalty for violations. It is also suggested that publishers of newspapers be very careful to observe the provisions of the Act.

Regarding the secrecy of certain radio messages and the heavy penalties provided for violations, the Communications Act of 1934 provides as follows:

"No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purpose, effect or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and

divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; Provided That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress."

The penalty is a fine of no more than \$10,000 or by imprisonment for a term of not more than two years or both.

X X X X X X X X

GERMANY SOON TO BROADCAST ON ULTRA- SHORT WAVES

The German Post Office has decided to erect a new ultra-short-wave broadcasting station, which is to operate on a wave-length of 6.98 meters. Regular programs are to be broadcast between 4:00 P.M. and midnight, Central European Time.

Most of the programs will be taken over from the regular German normal and short-wave stations, but the new station will occasionally broadcast programs of its own.

It is understood says C. T. Zawadski, Vice Consul, Consulate-General, Berlin, that the German radio industry has already commenced the production of radio sets to enable the reception of these ultra-short waves.

X X X X X X X X

2/15/35

ED SPENCE GOES FROM WPG TO WBAL

Edwin M. Spence, whose name is almost synonymous with Station WPG at Atlantic City and who has been there for the past twelve years, has been appointed General Manager of Station WBAL in Baltimore. Mr. Spence succeeds Frederick R. Huber who was at WBAL about as long as Spence was at WPG. The Baltimore station was recently acquired by the Hearst interests at a price reported to have been somewhere around \$400,000.

Mr. Spence was Vice-President of WPG, Atlantic City's municipally owned station and there will no doubt be additional regret at his leaving the seashore resort due to the fact that he was also Chairman of the Atlantic City Convention Committee.

Mr. Spence is one of the best known figures in the National Association of Broadcasters for the reason that he has so successfully served as Chairman of their Convention Committees. This has become almost a permanent post and Mr. Spence has already been named as Chairman of the 1935 NAB Convention to be held at Colorado Springs in July.

WPG at Atlantic City is affiliated with Columbia but in Baltimore, Mr. Spence will become associated with the National Broadcasting Company since WBAL is a part of the WJZ-NBC network.

X X X X X X X X

TEXAS PUBLISHER LINES UP FOR CLEAR CHANNEL BREAKDOWN

In what is regarded at the Communications Commission as another effort to force the Commission to establish a policy with regard to clear channels, Amon G. Carter, publisher of the Fort Worth Star-Telegram has applied for a construction permit to erect a new 5000 watt station at Fort Worth to operate on 970 kilocycles. This is a clear channel already occupied by Station WCFL, owned by the Chicago Federation of Labor, and KJR at KJR at Seattle.

WBAP, at Forth Worth, owned by Carter and the Star-Telegram, and operating on 50,000 watts shares a clear channel with WFAA at Dallas.

X X X X X X X X

2/15/35

PHILIPS LORD CLAIMS SOS CALLS JUSTIFIED

In a message from Philips H. Lord, skipper of the schooner "Seth Parker", in distress in the South Seas, to the National Broadcasting Company, he quoted the captain of the British cruiser "Australia" as saying that Lord's SOS was entirely justified.

The British captain, who had expressed himself critically with regard to the first S O S sent by the "Seth Parker" returned when the second SOS call was sent out and took nine members of the crew off the ship.

Lord, his pilot, radioman, and one other, however, stuck to the "Seth Parker". According to advices to the Navy Department in Washington the "Seth Parker" is enroute at this writing (Friday) to Tutuila in the Samoan Islands conveyed by an American Navy tug which was dispatched to the rescue from Samoa.

X X X X X X X X

A. P. HAUPTMANN BLUNDER TO BLAME FOR ERRONEOUS BROADCASTS

A misunderstanding of code signals resulting in the Associated Press flashing an erroneous verdict in the Hauptmann case was to blame for the Press Radio Bureau sending out the faulty information to broadcasting stations of NBC and Columbia subscribing to the Press Radio service.

As explained by the A.P. in their transmitting the report, the decision was garbled and the first word to reach waiting newspapers was that the jury had found Hauptmann guilty, but with a recommendation for life sentence. The correct verdict was guilty, with the death penalty.

Short-wave transmission, employing code, was set up to cover the verdict. The staff had been cautioned not to confuse signals and to be certain that the signals received were from the Associated Press representative.

When word came from the court room that the jury was ready to report, however, the Associated Press man on the receiving end picked up the wrong code signal, resulting in the erroneous and premature flash.

The court room being closed, minutes passed before knowledge of the error was learned. The flash and bulletins were killed exactly 11 minutes after transmission of the erroneous report, but too late to catch some edition of newspapers which had issued extras or to stop the radio broadcasts.

In connection with the incident, Station WOR, Newark, a subscriber to the Trans-radio Press service issued the following statement:

"At 10:35 p.m. with a bulletin furnished by Trans-radio Press, WOR flashed to the radio audience the first authentic word that Bruno Richard Hauptmann had been found guilty of murder in the first degree without recommendation of mercy.

"As the hands of the clock touched 10:54 P.M. WOR announced that death sentence had been passed by Judge Trenchard on the convicted man."

X X X X X X X X X X

EIFFEL TOWER SHORTENS WAVE TO CUT INTERFERENCE

After months of negotiation between the Ministry of Posts, Telegraphs and Telephones and the War Ministry, plans have been made for the transformation of the Eiffel Tower wireless broadcasting station, Paris, from a long wavelength of 1,389 to a medium one, which is undetermined as yet. The change is expected to take place about the beginning of April, Lestrade Brown, Assistant Trade Commissioner, Paris, advises.

This will mean that interference from this station, which frequently has been spoiling the reception of various European programs, will be eliminated. The Eiffel Tower will now conform with the Lucerne agreement for preventing interference, an agreement to which this station did not adhere previously.

X X X X X X X X X

BRITISH LISTENERS PAY OVER \$16,000,000 LICENSE FEES ANNUALLY

At the end of 1934 the number of broadcast receiving licenses in force in Great Britain was 6,780,570, an increase of 119,900 compared with the November total and of 806,420 licenses on the year, the U. S. Consul-General in London reports.

The revenue from 6,780,570 licenses is £3,390,285 (or about \$16,544,590 with the pound valued at \$4.88 as it is at this writing). The British Broadcasting Corporation a year ago calculated that it received 4s.7d. of the 10s. license duty. On this basis the corporation would receive £1,553,899 in 1935.

X X X X X X X X X

2/15/35

HOUSE COMMITTEES LOCK HORNS OVER COMMUNICATIONS JURISDICTION

Communications legislation developed as the focal point in a bitter quarrel in the House of Representatives over the jurisdiction of committees.

The controversy, involving some eight lower chamber committees, raged under cover. Jealousy between indignant members of the opposing groups was regarded as at the root of the trouble. Chairmen pulled wires frantically to win assignment of major measures to their committees.

Perhaps the most important of the several disputes found at sword points the Interstate and Foreign Commerce Committee, headed by Representative Rayburn (Democrat), Texas, and the Merchant Marine, Radio and Fisheries Committee, of which Representative Bland (Democrat), Virginia, is chairman.

At a secret session marked by the violent protests of an embattled minority the Rules Committee voted favorably on a resolution to change the rules of the House so the Merchant Marine, Radio and Fisheries Committee could handle all legislation involving "communications by wire, wireless, radio, telegraph, telephones and cables, and fisheries", as well as maritime matters.

The resolution also would change the name of the group to the merchant marine, communications and fisheries committee.

Should the rules committee report the resolution to the House, its opponents probably will force debate on the issue. They would insist transportation and communication matters are so closely allied they should be considered by the same group.

Commerce committee members are known to feel the Merchant Marine Committee has no real claim to communication jurisdiction. The Merchant Marine members based their claim on the fact that their committee for years considered radio bills. The Commerce members responded they handled the bill which established the present Federal Communications Commission.

X X X X X X X X

PERSIA TRAILS

Although there are 10,000,000 people in Persia, only several hundred own radio sets.

X X X X X X X X

::::
 ::::INDUSTRY NOTES::::
 ::::

Sales data for November released by the Radio Manufacturers' Association of Canada indicate that the number of sales exceeded 29,000 units valued (at list prices) at \$3,073,597. In comparison with sales in October the value was one-sixth smaller, and unit sales dropped a little more than 10 percent.

Inventories at the end of the month were approximately 5,600 units higher than at the end of October, and a downward revision was made in projected production for the last month of 1934.

The Pepsodent Company is reported as receiving 4,000,000 answers in the recent "Amos 'n' Andy" contest which required an empty carton or toothpaste box.

The guest of honor at the Washington Indiana Society Lincoln's Birthday meeting was Thomas P. Littlepage, radio counsel, who not long ago received a medal for being the outstanding citizen of the District of Columbia. Representative Ludlow, of Indiana, presided.

The American Society of Composers emerged the victor in its second indirect tilt with an act of the Louisiana State Legislature, which would attempt to tax representatives of "persons, firms, corporations" collecting royalties on "copyrighted music for mechanical reproduction or radio programs" the sum of \$5,000 for each parish (county) in which royalties are collected, and the faces of the legal minds that drafted the act must have been red, since the glaring defects of the law have been made to stand out and show that it could not be effective even if it were not thought unconstitutional. ASCAP would pay a \$320,000 tax.

A bill has been introduced in the N. Y. State Legislature at Albany that would permit only a licensed physician or surgeon to broadcast.

"Not that it makes any particular difference, but your recent article is incorrect in stating that 'Wheelahan of WSMB is first State Chairman elected', writes Gordon Persons, President of the Montgomery, Alabama, Broadcasting Company.

"As a matter of information to you, I organized the Alabama State Committee of Broadcasters on July 29, 1934, and was elected President at that time. Alabama was, therefore, the first Southern State to be organized, but to go into the matter a little bit further, the State of New York has been organized for over a year.

"Our State Committee has been functioning successfully for over six months and has been instrumental in suppressing unfavorable radio legislation and fostering constructive legislation."

The NBC has issued a list of its Network Broadcast Advertisers as of February 1, showing classification of clients according to National Advertising Records, client's name and address, program title and time, and client's agency.

