

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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**CONFIDENTIAL — Not for Publication**

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No. 1105

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## ZENITH PLANS BROAD RESEARCH IN TELEVISION FIELD

An extensive research program which will be aimed at putting television on a practical scale will be conducted by the Zenith Radio Corporation, of Chicago, if the Federal Communications Commission grants it a permit for a visual broadcasting station.

Details of the plan were disclosed this week by Examiner George H. Hill in a report recommending that Zenith be given the permit to conduct experiments on 42,000-56,000 and 60,000-86,000 kc. with 1 kw. power, unlimited time.

Results expected from the research, according to the Examiner, "are the acquiring of sufficient information necessary for the production of a transmitter, a receiver, and associated equipment capable of rendering reliable, high quality television service."

The report describes Commdr. E. F. McDonald, Jr., President of the Zenith Corporation, as "one of the pioneers in short-wave radio, both in transmission and reception", and calls attention to his operation of a radio station, WJAZ, in the earlier twenties. The Examiner cites the sound financial condition of Zenith and expresses confidence that it will be able to construct the station and conduct the experiments although no estimate of the cost was given by the applicant.

Commander McDonald, aided by Irving Herriott, counsel, appeared before the Examiner last Fall in behalf of the application.

"The applicant has been actively engaged since January, 1937, in the development of important parts of the television transmitter and receiver such as sweep circuits, synchronizing signal generator and television amplifiers", Examiner Hill said. "The proposed transmitter is completely designed for and will be capable of modern high definition television, using all electronic methods. The pictures will be composed of 441 lines, sixty frame interlaced.

"The television development program of the applicant calls for research and experimentation in television transmitter, transmitter antenna, the transmission medium, television receivers, and receiver antenna. Television service has certain requirements peculiar to it which are not met in ordinary radio transmission in that the television signal must carry not only the intelligence, but also the synchronizing signals.

These signals have requirements in their relation to each other, and for this and other reasons, the five divisions referred to are not always entirely distinct from each other so that research must generally proceed along all lines which involve several of these subjects.

"The television transmitter may be considered a composition of several well-defined separate units upon each of which research, experiments and tests will be conducted by the applicant. Several television pickup systems have been developed which are entirely electronic in operation and have reached a fair state of development. Experiments will be conducted with each of these units to determine the comparative sensitivity under all conditions of studio and outdoor use, their respective resolution powers and general adaptability to television pickup work. It is not contemplated that research looking toward the development of a new pickup tube will be undertaken; however, it appears that there are promising possibilities in the field of electronic pickup field equipment and this or any other development of promise would be investigated if necessary or advisable.

"A number of requirements have to be met to successfully pickup live talent in the studio and elsewhere. Tests will be conducted to determine what equipment is best for the maintenance of good optical focus commensurate with ease of mobility of equipment, its performance electrically under conditions of rapid movement, and the electrical output under practical working conditions. . .

"It is the function of the television receiver to translate the incoming signals into useful intelligence, and the receiver must faithfully reproduce in the desired form the received energy. The television receiver must also maintain synchronism exactly at all times with the transmitter. The applicant will conduct a careful study of received transmissions looking toward the development of sweep circuits and synchronizing systems which will be least affected by the various factors bearing on radio transmission, such as possible multipath signals, fading and atmospheric and electrical disturbances. The television receivers will be required to work in locations where there is noise present which could well interfere with synchronism, and it is intended to make careful observations of transmission signals under all the different reception conditions possible.

"It appears that in ultra short-wave reception the type of receiver antenna and its location are very important. It is generally necessary that some type of transmission line be used and that the antenna used with it be carefully located. This is of special importance in television reception where every effort must be made to overcome electrical interference, which is more prevalent in those frequencies assigned to television than any others. The development program for television

receiving antenna calls for the transmission line coupled type. Experimentations and tests will be conducted on directive systems as well as antennas of the half-wave type.

"The applicant believes that one of the principal phases of an experimental television program is the investigation of radio transmission on the ultra high frequencies. The transmitting and receiving antennas represent the terminal connections to the transmitting medium and it appears that much work remains to be done on both. The applicant has manufactured and sold for many years radio receivers which operate on the high and ultra high frequencies, and its experience during this time indicates that present conditions are not satisfactory. The development program of the applicant will lay stress on a complete investigation of antenna systems and to this end all possible types of antenna systems will be used for the purpose of conducting actual field strength coverage surveys."

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#### N.Y.C. STARTS RADIO EDUCATION TESTS

New York City public schools this week were tuned in on the first of a series of 110 daily radio broadcasts, conducted by the City Board of Education to supplement classroom teaching. Dramatized versions of various subjects were transmitted to 160 elementary schools and 44 high schools.

The teachers, assisted by pupils, are preparing the scripts, which are broadcast over Station WNYC, the municipal radio outlet.

The broadcasts are experimental, school officials said, but if found to be satisfactory, they will be made a regular part of the school curriculum.

At the same time WOR, Newark, announced it is preparing a series of 15-minute educational recordings for distribution by September 15th.

Three such records are completed, prepared in the form of a dialogue between a teacher and an appealing character named "Uncle Henry". All have been tested under actual classroom conditions in various New Jersey schools. Complete fifteen-record sets will cover such subjects as Elementary Science, Art Appreciation, Nature Study, Etiquette and Astronomy.

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## RMA CARRIES RADIO TAX FIGHT TO SENATE

The Radio Manufacturers' Association and radio industry campaign to repeal or modify the Federal 5 percent radio excise tax is now being waged vigorously in the Senate at Washington, according to Bond Geddes, RMA Executive Vice-President, following omission of any action on radio in the House general tax revision bill reported March 2nd. Revenue needs of the Government, with the radio tax raising over \$6,000,000 annually, was the principal cause for omission by the House Ways and Means Committee of any action on the radio excise tax, Mr. Geddes said. The House Committee report stated that the undesirable "nuisance" taxes "should be removed when possible but unfortunately the revenue requirements of the Government are such that very little revenue can be spared at this time."

Despite the House action, the RMA is leading anew the effort before the Senate Committee, generally regarded as more liberal than the House, for relief on the radio excise tax. RMA members and also distributors, dealers, and broadcasters will now concentrate appeals on the Senate. The RMA will appear before the Senate Finance Committee at its public hearings, scheduled about March 15, and renew the industry's plea for repeal or substantial reduction of the radio excise tax. President Muter of the RMA and A. H. Gardner, of Buffalo, Chairman of the Association's Legislative Committee, are again urging RMA members to write their Senators and for similar action by their distributors and dealers.

Although the House bill failed to include any action on the radio tax, it provided for repeal of excise taxes on such outright luxuries as furs, sporting goods, cameras, and chewing gum. It also added a repeal of the excise tax on matches regarded as a common necessity. Total excise taxes proposed for repeal aggregated almost \$30,000,000. In its presentations to the Senate the RMA will contend that radio, through its universal service and use, is entitled to first consideration and, like the press, should be free of taxation.

This position was recognized by the House Ways and Means Committee, and although the radio tax was regarded as too large to be included in this year's repeal program, the RMA campaign in the House developed strong sentiment at least for repeal or termination of the radio tax in 1939.

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## FCC URGES RADIO AID IN CALIFORNIA FLOOD

The Federal Communications Commission this week called the attention of all licensees of radio facilities in the Southern California flood area of the provisions of Rule 23 of the Commission's Rules and Regulations permitting such licensees, during the period of the emergency, where normal communication facilities are disrupted, to engage in emergency communications beyond and above those authorized by the license.

"This means that a broadcast station may handle messages concerning safety of life and property, amateurs may engage in the transmission of such messages, other stations may communicate with points other than those specified in the license, etc," the statement said.

"During the flood of the Ohio and Mississippi Rivers in February of last year, radio was a very valuable asset in preventing the loss of life and property. It is the desire of the Commission to cooperate in every way possible in making maximum use of radio facilities for assistance in the stricken area. The Commission will give immediate attention to all requests for emergency operation under the provisions of Rule 23."

Meanwhile radio amateurs of the country established communication with Los Angeles as other media failed.

Working through the American Radio Relay League, Inc., of Hartford, Conn., a national system for the transmission of information was organized within a few hours, and an amateur in Denver served as a clearing unit.

The communications' chief for this national network was F. E. Handy at the Hartford office of the organization. Through his efforts thousands of amateurs throughout the United States tried to establish contact with the 2,000 in the Los Angeles area.

In Los Angeles, meanwhile, three coordinators of the amateurs were at work. Their job was to sort out the wave lengths of the 2,000 amateurs and assign a special one to each station, so that the chances of being picked up outside the city would be increased.

The mobilization of the amateurs on short notice is part of a national plan which has been worked out by the League. It is a counterpart of the plans laid out for a smaller organization composed of the Army Amateur Radio League, which is made up of those who have offered their services and equipment for army service in emergencies.

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PAYNE LAUDS TAX BILL; HEARING NOT YET SCHEDULED

Commissioner George Henry Payne, who drafted the original bill to impose a wattage tax on broadcasting stations, this week came to its defense while Representative Thompson (D.), of Illinois, delayed scheduling a hearing on the Boylan measure until after the House had passed the general tax bill.

Commissioner Payne's defense of the tax proposal was in the form of a letter to the editor of the New York Times. It read in part as follows:

"I believe the bill has the five virtues that should characterize a good revenue measure. The proposed tax is simple, it is easy to collect, it is constitutional, it is fair and the basis for the tax is definite.

"A definite amount of power, in watts, is authorized to every broadcast license issued, and in the great majority of cases the wattage authorized is the measure of the station's value. It is this wattage that is made the basis.

"Previous to the drafting of this bill there had been much discussion of the necessity of taxing radio stations, and one bill drafted in the Federal Communications Commission taxed forty-one articles used by or relating to radio stations. The proposed measure was complicated, trifling in many of its provisions and unfairly distributed, for it applied to non-profit as well as to profit stations. The present measure specifically excludes educational and other non-profit stations.

"I might add that no bonafide special tax measure, such as this bill, has ever been declared unconstitutional by the Supreme Court, for these measures levy taxes on occupations which have been held legitimate bases for taxation from time immemorial.

"Furthermore, most occupational taxes are levied on businesses that receive no direct benefits from the government; that is, no benefits which all of us do not receive. In the case of broadcast stations the frequencies, without which they could not possibly exist, are loaned to them by the government. Broadcasters enjoy a valuable franchise. Broadcast frequencies, as you have stated, are very limited in number, are in great demand and are of immense value."

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## THREE NEW STATIONS APPROVED BY EXAMINERS

Examiners at the Federal Communications Commission this week reported favorably on applications for broadcasting stations in New York, Massachusetts and Texas and favored power increases for two other applicants.

Reporting on rival applications for 1240 kc., Examiner John P. Bramhall recommended that it be allowed to Thomas J. Watson, of Endicott, N. Y., and the Hampden-Hampshire Corp., Holyoke, Mass. The application of the Citizens Broadcasting Corp., Schenectady, N. Y., was adversely reported.

The third station recommended was requested by the Sam Houston Broadcasting Association, Huntsville, Texas. It would operate on 1500 kc. with 100 watts power, daytime.

Favorable action also was recommended on applications of WGBI, Scranton, Pa., to increase its power to 1 KW, and of KMLB, Monroe, La., to transfer from 1200 to 620 kc., and raise its power to 500 watts.

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## JAPAN READY FOR TELEVISION TESTS

The Japan Broadcasting Corporation is preparing to start television test broadcasts in preparation for temporary television broadcasts in Tokyo in July this year, according to a report to the U. S. Commerce Department.

The corporation has been studying television broadcasting, inviting Prof. Kenjiro Takayanagi of the Hamamatsu Higher Technical School, internationally famous authority on television, as chief of the third department of the technical laboratory of the corporation at Kamatacho, Setagaya-ku, Tokyo, and constructing four television motor cars, a temporary broadcasting station, and a laboratory.

As the study was almost completed recently, the corporation has decided to start temporary television broadcasts next July from Kamatacho, with 500 watt power.

"The receiving set, constructed by the technical laboratory of the corporation, will be obtainable at about 1,000 yen", the report stated. "Further study will be made for the reduction of the cost of receiving sets."

Although the area of the received image is 20 to 22 centimeters square, it is said it can easily be enlarged to one-meter square.

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PIONEER IN RADIO FACSIMILE DIES IN N.Y.C.

Dr. Otho Fulton, pioneer in the field of facsimile transmission of pictures and printed matter over radio or wire lines, a leading experimenter in this field for more than twenty-five years, died in New York City this week of a heart attack. He was 70 years old.

A British subject born at Hull, Dr. Fulton came to America about eight years ago to demonstrate his ideas after a series of successful tests made in England and on the Continent, according to the New York Times. He is credited with having been the first to send a picture on a radio channel over great distances. This took place about ten years ago over the Marconi radio beam between London and Sydney, Australia, covering nearly 11,000 miles.

Several years ago Dr. Fulton organized Fultograph, Inc., to carry on the development of his patents here, but principally to introduce his facsimile ideas. Dr. Fulton was the president.

With Dr. E. R. Wagner, a chemist, and Dr. Harold Brown, paper expert, Dr. Fulton in the last six years is said to have developed a special paper for his facsimile apparatus that requires no development after it comes off the receiving machine, but provides a permanent and non-fading record of the matter transmitted.