X X X X X X X X

SENATE APPROVES \$750,000 FOR A. T. & T. INVESTIGATION

Without a record vote, the Senate passed the resolution authorizing the expenditure of \$750,000 for an investigation of the American Telephone & Telegraph Company, et al. Stating that he doubted the necessity of making the investigation, Senator King, Democrat, of Utah, declared he thought \$500,000 to be ample for the purpose. He said that a large sum had already been appropriated for the Federal Communications Commission and added:

"It has become a common practice for commissions and organizations of the Government to ask for additional appropriations even though generous grants of money have been made and it has constituted no little part of the work of Congress to pass measures calling for investigations, some of which were warranted but some of which, in my opinion, were unnecessary and not warranted.

"I believe we are creating entirely too many commissions. I expect to present to the Senate in a short time a statement showing the number of Federal bureaus, agencies, commissions, and other organizations. The total will run into hundreds, and yet we are multiplying such agencies and organizations and, of course, increasing the burden of taxes upon the people of the United States.

To this Senator Wheeler, Democrat, of Montana replied:

"I cannot accept the suggestion of the Senator from Utah for the reason that all the estimates which have been furnished us were to the effect that it would cost more than \$750,000 to complete the investigation. As a matter of fact when \$750,000 was suggested to me as the necessary amount, I was somewhat shocked, but I inquired of other Members of the Senate who have served on public service commissions and I was told that it has cost some of the States over a million dollars for an investigation merely with reference to the telephone situation in a particular State. Consequently this sum is looked upon by members of the committee, who have gone into the matter and are familiar with it, as being rather a small and inadequate amount."

X X X X X X X

FCC ISSUES NEW TELEGRAPH FRANK RULES

New rules, effective April 1, governing the issuance of telegraph franks, were adopted Wednesday, February 13th as subsequent to a hearing held a month ago:

"Franks valid for the transmission of interstate or foreign telegraph messages may be issued to or used by, and free telegraph service may be rendered to, only the following persons and in accordance with the following rules:

"Franks may be issued, at the discretion of the issuing carrier, to the full-time officers, agents and employees of the carriers set forth in paragraph 2 hereof, and to their families, but to no other persons.

"Common carriers not subject to the Communications Act of 1934, whose officers, agents and employees may receive franks at the discretion of the issuing carrier from telegraph carriers subject to the Communications Act of 1934, are the following, but no others:

- Railroad companies
- Merchantship companies
- Motor bus companies
- Air transport companies
- Telephone companies
- Telegraph companies
- Sleeping car companies
- Express companies
- Pipe line companies

"Each frank shall name the individual to whom it is issued and shall be good only for messages sent by that individual

2/15/35

"Free telegraph service may be rendered only pursuant to a frank issued by a duly authorized officer of the carrier performing the service.

"No frank or franks shall be issued by any carrier purporting to authorize any person to send messages the published charges on which in the aggregate would exceed \$50.00 in any calendar year; nor shall any person use or attempt to use in any calendar year any frank or franks issued by one carrier for the sending of messages the aggregate charges on which at the published rates, would exceed \$50.00 in any calendar year.

"The term 'family' as used herein means the wife, minor children, and other dependents of the officer, employee or agent permitted to receive and use a frank, but no other person.

"The terms 'officer', 'agent' and 'employee' as used herein include furloughed, pensioned, and superannuated officers, agents and employees.

"The name and address of every person to whom any telegraph carrier subject to the Act issues a frank shall be publicly posted in the main office of such carrier to which the public has access in every city, town or village in the United States in which any holder of a frank issued by that carrier resides.

"Every telegraph carrier subject to the Act shall make a special quarterly report to the Federal Communications Commission with respect to all franked messages sent during the quarter by each frank holder.....The first report to be filed under these rules shall cover the quarter ending June 30, 1935, and shall be filed not later than August 1, 1935.

"Where the frank is in the form of stamps, the total value of stamps issued to each frank holder shall be added to the information to be reported to the Federal Communications Commission as provided in paragraph 9. As the stamps are used, reports shall be filed as in the case of the use of other franks.

"No frank shall be issued to any person forbidden by law or by these rules to receive it.

"All outstanding franks which do not conform to these rules are hereby declared void."

X X X X X X X X X

2/15/35

APPLICATIONS GRANTED BY FCC

BROADCAST DIVISION - WJMS, WJMS, Inc., Ironwood, Mich., C.P. to move transmitter locally in Ironwood; WREC, WREC, Inc., Memphis, Tenn., C.P. to make changes in equipment; New, Milwaukee, Broadcasting Co., Milwaukee, Wis., (site to be determined), C.P. for new station to operate on 1310 kc., 100 watts, daytime; WMFD, Richard Austin Dunlea, Wilmington, N. C., modification of C.P. to extend completion date from 2/11/35 to 4/11/35; KIUJ, J. H. Speck, Santa Fe., New Mexico, modification of C.P. for approval of transmitter site and change studio to same location, also extend commencement date to within 10 days after this date; WFI, WFI Broadcasting Co., Philadelphia, Pa., modification of license to change hours of operation from sharing with WLIT to unlimited, and change call letters; WAGF, d/b as Dothan Broadcasting Co., Dothan, Ala., C.P. to make changes in equipment, increase day power from 100 to 250 watts, and change hours of operation from daytime and specified hours Sunday to daytime only;

Also, WHEF, The Attala Broadcasting Corp., Kosciusko, Miss., C.P. to move transmitter locally 200 feet from present location; WKRC, WKRC, Inc., Cincinnati, Ohio, extension of special exp. authority to operate with 1 KW day and night for period ending Sept. 1, 1935, freq. 550 kc., unlimited; W9XEJ, Perkins Bros. Co., Portable-Mobile, Sioux City, Ia., license to cover C.P. 31100 to 40-4600 kc., 2.7 watts; W6XAI, Pioneer Mercantile Co., Bakersfield, Cal. license to cover C.P. (Exp. broadcast), 1550 kc., 1 KW, unlimited; W9XAL, First National Television Corp., Kansas City, Mo., modification of license for an additional transmitter; New, E. R. Irey and F. M. Bowles, Portable (Calif.), C.P. (Exp. broadcast pickup) freqs. 31100, 34600, 37600 and 40600 kc., 30 watts; WHDF, The Upper Mich. Broadcasting Co., Calumet, Mich., special temp. authorization to operate from 7:15 to 9:15 P.M. CST Feb. 15, in order to broadcast local election results.

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF FEBRUARY 19, 1935

Discharged FCC Employee Who Wired F.D.R. Restored.....	2	✓
Pittsburgh Resumes Independent News Broadcasts.....	3	✓
Foreign Station News.....	5	
Adverse Court Ruling Cuts WLW'S Power To 50 KW.....	6	✓
Broadcasters Still Object To Revised Copeland Bill.....	7	✓
WOR To Dedicate New 50 KW Transmitter March 4.....	7	
Urge Copyright Revision Before Entering Union.....	8	
Senator Thinks Government Has "Gone Crazy" On Salaries.....	8	
RCA Declares Dividend On "A" Preferred.....	9	
Police Propose Nation-Wide Radio Criminal Net.....	9	✓
Industry Notes.....	10	
Telephone Division Establishes Additional Jurisdiction.....	11	
Some Recent New And Renewal Accounts Of NBC.....	12	

No. 800

Handwritten notes and signatures:
7
S
g
W
G.M.
J

February 19, 1935.

DISCHARGED FCC EMPLOYEE WHO WIRED F.D.R. RESTORED

The is an old saying "the squeak gets the oil", which surely held true in the case of George Llewellyn, who was discharged as Assistant Supervisor of Radio at Atlanta, and who at last telegraphed President Roosevelt. Although Llewellyn was discharged over two years ago, he was finally restored to his position by the Federal Communications Commission last week.

In the telegram to the White House, Llewellyn alleged that the main reason he had been let out was because he exposed "crookedness" despite a soft-pedal order from Judge E. O. Sykes, Chairman of the Federal Communications Commission. Llewellyn said his wire to Mr. Roosevelt was the last resort of "a crucified Government employee.

"Two years ago my superior in Atlanta District for Radio Commission was investigated by Department of Justice and suspended by Commission on charge of misconduct in office", the telegram read. "I knew all facts in case and made statement to Department Agent which involved Commission Employees here as well as at Washington and Commissioner Sykes. Among things reported was sale of Broadcasting frequency for Sixty-five Hundred Dollars. This contract of sale took place in Atlanta office with full knowledge of Commission in violation of Radio Act.

"Commission Assistant General Counsel Fisher told me Judge Sykes wanted to lay off phase of investigation involving lawyer friend. I did not lay off and was dismissed outright. It was proved that District Supervisor had accepted money from broadcasting stations for services. He admitted one case of accepting five hundred dollars to induce Georgia Broadcasting Station to buy transmitter. This man was reinstated to position resigning later. I have tried frantically to get hearing before Commission but all I hear is nothing can be done. Congressman Ramspeck and Senator Russell believe in me and have tried without avail to get a hearing."

The appeal no doubt would still be slumbering in the official files had it not been for the fact that Llewellyn's lawyer, W. F. Brandt, of Atlanta, had a slight acquaintance with Senator Bilbo, of Mississippi. Brandt having read that Bilbo was opposing the confirmation of Judge Sykes sent the Llewellyn correspondence including the Roosevelt telegram, and added:

"In 1932 I represented Llewellyn, who was at the time Assistant Radio Supervisor of the Federal Radio Commission in the Atlanta office. His superior officer was Walter Van Nostrand, who held position as Radio Supervisor of the local office. Someone preferred charges against the said Van Nostrand for malfeasance

in office, bribery, shakedowns, etc. We demanded an investigation to be made, having in our possession full knowledge of certain transactions in which Sykes, himself, was involved; we called upon the Department of Justice to make this investigation.

"Mr. Fisher, connected with the Department of Justice, came to Atlanta to make the investigation. Upon his arrival here he immediately conferred with the entire office personnel, and particularly with Mr. Llewellyn, who was familiar with all the transactions. In the conference with Mr. Llewellyn, Llewellyn told Fisher of a certain transaction involving Sykes, to which Mr. Fisher suggested that he, Fisher, did not want to go into any matter which would or could involve Sykes.

"The outcome of the entire matter was this. Van Nostrand was promptly reinstated but soon thereafter resigned (Van Nostrand was a personal friend of Sykes), and soon thereafter Mr. Llewellyn, who had given the information and protected the Government from losses, was fired."

Senator Bilbo, who is quick on the trigger in such matters, lost no time adding the Llewellyn-Brandt charges to others he made against Judge Sykes. The Senate held up the Judge's confirmation a week or so while they went into the allegations. Nevertheless they finally confirmed him, along with the rest of the Communications Commissioners.

Following this, however, the Commission, evidently to forestall another outcry from Bilbo, or perhaps in some manner to placate him, held an investigation of its own of the Llewellyn case, as a result of which, Llewellyn who had been discharged two years ago last December, was reinstated to his former position at the grade and salary which he had at the time of removal.

The grounds for the reinstatement were that "the Commission finds that the charges preferred against Llewellyn were insufficient in fact or in substance to warrant the action taken or to justify his removal from the service of the Commission."

X X X X X X X X X X

PITTSBURGH RESUMES INDEPENDENT NEWS BROADCASTS

Pittsburgh's three newspapers, the Press, Sun-Telegraph and Post-Gazette, have resumed radio broadcasting of news, have resumed radio broadcasting of news, which they had abandoned more than a year ago.

Although the resumption of broadcasting was obviously a step to meet competitive news broadcasting recently started under sponsorship of the Kaufmann department store, the papers insisted

2/19/35

that they were acting individually, would prepare and control their own programs, and would do no joint broadcasting of any kind, a telegram to the Editor and Publisher stated.

The radio situation in Pittsburgh has created national interest since Jan. 1, when the commercially-sponsored news broadcasts of the Trans-Radio report were started for two 15 minute periods daily.

Pittsburgh newspapers called upon the press-radio committee of the A.N.P.A. to prevent this form of competition which they construed as a violation of the Press-Radio agreement, and also discussed the situation with officials of the Kaufmann store and of Station WJAS, over which the Trans-Radio reports are being broadcast. Failing to get remedial action of any kind and after several weeks of delay, the three newspapers returned to the air with programs of their own.

The Press, owned by Scripps-Howard will broadcast at noon and at the dinner hour over Station KDKA, owned by the Westinghouse Company and operated by NBC, using periods immediately preceding the Kaufmann broadcasts.

The Sun-Telegraph, a Hearst newspaper, will broadcast over the Hearst-owned station WCAE, its noon and dinner-hour periods being simultaneous with the Kaufmann broadcast. Station WCAE also carries NBC chain programs.

The Post-Gazette, a Paul Block newspaper, will broadcast at the dinner hour and during the early evening over Station WWSW, which it owns.

For several years news broadcasting in Pittsburgh was very widespread. Shortly before the announcement of the Press-Radio Agreement, the three Pittsburgh papers abolished it, even though two of them had associated radio stations, believing that the amount of news previously furnished by radio had been injurious to the newspapers. Since that time the regular reports of the Press-Radio bureau have been the only news service furnished by any of the five local stations up to the time of the Kaufmann broadcasts.

All three papers have radio announcers who had built up local followings and who will take charge of the new programs. Announcement was made that the broadcasts would include local, state and national news.

In addition to two 15-minute periods, the trans-radio broadcasts have included frequent news flashed between programs.

X X X X X X X X

2/19/35

FOREIGN STATION NEWS

The highest powered station in the Far East, it is believed, is the new 100,000 watt transmitter now operating at Hsinking, the capital of Manchukuo. Its service range includes Harbin and Mukden and at night certain parts of Japan.

Advice has been received from the Canadian Radio Broadcasting Commission that the Commission-owned outlet in Windsor, Ontario, will operate at a frequency of 600 kilocycles with a wattage of 1 kilowatt during the day and 500 kilowatts at night. The station, which will be in operation at an unnamed future date, will transmit under the call letters CRCW.

Application has been granted for the establishment of a 10-kilowatt radio broadcasting station in Rio de Janeiro. The call letters are PRF3, and the wave-length is between 230 and 240 meters. It is expected that the station will be in operation the latter part of March 1935.

As a result of a measure prohibiting the use of equipment more powerful than 250 watts inside the city, the Commerce Department reports that three Havana stations are establishing new plants in the suburbs and will each increase their power to 5000 watts. This may result in these stations being heard in the southern portions of the United States and perhaps considerably farther inland.

The operators of the new stations and the call letters, frequency and power upon which they are operating are:

Miguel Gabriel Juri, Station CMQ, 840 kc, 500 watts
Manuel D. Autran, CMCY, 1100 kc., 1000 watts
La Voz del Aire, S.A. CMCD, 960 kc., 180 watts.

New frequencies have been assigned to 29 Havana broadcasting stations.

X X X X X X X X X

2/19/35

ADVERSE COURT RULING CUTS WLW'S POWER TO 50 KW

As a result of the Court of Appeals for the District of Columbia dissolving the temporary restraining order which had allowed the station to continue operating with 500,000 watts, the night power of Station WLW at Cincinnati has been reduced to 50,000 watts where it will remain at least until the outcome of the station's appeal which may be a matter of three or four months.

The Court gave no reasons for its decision so that it was impossible for Louis G. Caldwell, counsel for WLW, to tell whether reasons for not continuing the stay order had to do with the merits of the case or whether it was based upon reasons against the stay order.

The appeal is a result of an order to reduce WLW's night-time power to 50 KW as a result of interference the higher power was alleged to have caused Station CFRB in Toronto broadcasting on an adjacent channel.

Broadcasters discussing the latest court move seemed not to be as critical of the Court of Appeals as they were of the Federal Communications Commission in its so quickly ordering WLW's power cut.

"I am sure a little tactful handling of the complaining Canadian station on the part of the Communications Commission through the State Department could have brought about some sort of compromise and perhaps corrected the situation without WLW's power being reduced", one of them said. "However, the minute the complaint came, perhaps because it was of an international character and was received through the State Department, the Commission seemed to fall all over itself obeying the Canadian beck and call.

"It has thus set a very bad precedent. No one knows now when, if at all, WLW will again be allowed to use its 500,000 maximum power, representing an investment of that many thousands of dollars. If the appeal is lost and the Commission is sustained, it places the Canadians in the position of limiting what our power shall be on their adjacent channels."

X X X X X X X X

2/19/35

BROADCASTERS STILL OBJECT TO REVISED COPELAND BILL

Despite the revision of the Copeland Food & Drug Bill (S-5), it doesn't yet meet the objections of the National Association of Broadcasters and they will continue to ask for a hearing. The broadcasters feel that it will be perfectly possible to amend the Copeland bill to meet their objections and if so, they will, of course, approve this measure but in the meantime the request for a hearing will be pressed. *Why?*

Lee H. Bristol, former President of the National Association of Advertisers will discuss the Food and Drug Bill situation at a luncheon of the New York Advertising Club Thursday, February 21st, which will be broadcast by WOR at 1:15 P.M. EST.

X X X X X X X X

WOR TO DEDICATE NEW 50 KW TRANSMITTER MARCH 4

WOR will formally dedicate its new 50,000 watt Western Electric transmitter just completed at Carteret, N. J., Monday, March 4th, it was announced yesterday by Alfred J. McCosker, President of the Bamberger Broadcasting Service.

Tentative plans will include special morning, afternoon and evening programs from the transmitter, WOR's Newark studios, and Carnegie Hall, New York City.

The ceremonies emanating from the transmitter at Carteret on the morning of March 4 will be by and for the townspeople of Carteret and adjacent towns. Prominent men of political importance and members of the press are scheduled to participate.

The evening program at Carnegie Hall will last from 8:00 to 11:00 P.M. From there an elaborate visual performance will be sent out over the air as it is seen by many of the outstanding personalities in political, radio, stage and cinema worlds, who will be be present.

A program of a musical and variety nature will then follow until 2 A.M. the following morning.

X X X X X X X X

2/19/35

URGE COPYRIGHT REVISION BEFORE ENTERING UNION

Broadcasters are not taking a stand for or against entering the International Copyright Convention in the belief that before this question is met, our copyright laws should be revised, if possible, to meet the requirements of the Union. It is their contention if they ratify the union now that hereafter "our copyright laws are likely to be written for us in Geneva." They believe we should amend our own laws so that the interests of Americans will not be sacrificed.

It is understood the State Department has worked out a revision of the present copyright laws. The broadcasters are said to have studied this revision but are by no means satisfied with it and are proposing to the State Department certain further protection to American users of the copyright. Whether the proposals are accepted remains to be seen. While the broadcasters feel the situation can eventually be worked out, they believe that there should be no hasty action and that no chances should be taken on having our copyright laws remade overseas.

X X X X X X X X

SENATOR THINKS GOVERNMENT HAS "GONE CRAZY" ON SALARIES

There was criticism by Senator King, of Utah, Democrat, regarding governmental salaries when a bill, which was subsequently passed by the Senate, providing for a chief accountant and three assistants for the Federal Communications Commission, was introduced.

"I notice, for instances", said Senator King, "that the General Counsel is to have three assistants, and temporary counsel may be designated by the Commission. Each Commissioner may appoint and prescribe the duties of a secretary at an annual salary not to exceed \$4,000. Then the General Counsel and the Chief Engineer and the Chief Accountant shall each receive a salary not exceeding \$9,000. The Secretary shall receive an annual salary of not to exceed \$7,500. The Director of each division shall receive an annual salary of not to exceed \$7,500; and no assistant - and there may be a multitude of them - shall receive an annual salary in excess of \$7,500."

"That is the present law," Senator Wheeler replied. "The only thing this particular bill does is to authorize the appointment of a Chief Accountant and not more than three assistants."

"If this were a bill dealing with salaries and fixing salaries and nothing else, I should move to amend it in many particulars", Senator King observed. "I think we have gone perfectly crazy in our legislation dealing with salaries. Lawyers, engineers and so-called 'experts' are employed and paid much larger salaries than they could get in private life. I think these salaries are entirely too large; and, as stated, if this were the original bill fixing salaries, I should move to cut them down in a very material way."

X X X X X X X X X

RCA DECLARES DIVIDEND ON "A" PREFERRED

The regular quarterly dividend on the "A" preferred stock of the Radio Corporation of America for the first quarter of the year 1935 was declared February 15th by the Board of Directors.