One of the inventor's basic ideas for the facsimile equipment was an "electro-magnetic clutch" utilized for positive synchronization of the receiving printer with the transmitting stations, whether the connecting link is by radio or wires. It is said that Dr. Fulton was very fond of this piece of apparatus, often referring to it as the heart of the equipment. Through his years of experimental work he clung jealously to this synchronizer, while other experimenters adopted other methods.

Recently, the Times said, he had interested about thirty broadcasting stations of the country in his facsimile machine, and they were regarded as ready to make use of the equipment to project pictures and printed matter into homes when the necessary authority is granted by the Federal Communications Commission. Negotiations also were under way, it was said, between interests here and in Canada to form a link between the countries for the transmission of news matter.

It also was announced that arrangements are being made with Press-Wireless to link New York and South Africa with a facsimile channel, beginning June 1st.

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 ::: TRADE NOTES :::  
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Arturo Toscanini has made a new three-year agreement with the National Broadcasting Company. Under this arrangement Mr. Toscanini is expected to direct the NBC Symphony Orchestra next season for a longer period than he has this season.

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Reports from Addis Ababa announce the opening of a new 1-kw. radio station in the Ethiopian capital on February 1st. A powerful radio station is to be built at Addis Ababa for inauguration next year, according to Reuter, Rome.

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Edward Padula, a recent Yale graduate, has joined the television staff of the National Broadcasting Company, New York City, as a production director. Mr. Padula's job will be to generate ideas for future programs and conduct rehearsals in NBC's Radio City television studios.

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Designed to eliminate troublesome static interference in auto radio reception, a simple spring device that fits inside the hub cap has been patented by two Flint (Mich.) inventors. The invention, according to Levi R. Grandy and Harry C. Doane, the inventors, grounds the automobile wheel to the frame and prevents an accumulation of static electricity in the wheel.

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Stations KSEI, Pocatello, Idaho, and KTFI, Twin Falls, Idaho, will become affiliated with NBC's North Mountain Group on March 15th. The addition of the two stations increases the total number of NBC affiliates to 146.

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#### BRITISH SET LIMITS ON RADIO INTERFERENCE

A new British Standard Specification has recently been issued concerning the permissible limits of radio interference in the medium and long-wave bands, according to World-Radio.

It is well known that certain types of electrical appliance, such as vacuum cleaners, produce high-frequency currents which may find their way into receiving sets through the supply mains. Certain other types of apparatus and machinery radiate a high-frequency field which may cause interference

if the receiving aerial or down-lead lies within it. The specification, therefore, prescribes limits for the high-frequency voltage produced at the terminals of machines and appliances suitable for connection to public supply mains not exceeding 500 volts; in cases where an interfering field is radiated, the maximum strength of this field is also specified. Limits are also given for the duration and frequency of occurrence of the interference. A special mark is to be registered under the Trade Marks Act, which will be affixed to appliances made by manufacturers whose products comply with the Specification, and who have obtained the necessary license from the British Standards Institution.

"At present, there is no obligation on manufacturers to conform to the requirements of the Specification, but they are strongly recommended to do so, in the interests of broadcast listeners", the BBC organ states. "Furthermore, it is hoped that the public will favor appliances which bear the interference-free mark, and so encourage manufacturers to take the precautions necessary to qualify for it. In some cases a slight re-design of an appliance will suffice to reduce the interference below the specified limits; in others, it will be necessary for the makers to incorporate special suppressors in the appliances.

"The issue of this Specification represents an important step forward in technical discussions which have been proceeding for some years between the representatives of all the interests involved, including the Post Office and the BBC."

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#### MARKED RISE IN RADIOBEACONS REPORTED

During the past calendar year there has been a substantial increase in the number of radiobeacons available for marine navigation in all parts of the world, according to the U. S. Lighthouse Service. These navigational signals, which were largely pioneered by the United States Lighthouse Service, have found such universal acceptance that they are now provided by all the important maritime nations of the world.

The total number of marine radiobeacons in the world on January 1, 1937, was approximately 380, of which the United States had approximately 33 percent. Similar figures for January 1, 1938, show the total for the world to be approximately 421, with the United States having 30 percent.

The United States Lighthouse Service is now expending considerable effort in improving the effectiveness of its radiobeacons by the addition of distance-finding signals, consisting of synchronization of the radiobeacon signals and the sound-in-air fog signals, such signals now being available at 84 stations, and the equipment of stations is being rapidly modernized for improved service.

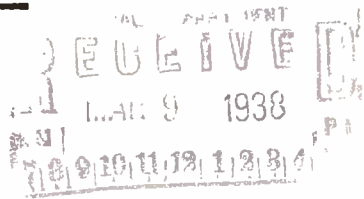
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March 8, 1938.

## FCC POLICIES STATED IN DENYING PRESS OUTLETS

Definite statements of policies against the granting of radio broadcasting facilities to a licensee for a second station in the same community or for an additional station in a city already well served were enunciated late last week in two decisions made by the Federal Communications Commission.

The FCC rejected the applications of the Journal Company, of Milwaukee, and the Mid-Atlantic Corporation, of Washington, for construction permits. Both were for special broadcast stations using 1570 kc. with 1 KW power, unlimited time.

The Journal Company now operates WTMJ, as well as experimental relay, high frequency, television, and facsimile stations. The Mid-Atlantic Corporation was organized by Eugene Meyer, publisher of the Washington Post, and would have been operated in conjunction with the newspaper.

As to the Milwaukee application, the Commission declared:

"The frequencies available for use by stations of the broadcast class are limited, and a grant of an additional station to one who already has a license for a station in the same community should not be made unless it is clearly shown that public interest, convenience and necessity will be served thereby. Milwaukee now has two full-time regional assignments and one local daytime station. In addition, the greater part of the area receives service from stations located elsewhere, duplicating to some extent chain program service available from Milwaukee stations. The need for an additional station in Milwaukee is not such as to warrant the granting of the facilities requested to The Journal Company, at present the licensee of a regional station in that city."

The FCC gave little hope to any of the applicants who have sought to establish a fifth broadcasting station in the Nation's Capital in its ruling on the Meyer application. Among other applicants for a new Washington station have been former Senator C. C. Dill, whose application has been rejected already, the Scripps-Howard Newspapers and Hearst Radio, Inc.

Washington now has four stations, all of which are affiliated with networks. The National Broadcasting Company controls Stations WRC and WMAL, and the Columbia Broadcasting System has WJSV, and the Mutual Broadcasting System sends its programs over WOL.