The dividend is one and three-quarters per cent for the quarter, amounting to 87½ cents a share. It is payable on April 1, 1935, to holders of record of the stock at the close of business on the first day of March, 1935. It applies to all outstanding shares of "A" Preferred stock, including shares of "A" Preferred represented by outstanding unexchanged certificates of original Preferred stock - ten of these unexchanged shares being equal to one share of "A" Preferred. A dividend, payable February 19, covering all the previous arrears on the "A" Preferred stock to December 31, 1934, was declared by the Board of Directors on January 18.

X X X X X X X X X

POLICE PROPOSE NATION-WIDE RADIO CRIMINAL NET

A plan for Nation-wide crime chasing over a private radio network is to be submitted to the Federal Communications Commission by organized police broadcasters.

Plans were evolved by the Associated Police Communication Officers meeting here to clear police radio frequencies of "unimportant and irrelevant" intercity dispatches. The plans will be perfected at the association's second convention in Indianapolis next Fall.

The dispatchers suggested that the Federal Commission assign five radio frequencies to the police of the Nation. Across these waves would flow a steady tide of crime messages, broadcast in code to interested cities.

Police departments would need two complete radio stations, one for private intercity broadcast frequencies and the other for communications with scout cars in each city.

X X X X X X X X X

:::
 :::INDUSTRY NOTES:::
 :::

The Federal Communications Commission has established radio inspection district No. 21, embracing the Territory of Hawaii with headquarters in Aloha Tower, Honolulu.

James M. Chapple, formerly Inspector in Charge at Los Angeles, California, has been appointed Inspector in Charge at Honolulu and placed in charge of this district. Mr. Chapple sailed from Los Angeles for Honolulu February 8 and will open the office upon arrival. All radio matters originating in or pertaining to the Territory of Hawaii will be handled by this office.

The American Broadcasting Company a continuation of the American Broadcasting System, which recently failed, has taken space at 711 Fifth Avenue, the old address of the National Broadcasting Company.

Radio station operators have asked to be included in a bill introduced into the Alabama State Legislature modeled after the New Jersey law and designed to protect the confidences of newspapermen. Governor Graves said he believed newspaper reporters should legally be placed on the same high plane and have the same protection as the legal and medical professions. He apparently is of the same opinion as to radio stations but the inclusion of radio people is objected to by the newspapermen.

Ernest S. Colling for the last two years with the National Broadcasting Company, has been transferred to the RCA Department of Information of that company, under Frank Mullen.

Mr. Colling formerly was a feature writer in the NBC Press Department and was heard on the air frequently in broadcasts of special events such as the "Morro Castle" disaster, the Fleet review, and as an interviewer. He has had technical training at Lehigh University and many years' experience in advertising, sales promotion and publicity work.

"Transradio Press, we believe, was the first to flash the Hauptmann verdict over the air", writes John G. Ryan in Newsdom.

The FCC refused to grant Norman T. Baker a request to build another station at Muscatine, Ia. His previous station at Muscatine, KTNT, was closed down by the old Radio Commission following complaints from the American Medical Society, the Iowa Medical Society and others. Evidently Baker decided to try the new Commission but when he asked for an extension of time on a hearing to have been held last week, he was turned down.

The RCA Radiotron Company and the RCA Victor Company have been consolidated into a single organization to be known as RCA Manufacturing Company, Inc. *old*

This consolidation entails no changes in any of the sales, advertising or management policies of either of the two former companies, nor any change whatever in the products or trade-marks heretofore used. The present trade-marks on the products manufactured by these companies will be continued through the establishment of two divisions, which will be known as the RCA Victor Division and RCA Radiotron Division.

Dean C. Jenkins, of New York, has been made secretary of Commissioner Anning S. Prall. Mr. Jenkins until recently was connected with the Johns-Manville Co. in development and sales work. Born in Dover, N. J. in 1895, he attended Newark Academy before entering Rutgers, and continued his studies in Columbia until in 1934 he was graduated from Harvard with distinction. He served overseas with the A.E.F. engineering corps, later becoming Assistant Chief Engineer at the Army Arsenal at Dover, N. J.

X X X X X X X X

TELEPHONE DIVISION ESTABLISHES ADDITIONAL JURISDICTION

The Telephone Division of the Communications Commission has decided that the Big Eddy Telephone Co., Narrowsburg, N. Y., and the Rogerson Telephone Co., Rogerson, Idaho, are subject to the jurisdiction of the Commission. Also that the Barneston Mutual Telephone Co., Barneston, Nebr., and the Belmont Telephone Exchange, Nashville, Ind., are so subject.

The Division recommended that the case of the Cass Co. Telephone Co., Harrisonville, Mo., the Inter-County Telephone Co., Gallatin, Mo., and the Rochester Telephone Corp., Rochester, N.Y., be referred to an Examiner for hearing, to determine whether the companies are likewise subject to the Commission's jurisdiction.

X X X X X X X X

SOME RECENT NEW AND RENEWAL ACCOUNTS OF NBC

NEW - Swift & Co. (Vigoro), Chicago, Ill.; Agency - J. Walter Thompson Co., 410 N. Michigan Ave., Chicago, Ill.; Started Feb. 10, 1935, Sundays 2:30-3:00 P.M. EST; Network - WEAJ WEEI WTIC WJAR WTAG WSSH KYS WFBR WRC WGY WBEN WCAE WTAM WMJ WSAI WMAQ KSD WBO-WOC WOW WDAF; Program - Swift Garden Program - musical with Mario Chamlee.

NEW - Coty, Inc., New York City; Agency - Biow Co., 444 Madison Ave., New York City; Starts Feb. 22, 1935, 10:00-10:30 PM EST Fridays; Network - WJZ WBZ WBAL WBZA WMAL WSYR WHAM KDKA WJR WCKY WENR KWCR KOIL WREN; Program - Ray Noble and his orchestra (Changed to start Feb. 20, 1935 and Wednesdays 10:30-

RENEWAL - Philip Morris & Co., New York City; Agency - Biow Co., New York City; Starts April 30, 1935; Tuesdays 8:00-8:30 PM, WEAJ WEEI WTIC WJAR WTAG WSSH KYW WFBR WRC WGY WBEN WCAE WTAM WWJ WMAQ KSD WHO WOW WDAF WKBR KSTP WIBA WEBC WDAY KFJR WPTF WWNC WIS WJAX WIOD WFLA WTAR WSOC WSM WMC WSB WJDX WSMB WAVE KVOO WKY WBAP KPRC WOAI KTBS; 11:30-12:00 KPO KFI KGW KOMO KHQ KFSD KTAR KOA KDYL KGIR KGH; Program - "Philip Morris Program"-Leo Reisman Orchestra.

RENEWAL - Climalene Co., Canton, Ohio; Agency, W. S. Hill Co., Inc., Pittsburgh, Pa.; Started Feb. 7, 1935, Thursdays 11:30-12:00 Noon EST; Network - WBEN WCAE WWJ WSAI WMAQ WHO WOW WDAF WKBF WTMJ KSTP WIBA (WTAM 11:30-11:58); Program - "Climalene Carnival".

RENEWAL - Harold F. Ritchie & Co., Inc. (Eno Salts), New York City; Agency - N. W. Ayer & Son, Inc., New York City; Started Feb. 5, 1935, Tuesday, Wednesday, 8:00-8:30 P.M. EST; network - WJZ WBZ WBZA WBAL WHAM KDKA WGAR WJR WLW WLS KWK WREN KWCR KOIL KSO WMAL WSYR (WFI Tues.) (WLIT Wed.); Program - Tuesday - Eno Crime Clues; Wednesday - Penthouse Party.

NEW - Sparks Withington Co. (Refrigerators & Radio), Jackson, Mich.; Agency - United States Advertising Corp., Toledo, Ohio; Started Feb. 10, 1935, Sunday, 4:00-4:30 P.M. EST; Network - WJZ WBZ WBZA WFIL WBAL WMAL WSYR WHAM KDKA WGAR WJR WLW WCKY WKBF WENR WMT KWK KSO KOIL WREN KWCR;

NEW - Standard Brands, Inc. (Chase & Sanborn Tender Leaf Tea), New York City; Agency J. Walter Thompson Co., N.Y. City; Starts April 3, 1935, Wednesdays 8:00-8:30 PM EST; Network * WEAJ WTIC WTAG WEEI WJAR WSSH KYW WFBR WDAF WTMJ WRC WGY WBEN WCAE WTAM WWJ WSAI KSD WOW WHO WCKY CFCF WENC WMAQ WIBA WEBC WYK WDAY KFJR WPTF WMC WJDX WSMB WAVE KVOO KTBS WOAI KOA KDYL KPO KGW KOMO KHQ KTAR KFI CRCT WIS WRVA WIOD WFLA WSM WSB KPRC WJAX KSTP WFAA WKBF; Program - One Man's Family.

RENEWAL - B. T. Babbitt Co. (Bab-o's), New York City; Agency - Peck Advertising Agency, New York City; Started Feb. 17, 1935, Sunday 1:30-2:00 P.M. EST; Network - WEAJ WEEI WTIC WJAR WTAG WSSH KYW WFBR WRC WGY WBEN WCAE WTAM WWJ WSAI WMAQ KSD WOW WDAF; Program - "Little Miss Bab-o's Surprise Party"

X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

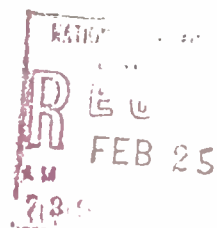
WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF FEBRUARY 22, 1935.

Code Authority Cracks Down On Free Time Grabbers.....	2
James W. Baldwin Undergoes Operation.....	3
Chinese Station Has Ten Announcers For Different Dialects.....	4
Radio Service Men At Chicago Trade Show Next Month.....	6
Hygrade-Sylvania Shows Substantial Sales Increases.....	7
Industry Notes.....	8
Loucks And Bellows NAB Copyright Representatives.....	10
More Hearings May Be Held Outside of Washington.....	10
I.T. & T. Telephone Increase Indicates Business Pick-Up.....	11
Canadian Radio Commission Spends \$1,123,694 In 1934.....	11
Applications Granted By Broadcast Division, FCC.....	11

No. 801



Handwritten notes and signatures in the bottom left corner, including a large 'G' and some illegible scribbles.

CODE AUTHORITY CRACKS DOWN ON FREE TIME GRABBERS

The Broadcasting Code Authority, of which James W. Baldwin is the Executive Officer, has notified stations of alleged code infractions by Paramount Pictures Electrical Transcriptions, Tanners Council of America, Radio Stars Magazine, Congoin Company, Velvetina Sweepstakes, Food & Drugs Brands, Inc., Safe-Kurl Electric Hair Waver, and Columbia Pictures Corporation.

Of the Radio Stars Magazine proposition the Code Authority says, "Your form letter to stations can only be considered as an attempt to gain free advertising and, therefore, is a proposal which may frustrate the purpose and intent of the Code of Fair Competition for the Radio Broadcasting Industry."

The Code Authority, taking exception to a letter written by Velvetina Sweepstakes to broadcasting stations, wrote that concern:

"We think the inference is plain; and we disapprove it. If you are not interested in placing unconditional and unqualified orders for radio time consistently with recognized practices, then our advice (per your inquiry) is that you withdraw from the field of radio advertising."

Allen T. Kander, who signed himself as President, Food & Drugs Brands, Inc., made this proposal to stations:

"We have an advertiser who would like to go on the air in your town. To carry out his program we, here, must take merchandise in payment of his bills.

"In order to do this, which is the only manner in which we can get him to spend money, we have the problem of marketing the merchandise and the physical handling of it after we take it in.

"The advertiser is ready to do business, but we cannot undertake to finance his time unless the Station permits us a commission which not only pays for bringing the business to you, but that compensates for our expenses in disposing of the merchandise.

"Would you be interested in an arrangement of this sort with us, on a specific contract? In making your reply, will you be sure to enclose your rate card, bearing in mind that we are not asking you to take the merchandise and that all of your bills will be met on the discount dates?"

The Code Authority wrote Mr. Kander that this was contrary to the Code. He requested an appointment but according to the Code Authority has not been heard from since.

"A flagrant attempt to frustrate the purpose and intent of the Code is disclosed in a circular letter sent to broadcasting stations by E. H. Brown Advertising Company, Chicago", the Code Authority advises. "This reads in part as follows:

"'Once in a blue moon a proposition comes along that's a red hot "natural", and then it makes real money for everyone connected with it. . . .

"'First let us tell you about the article. It is the Safe-Kurl Electric Hair Waver. . . It sells for \$2.00. . .

"'We are planning to sell several million of these by radio. We should like to use your station. We will use it if, during the experimental period, you will play ball with us and help us prove to our client that you reach an audience that is responsive. The proposition we are making you will bring you immediate income - possibly more than you are now getting for your time at regular rates. . . .

"'A careful record will be kept of all the orders that are accepted, and you will be paid 60% for each and every Safe-Kurl shipped as a result of requests received from your station. Our experience shows that only about 12% of the articles sent on this plan are not accepted when the postman delivers them, so we expect to see you paid for 88% of the requests you send us, at the rate of 60% each. For orders accompanied by cash you will deduct your 60% in advance and send our client the balance of \$1.40. . . .'"

When no reply was received by the Code Authority to a telegram addressed to Brown, a second wire was sent to him to which he replied:

"Since your wire states that you are notifying all radio stations about the matter we assume that it is taken care of."

X X X X X X X X

JAMES W. BALDWIN UNDERGOES OPERATION

James W. Baldwin, Executive Office of the Broadcasting Code, was operated on for hemorrhoids last Wednesday at Garfield Hospital in Washington. Mr. Baldwin, who was formerly Secretary of the Federal Radio Commission, was reported as resting easily.

X X X X X X X X

CHINESE STATION HAS TEN ANNOUNCERS FOR DIFFERENT DIALECTS

A potential audience three times as large as the population of the United States challenges attention. But when, in addition, four-fifths of this audience, unable to read, has only the ear gate through which to get outside news and many forms of entertainment, the possibilities bound up in radio broadcasts stir the imagination. This is the situation in China, as described by Ernest T. Shaw in Asia Magazine.

But broadcasting got a late start in China and has not yet achieved the place that it has in western countries. The restrictions imposed by the government have been partly responsible for its slow development. During the first years of the Chinese Republic, all wireless parts were classified by the Customs as war material. This ruling still holds. Every importation of radio parts must be covered by a license obtainable only from the Nanking government. The minimum fee is two dollars (United States money) with an additional tax of two per cent on any valuation above twenty dollars. These restrictions have recently been made more stringent. Even well established radio-supply firms in China must now present to the government a copy of the original order from a customer before they can import parts for him. If a transmitter is ordered, it must be shown that the customer has a government license for the operation of a station before the importation will be sanctioned. The effect of this is to discourage amateur initiative.

What broadcasting is doing for the eighty per cent of China's rural population is the most interesting part of this story. The difficulty of travel, the impossibility of getting many able speakers to endure for long the hardships of rural conditions, the barrenness of Chinese farmers' lives and the widespread illiteracy make the radio a godsend. The only breaks in the monotony are usually temple fairs and festivals, gambling and gossip. The absence of intellectual stimulus is undoubtedly the main reason for the slow progress in rural districts.

Mentally, the Chinese farmer is slow even when all the gates to the mind are approached. The radio, which can appeal only to the ear, therefore starts out with a handicap. The Mass Education Movement is experimenting with visual charts to be used with its broadcasts. A member of the local radio committee points out the appropriate figures on the chart during the lecture, acts as song leader when songs are being taught and, after the lecture, conducts a discussion. He also summarizes the important items of the news broadcast for the village bulletin board, of "Wall News." His final function is to submit a report on the quality of the broadcast and the interest shown in it. The increasing amount of such data is invaluable to the program manager.

2/22/35

The government has now transferred responsibility for its own stations to the Central Executive Committee of the Kuomintang, or Nationalist Party. In 1932 a station powerful enough to reach the most remote sections of the country was erected at Nanking, under the Party's auspices. This is XGOA, 75 kilowatts, 660 kilocycles, installed by a German firm at a cost of \$60,000. It has been heard as far away as Chicago.

The Central Broadcasting Station is manned by a director and vice-director, six engineers and ten announcers for the different dialects and the small part of the program that is in English. A well equipped shop handles repairs and builds new stations for other parts of the country. Alterations were recently completed on a code transmitter which has just been installed in Peiping to give that city a modern broadcasting station to supplant the antiquated one operated by the Ministry of Communications. It was to be opened on the twenty-third anniversary of the founding of the Republic.

The interest with which Chinese of all classes listen to the radio programs already available, the rapidly increasing number of stations and also of receiving sets since the Central Broadcasting Station went on the air are indications of the future that is possible for broadcasting in China. As a new art, it is free from the conventions that have separated Chinese writers from the masses. It is an encouraging sign that one of China's foremost dramatists is producing plays along western lines which are intended especially for broadcasting. In Shanghai, these are very popular. The government can greatly facilitate progress in broadcasting by removing the regulations on the importation of sets and parts, many of which are not manufactured in China, while at the same time tightening up on the control of wave lengths used by broadcasting stations, both public and private.

In Shanghai, the situation is complicated by the division of authority between the Chinese, the International Settlement and the French authorities. The fifty stations in that one city, each bidding loudly for the attention of the fans, create a radio bedlam; the resulting interference makes it impossible to receive any one of them satisfactorily. Within recent months, however, a measure of cooperation has been achieved and some semblance of order is appearing. Most of the small plants in Shanghai are owned and operated by individual stores, filling their programs principally with advertising and phonograph records. One Shanghai broadcasting station, financed by Christian Chinese business men, has a daily religious program. The morning devotional periods, music, lectures and sermons are warmly welcomed by the Christians in that area.

2/22/35

Most Chinese program directors follow the line of least resistance. They take advantage of the fact that the opera has been for centuries the most popular form of auditory entertainment in China. It is a simple matter to put a microphone on the stage and get from six to eight hours of continuous program, filling in the intervals with phonograph records. The songs are familiar to city and country people alike, and, even if the reception is poor, the listeners can usually fill in the missing parts from memory. Another easy feature to broadcast is the singsong of the professional story-teller, who accompanies himself with the rhythmic clapping of bones.

Many shops in the larger cities have loud speakers over their doors, and the crowds stand outside listening by the hour to the opera and story-teller programs. Broadcasting as an art has been little developed in China. For this reason there are as yet no outstanding favorites among announcers or entertainers whose reputation has been made on the radio. When well known actors and speakers do appear before the microphone they are enthusiastically received, but some of them cannot meet the exacting requirements of artistic broadcasting. The experimental studies made by the Mass Education and Movement and the Yu Ying Middle School are a promising beginning toward better broadcasting technique.

X X X X X X X X

RADIO SERVICE MEN AT CHICAGO TRADE SHOW NEXT MONTH

The radio industry turns its attention toward Chicago in preparation for the forthcoming Third Annual Institute of Radio Service Men's Chicago Convention and Trade Show March 22nd. The program is in the process of making but it is expected there will be an address the opening night on the subject of ultra-high frequencies.

The 1935 IRSM Trade Show and Convention already promises to surpass anything that has been held in the past. On February 15th, eighty-percent of the exhibition space at the Trade Show had already been taken. The Convention will last three days.

X X X X X X X X

2/22/35

HYGRADE-SYLVANIA SHOWS SUBSTANTIAL SALES INCREASES

Nineteen Thirty-four marked the 20th consecutive year of profitable operation for Hygrade Sylvania Corporation and its predecessor companies, according to the annual statement as of December 31, 1934, which was issued February 13.

Net income for the year after all charges and taxes amounted to \$874,416.54 equal to 6.21 times the \$6.50 a share preferred dividend requirement for 1934 and equal to \$3.81 a share on the 192,684 shares of common stock after deducting the preferred dividend of \$6.50 a share. This compares with 1933 earnings of \$655,072.86 or \$2.67 a share on the common stock.

The Company's balance sheet showed current assets of \$4,221,876.66, or 7.9 times current liabilities. This compared with \$3,694,625.04 on December 31, 1933.

Cash, plus U.S. Government obligations, municipal and other marketable securities at December 31 market values, amounted to \$2,070,294.69. Similar assets were \$1,541,703.84 at the end of 1933. Year end inventories of finished products represent less than three months' sales.

The report notes that Hygrade Sylvania's position as second largest producer of radio receiving tubes was continued with substantial sales increases both in domestic and foreign sales, the company now having accredited representation in 86 foreign countries.

Lamp sales during 1934 maintained the high standard of 1933.