Said the Commission on the Mid-Atlantic Corporation's application:

"This Commission is required by Section 307(b) of the statute to make such distribution of the limited facilities available for broadcast use as will provide a fair, efficient and equitable service to the several states and communities. The City of Washington now has four unlimited time regional stations and receives some additional service. In the interest of providing service to communities and states where definite need will be found to exist, this Commission cannot fail to comply with the clear and mandatory requirements of the statute. There is no need shown to exist at this time for an additional broadcast station such as that proposed for Washington."

A stand similar to that taken in the Milwaukee case was assumed by the Commission in rejecting an application by the Genesee Radio Corporation for a construction permit to build a station in Flint, Mich.

While admitting that additional station might fulfill a public need, the FCC noted that the proposed service would be similar to that already furnished Flint and then added:

"There is another element in this case, which, when weighed in conjunction with the facts already set forth, the Commission regards as controlling. The interests which control the existing broadcast station at Flint and those which would control the proposed station are identical. The managerial policy of the two stations would be the same. The two stations would not be engaged in actual or substantial competition with each other in the rendering of service. Further, to permit the entry into the field of this applicant might well, from an economic standpoint, prevent the future entry into the field by an applicant who would offer a new, different, improved and competitive service. It is not in the public interest to grant the facilities for an additional broadcast station to interests already in control of the operation of a station of the same class in the same community, unless there is a compelling showing upon the whole case that public convenience, interest or necessity would be served thereby.

"In order to assure a substantial equality of service to all interests in a community, to assure diversification of service and advancements in quality and effectiveness of service, the Commission will grant duplicate facilities to substantially identical interests only in cases where it overwhelmingly appears that the facility, apart from any benefit to the business interests of the applicant, is for the benefit of the community, fulfilling a need which cannot otherwise be fulfilled."

Ruling on rival applications of a newspaper and a church for full time on the frequency they now share, the Commission held that they should continue to divide the time. The applicants are the Pulitzer Publishing Co., of St. Louis, which operates KSD, and the Evangelical Lutheran Synod, of Clayton, Mo., which operates KFUD.

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3/8/38

## McNINCH OPPOSES RADIO TAX ON WATTAGE

The Payne-Boylan radio station tax bill was given a severe jolt late last week when Chairman Frank R. McNinch, of the Federal Communications Commission, made public a letter he had written Representative Doughton, Chairman of the House Ways and Means Committee.

Chairman McNinch, who had previously expressed the belief that radio stations should pay a tax at least sufficient to pay the administrative expenses of the FCC, stated that any tax based on watts would be unfair. He suggested that the Commission would prepare a report and recommendation for a radio station tax if the Committee requested it.

His complete letter to Representative Doughton follows:

"I have your letter requesting recommendations or comments upon H.R. 6440, a bill 'To provide for the taxation of operators of radio broadcast stations', which was introduced by Representative Boylan, of New York.

"The bill is apparently designed to produce revenue considerably in excess of the cost of administering the provisions of the Communications Act of 1934 as amended, which deal with radio broadcast stations. The tax base prescribed in the bill, namely, the number of watts of authorized power which a station is licensed to use, does not represent an adequate or equitable basis for such a tax levy; nor is it equitable or proper to classify stations arbitrarily into three groups - those authorized to use less than one thousand watts, those authorized to use between one thousand and ten thousand watts; and those authorized to use in excess of ten thousand watts - for the purpose of fixing the tax rate.

"There is no consistent or logical justification for basing a tax on radio broadcasting stations solely on wattage, without regard to income, type of service, geographical coverage, or other pertinent considerations. The Commission's objections to H.R. 6440 should not be taken to be objections on the part of the Commission to the principle of levying a tax upon, or charging a fee for, the exercise of the privilege of broadcasting, either for the purpose of reimbursing the Government for the expense incident to the regulation or licensing of broadcast stations or for general revenue purposes. If, however, any such tax or fee is to be levied or charged, the Commission is of the opinion that there should be some proper relationship between the tax base and the tax rate and the purpose for which it is imposed.

"The determination of such a relationship is not a simple matter but one which involves many complex factors. Should the Committee desire that the Commission make a recommendation which goes beyond the expression of its objections to the pending measure and advance suggestions as to the manner in which it believes this problem may be scientifically and equitably solved, the Commission will be very glad to comply with any request the Committee may make."

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#### TALKING NEWSPAPERS FORESEEN IN FINCH PATENT

A new radio invention that "may revolutionize the newspaper industry" is described in the current issue of Editor & Publisher as an interview with the inventor, William G.H. Finch, of New York City.

Mr. Finch early this month obtained a patent covering a new method of producing a sound track on ordinary newsprint with printing ink. The sound may be reproduced in the home with the aid of a simple machine which utilizes an ordinary loudspeaker.

"Not only can comics and features be told in print with a recording printed alongside", the article states, "but speeches and news events can be recorded by reporters and reproduced for actual sound in the newspaper."

The inventor is adapting his sound system to the facsimile machines being tried out by WOR, Newark, and other radio stations. A combination of the two, according to Mr. Finch, would produce a "talking newspaper" in the home.

"According to Mr. Finch, this system is the cheapest sound recording device ever invented", Editor & Publisher reports. "Newspapers can buy a master recording machine for \$1,000 or \$1,500 which will produce the visible sound track. From the visible track a plate is made to be inserted in the regular newspaper makeup. The time consumed is practically negligible taking only the time to change audible impulses into visual signs on paper. The sound track is a miniature version of the picture produced in an oscillograph by talking into it, or in other words, a very wavy line.

"A full page of comics can be told in sound by use of one inch of space for the sound track. Approximately 100 lines can be printed in one inch. With much more expensive equipment, Mr. Finch says as many as 1,000 lines to the inch can be printed.

"The moving picture type of recording machine costs around \$15,000, Mr. Finch explained.

"Individual reproducers for the home can be manufactured for as low as 25 cents a piece, Mr. Finch says, and he visualized making them on a 5 and 10 cent store basis, providing volume production is great enough. The 25 cent scale would be reached on a contract for a million, he claims."

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#### NEW G.E. 100 KW STATIONS TO HAVE EFFECT OF 1200 KW

When General Electric begins broadcasting to South America over its authorized 100 KW short-wave station, the broadcast will have the effective power of 1200 KW, according to B. W. Bullock, Assistant Manager of Broadcasting.

The step-up in power, he explained, will be made possible by the confining of the 100 KW power within two 30 degree beams. The new transmitters for W2XAD and W2XAF, Schenectady, are expected to be in operation early this Spring.

General Electric, meanwhile, has started a new daily series of broadcasts to South America over the Pan American channel "lent" to it by the Federal Communications Commission.

The two directional beams, one covering the eastern half and the other the western half, will blanket the continent of South America, according to Mr. Bullock, and will enable this country to compete on equal or a better footing than Germany, which heretofore has had the advantage in South American broadcasts.