The Company's position as an employer of labor places it high in its own industry with an average number of employees of 3,099 in 1934 as compared to 2,888 in 1933, and with total employee earnings in 1934 of \$3,069,000 as compared to \$2,870,000. in 1933.

Maintaining its reputation as a "management owned" company, Directors and Employees own 68% of the total common stock outstanding, according to the report.

X X X X X X X

: : :
 : : : INDUSTRY NOTES : : :
 : : :

An occasion calling for considerable tact was when F. P. Guthrie, Washington manager of R.C.A. Communications, and a prominent Rotarian, found himself seated at the guest table of a Rotary Club luncheon between the diplomatic representatives of the countries at war in South America over the Gran Chaco. On Mr. Guthrie's right sat Minister Bordenave, of Paraguay, and on the RCA official's left, Minister Finot, of Bolivia.

The envoys of 50 nations were present, including Ambassador Saito of Japan, and Ambassador Troyanovsky, of Russia.

Although confirmed sometime ago, it was only last Wednesday that the commissions of the members of the Federal Communications Commission were signed by President Roosevelt and delivered to the Commissioners.

Commissioner George Henry Payne is spending a short vacation period at Palm Beach.

Radio has revolutionized the status of music in this country, according to Peter W. Dykema, Professor of Music Education at Columbia University, whose study of "Music as Presented by the Radio" has just been issued by The Radio Institute of the Audible Arts founded by Philco Radio and Television Corporation.

George Bijur has resigned as Director of Publicity and Sales for L. Bamberger & Co., department store in Newark, to become Director of Sales Promotion for the Columbia Broadcasting Company, it was announced by Hector Suyker, Vice-President of the story. Mr. Bijur will assume his new duties March 15th.

A Senate Interstate Commerce Committee composed of Senators Brown, of New Hampshire; White, of Maine, and Donohy, of Ohio, is holding hearings in connection with recommendations for legislation made by the Federal Communications Commission. The subjects thus far considered have been exclusive telegraph contracts and telegraph franks.

A. A. Cormier, formerly of WOR, and later with the American Broadcasting System, is reported to have been appointed Vice-President and General Manager of Station WIP, in Philadelphia, owned by Gimbel Brothers.

Mayor LaGuardia, of New York, killed the proposed New York City tax on incomes of radio stations. It was figured that this tax would have cost the New York stations close to \$1,000,000 annually.

Printed reports of the Senate hearings on the confirmation of members of the Federal Communications Commission are now available. Copies may be had by writing to Senator Burton K. Wheeler, of Montana, Chairman of the Senate Interstate Commerce Committee.

Ford Billings, of KSTP, St. Paul, is to be the new head of the Hearst station WCAE, in Pittsburgh.

RCA will install special radio equipment, designed by RCA Victor and Radiomarine Corporation, in the 1935 National Geographic-U.S. Army Stratosphere flight, similar to that utilized for the 1934 flight, in the gondola of the huge stratosphere balloon, so that reports of the flight may be carried over NBC networks. The flight will take place at Rapid City, S. D. in June.

Financial reports - Sparks-Withington Company and Subsidiaries - Six months ended Dec. 31; Net loss after taxes and other charges, \$148,977, against \$164,456 loss in six months ended Dec. 31, 1933.

Gold Seal Electrical Company, Inc. - For 1934: Net loss after taxes and other charges, \$95,794, against \$27,404 loss in 1933.

American broadcasters will smile at the following dispatch from London:

"The British Broadcasting Company, responding to protests against certain 'drinking song', has banned some of them from the air. One of the offending lyrics dealt with the adventure of a reveller who fell asleep alongside a pig. A passing woman remarked that a man was known by the company he kept, whereupon 'the pig got up and slowly walked away'- the song's title."

X X X X X X X X

LOUCKS AND BELLOWS NAB COPYRIGHT REPRESENTATIVES

The National Association of Broadcasters will be represented at the State Department International Copyright Union Treaty hearings Saturday morning by Philip G. Loucks, Managing Director, and Henry A. Bellows, Chairman of the Legislative Committee.

The State Department is drafting a revision of the present copyright laws of the United States to enable this country to adhere to the International Copyright Convention. Virtual agreement has been reached between the motion picture exhibitors, hotels and broadcasters with respect to provisions of the proposed bill, the NAB states, and these interests will present their recommendations to the State Department.

X X X X X X X X

MORE HEARINGS MAY BE HELD OUTSIDE OF WASHINGTON

It is believed the Federal Communications Commission, authorizing Commissioner Thad Brown to hold hearings in Texas and California on applications, foreshadows a more liberal policy of holding hearings outside of Washington. Although the law authorizes but few Commissioners have presided at inquiries away from the Capital. Judge Sykes went to Los Angeles to hear the Shuler case, but there have not been many others.

Commissioner Brown will be accompanied by George B. Porter, Assistant General Counsel, and hearings to be held are as follows:

San Antonio, Texas, March 15, 1935; Application of Mrs. Nellie H. Morris and W. C. Morris, a partnership operating Hotel Eagle, for authority to transmit programs from Hotel Eagle, Eagle Pass, Texas, to Station WEPN, Piedras Negras.

San Antonio, Texas, March 25, 1935: Application of Farmers & Bankers Life Insurance Company, Station KFBI, for renewal of license.

Los Angeles, California, April 8, 1935: Application of Beverly Hills Broadcasting Corporation, Station KMPC, for renewal of license now pending before the Commission; and directing, under Rule 17, the following licensees to submit applications for renewal of license; Warner Brothers Broadcasting Corporation, Station KFVB, Ben S. McGlashan, Station KGFK, Radio Broadcasters, Inc., Station KRKD, and Cannon System, Ltd., all of which were designated for hearing.

X X X X X X X X

I. T. & T. TELEPHONE INCREASE INDICATES BUSINESS PICK-UP

The improvement in business conditions in various parts of the world during 1934 was reflected in a net gain of 50,673 telephones by associated companies of the International Telephone and Telegraph Corporation. All telephone companies in the I.T. & T. system had gains for the year. Figures for January, 1935, show that the increase is continuing.

The National Telephone Company of Spain had a net gain of 22,537 telephones last year. Argentina accounted for approximately 10,000. The telephone system of Rumania and the Shanghai Telephone Company gained approximately 5,000 each. The telephone systems of Cuba and Puerto Rico and the other I.T.&T. telephone companies in Mexico, Chile, Peru and southern Brazil all contributed increases. Cuba, which had lost heavily in telephones for several years prior to 1934, showed a slight net gain for the year, and continued to advance during January.

X X X X X X X X

CANADIAN RADIO COMMISSION SPENDS \$1,123,594 IN 1934

The annual report of the Canadian Radio Commission gives the cost of broadcasting, for the past fiscal year, at \$1,123,594. Production costs were \$344,127. Cost of line wires for remote controls and network facilities represented \$300,899 and rentals and leases \$141,196.

Salaries for radio executives, talent and engineers totaled \$129,670, of which \$74,759 is charged up to headquarters at Ottawa.

X X X X X X X X

APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

WJAS, Pittsburgh Radio Supply House, Pittsburgh, Pa., C.P. to move transmitter locally and install new equipment; KQV, KQV Broadcasting Co., Pittsburgh, Pa., C.P. to move transmitter locally and make changes in equipment; New, Jack W. Hawkins & Barney N. Hubbs, Pecos, Texas, C.P. for a new station to operate on 1420 kc., 100 watts, unlimited time; KMBC, Midland Broadcasting Co., Kansas City, Mo., C.P. to install new equipment and increase day power from 2½ KW to 5 KW on 950 kc., unlimited time; KCRC, Enid Radiophone Co., Enid, Okla., C.P. to make changes in eqpt.; New, W. B. Greenwald, Hutchinson, Kans., C.P. for new station to operate on 1420 kc., 100 watts, unlimited time.

Also, KFRO, Voice of Longview, Longview, Texas, license to cover C.P. 1370 kc., 100 watts, daytime; KABR, Aberdeen Broadcasting Co., Aberdeen, S. Dak., license to cover C.P. 1420 kc., 100 watts, daytime; WBIG, North Carolina Broadcasting Co., Inc., Greensboro, N. C., authority to determine operating power by direct measurement of antenna input; WHBI, May Radio Broadcast Corp., Newark, N. J., modification of license to use transmitter of WNEW; normally licensed on 1250 kc, 1 KW night, 2½ KW day, sharing with WNEW; WHBI 1/7 time and WNEW 6/7 time; WMFD, Richard Austin Dunlea, Wilmington, N. C., modification of C.P. to change transmitter and studio location locally; also to change previously stated frequency monitor, Commencement date 5 days after grant; completion date 4/11/35; WMFG, Head of the Lakes Broadcasting Co., Hibbing, Minn., modification of C.P. to extend completion date to 5/16/35; WMBG, Havens & Martin, Inc., Richmond, Va., license to cover C.P. 1210 kc., 100 watts night, 250 w. day, unlimited time except Sunday.

Also, KGFL, KGFL, Inc., Roswell, New Mexico, modification of license to change hours of operation from sharing with KICA to specified hours; KICA, The Southwest Broadcasting Co., Clovis, New Mexico, modification of license to change hours of operation from sharing with KGFL to specified hours; WREN, Jenny Wren Co., Lawrence, Kans., consent to voluntary assignment of license to WREN Broadcasting Co.; KGBX, KGBX, Inc., Springfield, Mo., modification of special temporary exp. authority approving new site of transmitter (rural), selected after extensive survey, employing directional antenna; WHIO, Miami Valley Broadcasting Corp., Dayton, Ohio, license to cover C.P, 1260 kc., 1 KW, unlimited time.

Also, WREC, WREC, Inc., Memphis, Tenn., extension of special temp. experimental authority to use 1 KW night and 2½ KW day power, for period ending Sept. 1, 1935; WDBO, Orlando Broadcasting Co., Inc., Orlando, Fla., extension of special temporary experimental authority to use 1 KW day power for period March 1 to Sept. 1, 1935; KIFO, Nichols & Warinner, Inc., Portable-Mobile (Long Beach, Cal.), C.P. (Temp. Broadcast Pickup), frequencies 1622, 2060, 2150, 2790 kc., 200 watts; WLOXEV, Same, license to cover C.P. (Gen. Exp.) 31100, 34600, 37600, 40600 kc., 2 watts.