The Pan American frequency of 9550 kilocycles was dedicated in a special program from Washington and New York last Friday night. Speakers from Washington were Sumner Welles, Under Secretary of State; Frank R. McNinch, Chairman of the Federal Communications Commission; Dr. L. S. Rowe, Director General of the Pan American Union; and Fernando Lobo, Charge d'Affaires of the Brazilian Embassy.

"The realization is growing", said Mr. Welles, "that amicable relations in this hemisphere can be strengthened permanently through open and free facilities for cultural interchange.

"The term is broad enough to include the transmission of every legitimate expression of the national mind, with the purpose of strengthening this friendship through appreciative knowledge.



"The broad understanding between our two peoples, achieved in peace and amity, will continue to be a guarantee of tolerance and mutual respect in this hemisphere."

Chairman McNinch spoke in part as follows:

"As Chairman of the Federal Communications Commission and of the Interdepartmental Committee to Study International Broadcasting, I am particularly interested in the development of radio as a means of interchange of culture. I feel certain that much important work in this direction can be done through the cooperation of the American nations to make Inter-American broadcasting the finest of all international broadcasting. I hope that Inter-American radio programs will be selected with that care, discrimination and understanding which is so necessary if they are to truly represent and be worthy of the countries of this continent. I will welcome suggestions which will help us to do our part in this great cause."

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#### NAB TO OPPOSE ALL SPECIAL TAXES ON RADIO

The Executive Committee of the National Association of Broadcasters has decided to oppose all special taxes on broadcasting stations on the ground that such levies would interfere with the freedom of the air.

Meeting in Louisville, Ky., last week-end, the Committee discussed plans for fighting the Payne-Boylan wattage tax when hearings begin before a sub-committee of the House Ways and Means Committee.

While the letter of Chairman Frank R. McNinch, of the Federal Communications Commission, had not been made public at that time, the Committee, according to Philip G. Loucks, General Counsel and Acting Executive Head of the NAB, agreed to oppose any tax on radio stations that is not imposed on other industries.

"We are standing on the Supreme Court decision in the Louisiana tax on newspapers", Mr. Loucks said. "We believe that radio stations are entitled to the same protection and freedom as newspapers."

The Committee discussed suggested candidates for the position of paid president of NAB but reached no conclusions.

Mr. Loucks early this week went to New York to discuss questions of musicians' unemployment as it relates to non-network stations with Joseph N. Weber, President of the American Federation of Musicians.

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## ZENITH MYSTERY INVENTION IS DISCLOSED

The mystery invention which the Zenith Radio Corporation has been cleverly publicizing for the past six weeks was revealed this week as a "radio nurse".

The new product, when plugged into a socket in a room where a baby or invalid has been left alone, will broadcast cries or requests to any point of the house where an amplifier has been installed.

The device, which will be announced formally on the Zenith Foundation program over CBS next Sunday night, is now being distributed to dealers all over the country. It will sell for \$29.95.

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## BRITISH START S-W SERVICE TO SOUTH AMERICA

A service of broadcast news bulletins in Spanish and Portuguese for listeners in Central and South America will be inaugurated by the British Broadcasting Corporation on the night of March 14-15. As from March 15, these bulletins will be broadcast daily from two BBC short-wave transmitters at Daventry, working simultaneously on a wavelength of 31.55 metres, under the call sign GSB, and directed to Central and South America. The Spanish bulletin will be broadcast at 8:30 P.M., EST, and the Portuguese at 8:45 P.M., EST. The bulletins, which the BBC says will be objective in character, will be compiled by the staff of the BBC from the reports of the British news agencies.

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## TWO NEW STATIONS ARE RECOMMENDED

Favorable Examiner reports were submitted to the Federal Communications Commission this week on the applications of Floyd A. Parton, of San Jose, Calif., and Louis P. Thornton, of Baker, Ore., for construction permits to erect new broadcasting stations.

The San Jose application is for 1170 kc. with 250 watts power, daytime, while the Oregon request is for 1500 kc., 100-250 watts, and unlimited time.

Another favorable report was filed on the application of WLAK, Lakeland, Fla., for permission to increase its daytime power from 100 to 250 watts.

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3/8/38

::::  
:::: TRADE NOTES ::::  
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Reports reaching Washington are that the International Radio Conference in session at Cairo, Egypt, will continue for another month. It convened February 1st.

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A 10-minute period of news prepared especially for Portuguese-speaking listeners has been added to the comprehensive schedule of daily news broadcasts in six languages over Station W3XAL, the NBC international station in New York.

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Stricter regulation of radio was urged on the Federal Communications Commission in resolutions adopted at the recent convention of the Hoosier State Press Association in the Spink-Arms Hotel, Indianapolis. The Indiana publishers asserted that radio should be "placed on a par with the newspaper in dissemination of news and portrayal of advertising."

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The State Department this week released a report on the Inter-American Radio Conference at Havana last Fall. It was prepared by Commdr. T.A.M. Craven, Chairman of the U.S. delegation, and is similar to the preliminary report made by Commissioner Craven to the Federal Communications Commission some weeks ago.

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"Both Sides of the Microphone", a comprehensive volume on the multiple aspects of broadcasting as an industry, co-authored by John S. Hayes, Assistant Production Chief of WOR, was published last week by J. B. Lippincott. The book presents the complete story of radio, written especially for the average listener, the student, and the future radio employee. Horace J. Gardner, author and radio commentator, collaborated with Mr. Hayes in its preparation.

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An increase in the listener's license fee in Canada from \$2. to \$2.50 for the year beginning April 1, has been announced by the Canadian Minister of Transport. New regulations also make compulsory a separate license fee for each receiving set, and will cancel the present provision which permits one license to cover both a house and a car receiver belonging to the same owner.

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## BBC TO EXTEND TELEVISION SERVICE

Gerald Cock, Director of Television for the British Broadcasting Corporation, has announced forthcoming extensions in television programs. From April 3 next there will be an hour's television program on Sundays, and week-day evening programs are to be extended an extra half-hour whenever possible, with a view to permanency.

Reviewing the past year in television, and the position today, Mr. Cock said:

"The home is the place for television, because in its present stage I am sure the programs could not be designed for any other purpose; and they could certainly never be designed for large theatre screens and home screens simultaneously. I think you will find, like Mr. Bernard Shaw, when he visited us, that the comparative smallness of the screen does not really matter if it is in your own sitting room.

"One should resist the temptation to compare television programs too closely with what you see on the stage or films. The excitement and charm of home television lie in its unique qualities of intimacy and immediacy. Magically you are with the artists, during a show, not looking at them across the footlights, or their reproduction at second hand. You are taking part in a great event, not standing in the back row, or seeing it afterwards off a bit of film. And the sound reproduction is uncannily good.