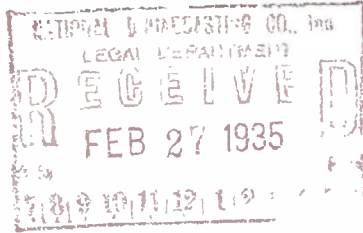
X X X X X X X X

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF FEBRUARY 26, 1935.

Rayburn Believed House FCC Committee Control Winner.....	2
Labor Congressman Flays Broadcasting Industry.....	3
Gold Decision Error Causes Press-Radio More Trouble.....	5
Food & Drug Hearings Begin Next Saturday.....	7
Appeals Court Approves KWWG Transfer.....	7
Survey Claims Only 7.3% Sets Hear Average Broadcast.....	8
Giant Radio Set Pictures Air Waves For Visitors.....	9
Women To Award Radio Program Prizes.....	9
Roosevelt To Press New WOR 50 KW Transmitter Key.....	10
Propose F.D.R. As Broadcasting Head.....	11

No. 802

Handwritten notes and signatures:
A large handwritten number '2' with an arrow pointing down.
Below it, several handwritten signatures and initials, including 'James' and 'h'.

February 26, 1935

RAYBURN BELIEVED HOUSE FCC COMMITTEE CONTROL WINNER

All signs point to Representative Sam Rayburn, Democrat, of Texas, as being the winner over Representative Schuyler Otis Bland, Democrat, of Virginia, in securing control of all legislation pertaining to communications and the Federal Communications Commission in the House. A resolution, understood to have been agreed to by Mr. Rayburn and Judge Bland, would give the House Committee on Interstate and Foreign Commerce, of which Rayburn is Chairman, complete jurisdiction over communications, which would cover wire and wireless telegraph and telephone and radio broadcasting.

From the inception of radio, when it began with ship wireless, it has been under the House Merchant Marine and Fisheries Committee, the name of which was later changed to the Merchant Marine, Radio and Fisheries Committee. Judge Bland is the Chairman of this Committee. When the bill creating the Communications Commission was drafted, the Judge made quite a fight to have it referred to his committee. Later there was a report that a compromise had been reached whereby the Rayburn committee would handle everything but radio which would go to Judge Bland, but if the pending resolution, which first will have to be approved by the Rules Committee and then passed by the House, prevails, the Interstate Commerce Committee will take complete jurisdiction over all communications matters.

In the Senate the Interstate Commerce Committee has always handled communications and radio matters and continues to do so.

The Democratic members of the House Interstate Commerce Committee are:

Representative Sam Rayburn (Chairman), Texas; George Huddleston, Alabama; Clarence F. Lea, California; Robert Crosser, Ohio; Parker Corning, New York; Alfred L. Bulwinkle, North Carolina; Virgil Chapman, Kentucky; Paul H. Maloney, Louisiana; William P. Cole, Jr., Maryland; Samuel B. Pettengill, Indiana; Edward A. Kelly, Illinois; Edward A. Kenney, New Jersey; George C. Sadowski, Michigan; Joseph P. Monaghan, Montana; John A. Martin, Colorado; Edward C. Eicher, Iowa; Theodore A. Peyser, New York; Thomas J. O'Brien, Illinois; David D. Terry, Arkansas.

Republican members of the Interstate and Foreign Commerce Committee are: John G. Cooper, Ohio; Carl E. Mapes, Michigan; Charles A. Wolverton, New Jersey; James Wolfenden, Pennsylvania; Pehr G. Holmes, Massachusetts; Schuyler Merritt, Connecticut; B. Carroll Reece, Tennessee; and James W. Wadsworth, Jr., New York.

X X X X X X X X

LABOR CONGRESSMAN FLAYS BROADCASTING INDUSTRY

An attack was made upon the broadcasting industry by Representative William P. Connery, Jr., Democrat, of Massachusetts, Chairman of the House Labor Committee in a speech over Station WEVD, dedicated to the late Eugene V. Debs and owned by labor interests, in New York.

"Despite the fact that we have eleven millions of workers unemployed and that most American Industries are restricted to a forty-hour work week, the Radio Broadcasting Industry, child of the Power Trust, is able to force its workers to work 48 hours each week", Representative Connery declared. "Apparently, there is no force in the N R A , or, in the Federal Communications Commission strong enough or interested enough in the workers employed in the Radio Broadcasting Industry to shorten these long hours. In addition, each of the two networks have created Company Unions, with the full knowledge and apparent acquiescence of the officials of the N R A.

"It was the intent of Congress, expressly written into the law, that there was to be no monopoly in Radio Broadcasting. Senator Dill, recognized as an authority on radio legislation, stated on March 19, 1932, only two years ago, I quote: 'Chain organizations are especially guilty of this (referring to attempted monopoly) The National Broadcasting Company owns and controls 12 stations and most of them on cleared channels with high power. The Columbia owns five and controls three additional, most of them which are on cleared channels with high power. The American people' continued Senator Dill, 'will never permit the enlargement of this ownership to any great extent as a permanent policy.'

"And, yet, within two years of the time of the making of that statement, and while Senator Dill was still a member of the Senate, the National Broadcasting Company, the child of the Power Trust, had added 8 additional stations to their chains. Of course, you know or you should know that the National Broadcasting Company is owned and controlled by the Power Trust with one M. H. Aylesworth, former Managing Director of the National Electric Light Association, in supreme command. (20)

"To refresh the memories of some of my listeners, I might add that this same Mr. Aylesworth is the same gentleman the Federal Trade Commission, in its recent report on the Power Trust

and Public Utilities, found expended or authorized the expenditure of large sums of money to influence college professors and teachers in our colleges and schools to write and to lecture on subjects helpful to the enlarged and continued profits of the Power Trust through the continued exploitation of the consumers of gas and electric lights."

Representative Connery declared that the NBC had agreed that no additional stations be assigned to the clear channel of WCFL, Chicago, owned by the Chicago Federation of Labor, without the consent of the American Federation of Labor. Mr. Connery said he was "amazed to learn that this wavelength is no longer the property of the American Federation of Labor" but that commercial stations in Albany, Fort Worth, Miami and possibly other cities are to be placed on the same wave. He said the addition of Station WEVD was an example of how the captains of industry exploit not only the workers but the properties of the country.

"I suggested to the Federal Communications Commission if they were going to destroy this property of labor (WCFL's wavelength) they ought to give WEVD the legitimate labor station an opportunity of being placed on the same wave.

"Former Congressman Anning Prall, of New York, now Chairman of the Broadcast Division, answered my letter. He suggested that there are other stations in New York which might be interfered with if my suggestion was carried out. My answer to Chairman Prall and to the other members of the Communications Commission is that where there is a will there is a way. If there is an honest desire on the part of the Commission to give Labor in New York a real opportunity, they will easily make the necessary transfers of radio facilities.

"However, I was surprised to learn only yesterday of the contempt which the profiteers in radio broadcasting have for the Federal Communications Commission, a governmental agency.

"It is understood that some weeks ago a number of gentlemen, interested in radio, met in a hotel room or in a lawyer's office and proceeded, under the direction of a representative of the Power Trust, to divide up this radio wavelength which we, in Congress, definitely understood was the property of the American Federation of Labor.

"Not only did they actually divide up this property but they entered into a written agreement, signed and sealed, setting forth the rights of each of the parties, and then they handed this agreement into the Federal Communications Commission with a request that this governmental agency, supposedly an agency of the Congress of the United States, approve of their action.

"To further indicate the monopoly which exists in radio broadcasting, let me illustrate by comparing the radio properties in New York City of the two networks with all other radio properties in the same locality.

"There are 13 radio stations in New York City. One is owned by the City but is not allowed to operate at night. One station, owned and operated by the Paulist Fathers, an organization which has done wonderful work all over this country, a non-profit making body, is licensed to operate only fifteen hours per week. Seven other radio stations either share time or are not allowed to operate at night. Two other stations, with low power, are permitted to broadcast unlimited hours. The three radio stations, owned and operated by the two networks, are allowed to broadcast on 50,000 watts with unlimited hours on the most desirable wave lengths.

"Incidentally, one of these New York high powered stations, operating unlimited hours, is licensed to a radio manufacturing company and leased to the network owned by the Power Trust. While the licensee holds the license, it has nothing to do with the operation of the station other than to receive a fat rental which means added profits to the stockholders at the expense of the people of the United States.

"Figures recently released indicate that the two great networks last year received more than 80 percent of all the revenue received from radio broadcasting.

"Is there a Radio Monopoly? Surely, I have given you the answer."

X X X X X X X X

GOLD DECISION ERROR CAUSES PRESS-RADIO MORE TROUBLE

The Associated Press sending an incomplete flash on the Supreme Court gold decision caused additional embarrassment to the Press-Radio Bureau. Luckily it was corrected 8 minutes later before NBC and Columbia broadcast it but some stations were said not to have been so fortunate.

The incident served to encourage those who have been gunning for the Press-Radio Bureau and their cries have been loud and long. One of the first heard from was the Yankee Network in New England which said "because of recent glaring errors in Press-Radio releases, which are furnished by the Associated Press, the United Press and the International News", they would not be accepted until verified.

"The erroneous flash of last week on the dirigible 'Macon', stating that the ship was down in California with eight persons dead, originated from the Press-Radio Bureau", the Yankee network declaration continued. "The erroneous flash on the Hauptmann verdict, which was issued by The Associated Press, was flashed over the Yankee Network stations by Press-Radio, and another erroneous flash on the decision of the United States Supreme Court on the Gold Clause was issued by Press-Radio."

The Editor & Publisher said that the Associated Press' gold decision report caused great confusion in newspaper offices, likewise and a partial check-up of afternoon papers revealed that the World-Telegram and Post in New York, and the Star in Washington, issued extras with the incomplete information. The World-Telegram sold about 6,000 extras with its erroneous information, carrying the hed, "Government Must Pay Its Bonds in Gold Value." The New York Sun replated three times before going on the street with the correct interpretation.

An aftermath of the Hauptmann AP false report was a rebuke administered to Arthur Godfrey, popular commentator and announcer, by Harry C. Butcher, Manager of Station WJSV, Columbia outlet in Washington. Godfrey in a broadcast took a "shot" at the Washington Herald, a Hearst paper, because of the Hauptmann miscue. The Herald, however, was not one of the papers which carried the incorrect story.

"Mr. Godfrey thought he was giving the Herald a good natured razzing but came very near to libelling the paper", Mr. Butcher said. "Such an action as this is contrary to the policy of the station. Godfrey realized the seriousness of his offense and has promised that such a thing will not happen again."

Mr. Butcher permitted the City Editor of the Herald to draft the form of retraction it desired and this was read to Mr. Godfrey's audience.

Addressing the Inland Daily Press Association at Chicago, E. H. Harris, Chairman of the American Newspaper Publishers' Association's Radio Committee, reiterated the belief that news should not be sold to be resold for broadcasting purposes.

"Just recently there has been a disturbing development", Mr. Harris said. "Large department stores have purchased a news service from an anti-newspaper news agency, and they have broadcast this news service direct from the advertising departments of their stores. The radio station has no control over this news. The editing of the news, therefore, is in the hands of the advertiser.

"If radio stations of the United States are permitted to sell time for the purpose of broadcasting advertising sponsored news programs, this policy will destroy the control over the news and place the editing and censoring of the news in the hands of the advertisers. An identical situation would be found in the newspaper field, if the newspapers sold the news to the advertiser for editing and censorship and then gave away their circulation to their subscribers. Such a policy would soon destroy the value of all news, because the public would be confused as to the authenticity of any news, whether broadcast or printed. It would devalue all news."

2/26/35

In the meantime, WOR, in Newark, announces that its Trans-Radio news bulletins hereafter will be sponsored by the Fischer Baking Company, of Newark. The Ward Baking Company, in Columbus, Ohio, will sponsor the programs of Bob French, news commentator over Station WAIU in that City.

X X X X X X X X

FOOD & DRUG HEARINGS BEGIN NEXT SATURDAY

Senator Clark, of Missouri, has set next Saturday, March 2nd, to begin the public hearings on the proposed revision of the Federal Food and Drugs Act. They will begin at 10 o'clock in the morning and will be held in the Caucus Room of the Senate.

The Broadcasters will be represented at the hearings by Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters.

X X X X X X X X X X

APPEALS COURT APPROVES KWWG TRANSFER

A decision of the Federal Communications Commission that enabled the transfer of radio Station KWWG, located at Brownsville, Texas, to the Port Arthur College, at Port Arthur, Texas, was sanctioned by the United States Court of Appeals over the protest of Magnolia Petroleum Co., and the Sabine Broadcasting Co., lessor and lessee, respectively, of Radio Station KFDM, at Beaumont, Texas.

Station KWWG was wrecked by a hurricane last year, and while it was out of commission, it asked that it be permitted to transfer its station to the college, where the studio would be taken over by the college authorities and operated on the same waves.

Station KFDM objected and opposed the transfer, only to have the Communications Commission approve the move.

X X X X X X X X X X

SURVEY CLAIMS ONLY 7.3% SETS HEAR AVERAGE BROADCAST

The average evening radio program is heard over only 7.3 per cent of the radio sets in its area, according to results of the first five weeks of a survey being made for 25 clients by Clark-Hooper, Inc., New York research firm, Editor and Publisher sets forth, which describes it as follows:

"About 115,000 coincidental telephone interviews have already been tabulated. The largest average percentage of sets found listening to any one program was 29.4 per cent, and the smallest less than 1 per cent. Of the 'sets in operation', the best program reached 66 per cent, and the average 20 per cent, while some reached less than 1 per cent.

"The public, it was reported, is dividing its time among 94 commercially sponsored network programs between 7 and 10 p.m., Eastern time.

"Computing talent costs at approximately 31 per cent of the total cost of broadcast advertising, the results of the survey thus far indicate that the "cost per thousand sets identifying sponsor" varies from \$1.36 to \$62.67, with an average of \$16.22.

"The telephone calls were made in 21 cities. From 13 to 28 per cent of telephone subscribers were found not at home. On completed calls these questions were asked:

- "1. Were you listening to the radio just now?
- "2. To what program were you listening?
- "3. What advertiser puts on that program?
- "4. What product is advertised?"

"The period with the largest percentage of sets in operation showed 45 per cent, the lowest 18.5 per cent (when averaged for time zones and weighted for percentage of total sets in each time zone). The average of all was 36.5 percent, it is stated.

"Showing the effect of changes in programs, the investigators reported one instance in which Chain (a), with a popular comedian, drew 68 per cent of the listeners during the first two weeks of the survey, while Chain (b) drew 7 per cent and Chain (c) 5 per cent. The first then eliminated the comedian while (b) added a guest star, and the percentages became: Chain (a) 33 per cent; Chain (b) 22 per cent; Chain (c) 9 per cent. The cost per thousand set identifying sponsor rose from \$5.58 to \$12.34 for Chain (a), while they dropped from \$28.86 to \$13.43 for Chain (b) and from \$34.36 to \$24.01 for Chain (c)."

X X X X X X X X

GIANT RADIO SET PICTURES AIR WAVES FOR VISITORS

A giant radio receiving set, so large that thousands of persons walk in and out of it daily, is in operation in the National Broadcasting Company studios in Radio City.

It is a giant model constructed by NBC and RCA Victor engineers as the latest unit in a series of displays which show visitors the mechanics of broadcasting. These visitors who take the NBC guide tours, first see the studios with programs in the making. Then they see a model of a transmitter. That is followed by a layout showing the course of a sound from the microphone to the transmitter and through the air. Now they can follow the sound through the receiving set to the loudspeaker.

The model has been built on a scale of twenty-to-one, with tubes five feet high. In the center stands, by way of contrast, a standard size superheterodyne radio set with the cabinet removed and the interior exposed. Identification ribbons extend from various parts of the small set to corresponding parts of the model.

The giant model was installed under the supervision of O. B. Hanson, Chief Engineer, as an educational exhibit for the public. It occupies one leaf of the NBC cloverleaf studio which was constructed with a view to its ultimate use in television.

X X X X X X X X X

WOMEN TO AWARD RADIO PROGRAM PRIZES

The Women's National Radio Committee, organized several months ago to work for higher standards of radio entertainment, will make four radio awards this year, it was announced in New York by Mme. Yoland Mero-Irion, of that city, advisory chairman of the committee.

Two of the awards will be for the best sustaining programs on the air and the other two for the best commercial programs. One award in each classification will be given for a musical program and one for a non-musical program. The presentations will be made at a luncheon on April 10th.

The placing and the character of advertising in commercial programs will receive special consideration in the awards, Mme. Mero-Irion explained.

Twenty-one women's organizations with a combined membership of about 10,000,000 are said to be affiliated with the Women's National Radio Committee.

2/26/35

Mrs. Harold Vincent Milligan is Chairman of the Committee and the recently elected executive group includes Mrs. P. T. Grimley, of Ridgewood, N. J., representing the General Federation of Women's Clubs; Mrs. Ella A. Boole, of Brooklyn, representing the World's Women's Christian Temperance Union; Mrs. Lemuel Bolles, of Great Neck, L. I., of the American Legion Auxiliary, and Mrs. Howard Vernon, of Brooklyn, of the American Association of University Women.

X X X X X X X X X X

ROOSEVELT TO PRESS NEW WOR 50 KW TRANSMITTER KEY

Pressing a telegraphic key in the White House, President Franklin D. Roosevelt will send the signal which will officially inaugurate WOR's new 50,000-watt transmitter at 3:30 P.M., Monday March 4th, after this presidential recognition of WOR's elevation to the ranks of the super-stations of the United States, WOR will present an inaugural program from the L. Bamberger & Co. store in Newark where the station started in 1922 and has maintained studios ever since.

Gov. Harold G. Hoffman, of New Jersey, and Mayor Meyer C. Ellenstein of Newark will give their official welcomes to the station during the dedicatory program from 3:30 to 4:30. Senators A. Harry Moore and W. Warren Barbour, of New Jersey also will speak from Newark, provided they are able to leave Washington that day. Other leaders of government, education and business also will give brief addresses.

Invitations have been issued for a special broadcast to take place the same night at 8 o'clock from Carnegie Hall in New York City.

Jack R. Poppele, WOR's Chief Engineer, has apparently thought of every possible device to make the transmitter at Carteret, N.J., the last word in mechanical safety. Every wire, conduit and power line has been buried in the ground eliminating all possibilities of visitors or employees coming in contact with any death dealing "live" wires.

A lock system on the doors leading to the rooms containing the transmitting machinery absolutely precludes the possibility of a fatality. This lock system as developed and installed works on a master key basis. The transmitter interior cannot be entered unless all keys to every door leading to the room are in place in the lock. The master key, when placed in the lock and turned, throws a giant switch which turns off every iota of power.

Two other ingenious contrivances are the telegraph system which keeps the New York studios, the Newark studios and the transmitter in immediate touch with each other, eliminating all possible errors. Another method of contact is a direct telephone between the three points and the antenna towers. Thus the most remote points of WOR's far-flung system can be contacted at a second's notice.

X X X X X X X X

PROPOSE F.D.R. AS BROADCASTING HEAD

Establishment of a nationally-owned broadcasting system, with Franklin D. Roosevelt as General Manager, was advocated in Washington at the Public Ownership League conference this week.

Mr. Roosevelt, when he leaves the White House, would be the ideal "boss" for a radio system run by and for the public, the delegates were told by Bruce Bliven, an editor of the New Republic magazine.

"Through a series of historical accidents for which no one in particular is to blame, the radio has degenerated from a device whose main purpose is to aid the public into a device whose only purpose is to make money", Bliven said.

He would bar advertising from the proposed network and programs would be designed "solely for the amusement or edification of the whole mass of the people."

"I do not suggest", said Bliven, "that we do away with the private broadcasting that now goes on. It would not be hard to clear sufficient channels for the Government broadcasting without displacing more than a very few at most of the 600 private stations in the United States, 90 per cent of which never under any circumstances broadcast anything worth hearing."

Governmental ownership and operation of the Nation's telephone system was recommended in a resolution adopted by the Public Ownership League.

Presented by J. E. Bennett, of Portland, Oreg., Chairman of the Telephone Committee, the resolution charges that rates are excessive and the industry is in the hands of a monopoly.

Ernest E. Anders, Commissioner of Public Utilities, of Jacksonville, Fla., told how that city is one of the few in the country which owns a broadcasting station and makes it pay.

X X X X X X X X