"The scope, and consequent progress, of the Service hinges upon continual technical improvements at what one might call the camera or studio end. Technically, television is now a really efficient medium. Finance is the problem, though it is getting easier. The demands of television are constantly increasing; for more space, for example, which is only another aspect of the financial problem. Did you know that our one fully-equipped studio is a room only 70 ft. by 30 ft.? And that in it all programs are rehearsed, and transmissions carried out from a single stage about 30 ft. by 20 ft., with only a recent temporary relief in an overflow room of similar size, which is not yet fully equipped? Here again we must look forward to better times ahead."

Reviewing the progress that television has made in the last year and a half, including the successful televising of the Coronation and a Cenotaph Service, and the difficulties that had to be overcome in creating programs of every kind from plays to current events of news interest, Mr. Cock went on:

"From a tentative, patchy, and often sloppy combination of disjointed items, real television productions and 'actualities' became possible. Flicker disappeared. Now, you can see real programs regularly and clearly on a set which is quite easy to handle.

"As time goes on, I hope there will be few things of interest and entertainment not included in the Service. If they are not, it will not be our fault. You must not think we are complacent. On the other hand, we are certainly not apologetic. I believe that set owners are getting value for their money now, and I am quite certain they will get more than value for their money before very long. With an imaginative and courageous long-view policy, we ought to keep our lead, though the speed of development must depend to an extent upon your practical support. As most of you know, no foreign country has yet found itself in a position to begin - one could almost say 'dared' to begin - a public service. And our friends from abroad are the first to recognize the astonishing strides made over here. So, for better or worse, British pioneering has brought world television nearer, which should be something to be proud of.

"In my own case, the qualified optimism of two years ago has given place to a profound belief in this miraculous medium. If, from the activities at Alexandra Palace, a new industry can be built up to absorb some of the best young brains in the country; if in due course a country-wide service of visual broadcasting comes into being, then the unavoidable tribulations of these early days will have been worth while."

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#### MOSCOW TELEVISION STATION TESTING

A successful test has been made of the new television station in Moscow by showing on a screen 14 x 19 centimeters a band marching along a street in an Ukranian village, according to a trade report to the U. S. Commerce Department. The sound of the band-music accompanied the picture. The station equipment is not yet complete, and it will not undertake regular transmission until early in April. At present only ten receiving sets, placed in various sections of the city, are in operation.

The Moscow television center, began in October, 1936, is equipped with American machinery; the studio has an area of 280 sq. meters, and is brilliantly lighted from above and from the sides. The walls and ceiling are sound-proofed, the former with sheets of copper between the wall-layers, and the latter with a wooden ceiling hung below the regular one. It is expected that the pictures sent out will be received in Moscow and its environs; receivers will be set in clubs, "homes of culture", etc., for a large number of spectators.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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FCC TO CHANGE PROCEDURE ON STATION COMPLAINTS

The Federal Communications Commission this week decided to alter its procedure to be followed in the handling of informal complaints against broadcasting stations.

A Committee composed of Commissioners Frank R. McNinch, George Henry Payne, and Eugene O. Sykes was named to study the matter and make recommendations to the Commission.

Observers saw in the move the evolution of a new policy which will relieve the stations of the expense of hearings on license renewal applications and the FCC of much trivial administrative detail. Up to the present, the policy of the Commission has been to designate for hearing the license renewal application of any station against which there had been any serious complaints.

That the complaints were for the most part trivial is evident from the fact that despite the holding of hundreds of such hearings, the FCC has not cancelled the license of a single station since its creation in 1934. The hearings, however, took the time of the Commission as well as the broadcasters and were expensive.

Under the plan now under consideration, a special committee of the Commission, either a standing or a rotating group, will investigate all complaints thoroughly and report its findings and recommendations to the FCC. Only in aggravated cases, it is likely, will formal hearings be set on applications for license renewals.

Chairman McNinch, it is understood, also wishes to permit more publicity on the complaints as a further extension of his "glass house" policy for the FCC and to make the broadcasters careful not to make themselves subject to complaints from listeners or other stations.

While the plan has not been worked out definitely, it is likely that all complaints will be available for public perusal and examination by newspaper men.

The Interstate Commerce Commission, it was explained, now makes public all complaints against carriers under its jurisdiction.

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## INTERNATIONAL COMMITTEE INTERVIEWS BROADCASTERS

While shunning publicity for the time being, the President's Special Committee named to study international broadcasting has been quietly gathering data on the nature of international broadcasts by American short-wave stations.

Several of the operators of international stations have been called into conference with the Committee and asked to describe the nature of their programs, particularly to the Latin American countries.

On the outcome of the Committee's report, it is believed, will depend the success or failure of several moves to have the Federal Government build a Pan American short-wave station and to operate it on the Pan American channels now lent to the General Electric Company, the World Wide Broadcasting Foundation, and the Columbia Broadcasting System.

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## "ZENITH RADIO NURSE" BORN ON McDONALD YACHT

The "Zenith Radio Nurse", which is being distributed among dealers this week, in anticipation of a public exhibition next week, was born in the mind of Commdr. E. F. McDonald, Jr., according to Zenith officials, and it was first used aboard his yacht, "The Mizpah".

Early last Spring, a group of newspaper men was listening to one of the Zenith programs aboard the yacht and in the main salon, one of them noticed a gadget like the one which has been discussed for the past several Sunday evenings on the Zenith Foundation program. When he asked what it was, Commander McDonald told him this story:

"My little girl is just a little over a year old now. We keep a nurse for her but tonight happens to be the nurse's day out. Up to now either Mrs. McDonald, or myself, or one of the stewards had to be close to the baby's cabin so that if the baby cried or showed other signs of needing attention, our little daughter Marianne could be looked after. So the idea of a Radio Nurse was born in my mind.

"I conceived a super-sensitive system that would need no connecting wires and that could be simply plugged into the 110 volt light socket wherever one happened to be. Through several months' experimenting with my engineers, I developed what I finally determined to call the Radio Nurse. Now I can sit in the main salon here and if the baby cries or makes the least movement I am informed of it. As a matter of fact, even the nurse finds the device very handy."

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## RADIO REGULATION 11 YEARS OLD ON MARCH 15

The fifteenth of March is notable for something else than merely the deadline for payment of the Federal income tax.

Eleven years ago on that date the first body was named to regulate the radio broadcasting industry, then somewhat of a curious infant whose future was uncertain. Today only two officials and a couple of secretaries survive from that original Federal Radio Commission.

The officials are Judge Eugene O. Sykes, who acted as first temporary Chairman, and Frank G. Wisner, who was then and still is in charge of press relations. Judge Sykes has survived a half-dozen or more shake-ups and still is a member of the Federal Communications Commission.

Back in 1927, after Congress had passed the Federal Radio Act setting up the Radio Commission to operate as a temporary agency to retrieve reception from the chaos into which it had drifted, four men got together in the old Department of Commerce Building in an office loaned them by the then Secretary of Commerce, Herbert Hoover. There wasn't any money with which to operate the organization and all they had to go by was a law. Actually five men were named to the Commission, but one of them - the late Admiral W. H. G. Bullard, named as Chairman - was in China at the time. Judge Sykes called that initial meeting to order.

The Federal Communications Commission of today, with its personnel roster of over 650 and with elaborate headquarters in the ultra-modern Post Office Building in official Washington, makes the original regulatory body pale into insignificance in comparison. The FCC succeeded the Radio Commission in 1934, becoming a permanent body with jurisdiction over all phases of radio, telephone, telegraph and cable communications. Besides it is conducting a special investigation of the American Telephone and Telegraph Company, invading deeply the rate structure, etc.

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## GERMANY TO BUILD "RADIO VILLAGES"

The Director-General of German Broadcasting, Dr. Glasmeier, recently announced that provision has been made to erect modern Broadcasting Houses at Stuttgart, -Saarbrucken, and Cologne. Later a new centre is to be erected in Berlin. Dr. Glasmeier explained that his ideal was to erect the new buildings away from the towns in the form of radio villages where the officials and artists would live within a few minutes' walk from the studios.

A site for Saarbrucken has already been chosen, but it is not expected that the new centres will be ready for some time.

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## HOUSE VOTES DOWN TAX ON RADIO STATION RECEIPTS

Broadcasters had reason to believe that Congress will impose no tax on radio stations at the current session, at least, after the House had refused flatly to adopt a tax on broadcasting station receipts during a turbulent session on the general tax bill.

The radio tax amendment was offered by Representative McFarlane (D.), of Texas, arch critic of the present radio system, in the House. It was voted down on a division vote 60 to 30.

Representative Thompson (D.), of Illinois, who has said he will hold hearings on the Payne-Boylan wattage tax bill this session, spoke in opposition to the amendment.

"The question of taxing radio broadcasting stations and radio broadcasters", he said, "goes into a new field which should be thoroughly studied by the committee charged with raising revenue as well as the committee charged with the regulation of the radio broadcasting industry. In order to give these committees an opportunity to study this matter, I ask that the amendment be defeated."

Representative McFarlane, in a brief speech which he later extended in the Record, called attention to the cost of regulation of the broadcasting industry and asserted that its advertising receipts aggregate more than \$140,000,000 a year.

"It is the only natural monopoly existing in the utility field that does not pay one cent of revenue toward the upkeep or maintenance of the department supposed to regulate it", he said.

He intimated that Chairman Frank R. McNinch, of the Federal Communications Commission, had approved the type of tax he was proposing.

The text of the tax amendment is as follows:

"(a) Definitions: As used in this section -

"(1) 'Broadcasting' means transmission by radio of sounds, pictures, or writing, intended to be received by the public, directly or by the intermediary of relay stations.

"(2) 'Gross receipts' of any person engaged in the business of broadcasting means the total sums paid to such person for broadcasting, but there shall be excluded from such sums such portions thereof as are paid by such person to any other person for broadcasting if such other person is engaged in the business of broadcasting under license from the Federal Communications Commission.

"(b) Imposition of tax: There is hereby imposed upon every person engaged in the business of broadcasting under license from the Federal Communications Commission, with respect to the carrying on of such business after July 1, 1938, an excise tax of 10 percent of the gross receipts of such person after such date,

"(c) Collection of tax: Every person required to pay the tax imposed by this section shall make quarterly returns under oath in duplicate and pay the tax to the collector of Internal Revenue for the district in which is located his principal place of business. Such returns shall contain such information and be made at such times and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe. The tax shall, without assessment by the Commissioner or notice from the Collector, be due and payable to the Collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of 6 percent per annum from the time the tax became due until paid.

"(d) Administrative provisions: All administrative, special, or stamp provisions of law, including penalties and including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this section."

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#### HEARST REPORTED TRYING TO SELL RADIO INTERESTS

William Randolph Hearst was reported this week to be trying to dispose of his newly-organized radio broadcasting interests which are managed by Elliott Roosevelt, son of the President, as General Manager of Hearst Radio, Inc.

The sale by Hearst of Station KEHE, Los Angeles, to Earle C. Anthony, owner of Stations KFI and KECA, Los Angeles, for a reputed \$400,000 accounted for the unverified rumor. The KEHE sale is subject to approval by the Federal Communications Commission.

"It is reported that Hearst recently sought to dispose of his radio properties en bloc but a deal which had Wall Street interests involved got nowhere", Variety stated. "Other negotiations for Hearst's remaining outlets, which would not include WCAE, Pittsburgh, are reported to be in progress. As an en bloc proposition the asking price for the Hearst outlets was said to be \$4,600,000, with the buyer putting up \$3,200,000 in cash and mortgages held by New York downtown interests figuring in the balance."

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EDUCATIONAL GROUP SEES CHALLENGE IN FCC GRANT

The recent reservation of 25 of the high frequency radio channels for allocation to non-profit educational agencies constitutes a challenge to the educational world, according to the National Committee on Education by Radio.

Citing the Federal Communications Commission's action in the current "Education by Radio" bulletin, the Committee comments:

"The reservation of these channels constitutes perhaps the greatest recognition of the importance of educational broadcasting yet given by the Federal Communications Commission. To a certain extent this action of the Commission reverses the position taken by that body in 1935 when it recommended to Congress that no frequencies be set aside for education or labor. The Commission has granted in the ultra-high frequencies substantially what the National Committee on Education by Radio was demanding at that time in the regular broadcast band.

"It should be clearly understood that this grant of facilities outside of the regular broadcast band should not in any way prejudice the position of the existing educational broadcasting stations. These stations are for the most part state-owned and render service over an area much larger than that which can possibly be covered by a station broadcasting on the ultra-high frequencies. Instead of weakening their position, the reservation of channels now made by the Commission constitutes a recognition of the importance of the service educational stations are rendering and should strengthen their position.

"To school administrators the new grant is at once an opportunity and a challenge. For the first time channels have been set aside for which their applications must be given preference. However, the maintenance of this preference will depend upon the extent to which organized education in the United States moves to take advantage of the frequencies set aside. Unless the schools show an ability within the next few years to make good use of these facilities, the reservation may be set aside and the channels thrown open to commercial exploitation."

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McNINCH TALKS WITH F.D.R. ON TAXES, S-W STUDY

Chairman Frank R. McNinch, of the Federal Communications Commission, conferred with President Roosevelt on Thursday of this week regarding the proposed tax on radio stations and the study of international broadcasting being made by a special committee of which he is Chairman.

He declined to discuss the conference other than to state the subjects.

Upon leaving the White House, Chairman McNinch told newspapermen that the long-awaited report on the FCC investigation of the American Telephone & Telegraph Company will be submitted to Congress shortly. He said he had heard rumors but could not verify reports that it recommended a change in the set-up of the A. T. & T.

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ARABIAN KING BARS RADIOS ON RELIGIOUS GROUNDS

Despite the growing influence of the special Arabic language short-wave broadcasts recently inaugurated by the British Broadcasting Corporation to offset Italian propaganda, religious prejudices are proving obstacles in some sections of Arabia.

"Prejudice against light music, on religious grounds, is retarding the progress of radio in parts of Arabia," the BBC reports. "The King of the Yemen, for example, does not allow his subjects individually to own receivers, though he has many installed in his palace. There are believed to be many privately-owned sets in the Hedjaz, and King Ibn Saud attaches such importance to the various news broadcasts that he has regular transcriptions made of them."

In other localities the service is building a vast audience, however.

"It is almost impossible to estimate the number of listeners who may be reached by the Arabic Service", the BBC continues. "Seventy thousand licenses have been issued by the Egyptian authorities, and some 28,000 are in force in Palestine; it is believed that more than half of these cover receivers that permit reception on the short waves. Community-group listening has been organized in some villages in Palestine, and many well-to-do Arabs have installed receivers in their own homes. But the people of the Near and Middle East spend a large part of their time in the coffee-house, the centre of their social life, and it is here probably that the largest audience for the broadcasts will be found."

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## PROBE OF WIRE COMMUNICATIONS ASKED IN SENATE

A resolution calling for investigation of the wire communications industry was introduced in the Senate this week by Senator Neely (D.), of West Virginia. It was referred to the Committee on Interstate Commerce of which Senator Wheeler (D.), of Montana, is Chairman.

It reads, in part, as follows:

"Whereas the Communications Act of 1934 has declared it to be the purpose of Congress to regulate the practices of companies engaged directly or indirectly in wire communications in interstate commerce and has conferred upon the Federal Communications Commission full power to make investigations and inquiries into the various aspects of the business of these companies; and

"Whereas the functioning of the wire communications industry which is vital to the Nation in war as well as in peace is at the present time threatened with permanent injury by managerial policies such as discriminations between classes of patrons and understaffing to the point where efficient public service is seriously impaired; and

"Whereas the communications companies have taken steps toward the creation of an unsanctioned monopoly by collusion in the fixing of rates and by allocation of exclusive leases and by joint action in reducing the number of telegraph offices at the service of the public; and

"Whereas the precarious situation of the industry is further aggravated by unstable and hazardous labor conditions due to the large proportion of part-time employment, to the introduction of labor-saving devices unaccompanied by any provisions for displaced employees, to the high degree of occupational disease, to the abrogation of pension and sick benefit systems, and to the extremely high rate of turnover among children employed as messengers; Therefore be it

"Resolved, That the Committee on Interstate Commerce is authorized and directed to make a thorough investigation of the following aspects of the wire communications industry in the United States and to report to the Senate the results thereof."

Then follows the suggestions for investigation of managerial policies of understaffing, discriminations between classes of patrons, wasteful service; the tendencies toward monopoly such as are exhibited by the joint action of the companies in closing down branch offices, reducing personnel, rate fixing; collusion of wire communications companies with competitors; conditions of employment, the extent of unemployment and the wage structures, etc.

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: : : TRADE NOTES : : :  
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Frank Braucher, Vice-President in Charge of Sales at Station WOR, has announced the appointment of Eugene S. Thomas as Sales Manager of the station. Mr. Thomas has been Assistant Sales Manager for the past two years and prior to that was Manager of the Sales Promotion Department. He joined WOR in 1934.

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Renewal of the license of Station KDAL, Duluth, Minn., and increase of the operating hours of WMFR, High Point, N. C., from daytime to unlimited, were recommended to the Federal Communications Commission this week by Examiners.

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The Office of the American Commercial Attache, Warsaw, reports that there are 36 towns and cities of Poland having more than 2,000 sets as of January 1, 1938. On January 1, 1938, there were only 25 cities with over 2,000 sets. During 1937, two towns dropped below the 2,000 mark and 13 rose above it.

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Sidney M. Robards, for the last year and a half a member of the Publicity Department of the National Broadcasting Company, has joined the Department of Information of the Radio Corporation of America, RCA Building, New York. Mr. Robards has served since last May as Assistant Editor of the Press Division of the NBC.

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Denial of the application of the Madison Broadcasting Company, Madison, Wis., for a construction permit to operate on 1450 kc. with 250 watts power, unlimited time, was recommended to the Federal Communications Commission this week by Examiner Melvin H. Dalberg.

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Through special arrangements with affiliated stations, the National Broadcasting Company is now offering advertisers network service at selected periods hitherto used for local programs. Networks during these restricted hours may consist of some stations from both Red and Blue Basic Networks. Procedure will be to offer the program to stations on one basic network (Red or Blue) but if any station prefers to retain the time for local or spot use, the network advertiser has the option of making his program available to any other NBC affiliated station in that city. The first advertisers scheduled to avail themselves of this new arrangement are Chesterfield and General Mills.

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## POPULAR IDEAS ABOUT SUNSPOTS AND RADIO HELD WRONG

All sunspots do not disturb radio reception, nor do all magnetic displays of the Aurora Borealis, according to a British writer, R. W. Hallows, M.A., in World-Radio, weekly organ of the British Broadcasting Corporation.

"There are one or two ideas about sunspots and the Aurora which have become widely accepted, though it appears they are entirely wrong", he writes. "One of these is that all sunspots cause magnetic disturbances and upsets and adventures in radio reception, especially on the short waves; another, that the Aurora Borealis, which we saw on January 25 is invariably due to some action produced by big sunspots; a third, that during magnetic storms or displays of the Aurora all short-wave transmitters might as well close down, so far as reception at any distance is concerned.

"Not every sunspot gives rise to magnetic storms, to violent atmospherics on various wavelengths, or to poor reception or 'fade-outs', on the short waves. We may, in fact, go a good deal farther than this. When the phenomena just mentioned occur they are not caused by the sunspots themselves, but by whatever it is that is responsible for the appearance on the visible surface of the sun of these gigantic maelstroms of activity.

"Magnetic storms and their concomitant interruption of short-wave radio signals - and, often, of signals sent over land-lines or cables - can and do occur without there being any visible sunspot of more than ordinary size. Equally, quite large spots or groups of spots may pass across the Sun's disk without such phenomena being present to any marked extent.

"Nor is it true that an Auroral display wipes out all short-wave signals; it usually affects those coming from a northerly direction, though its effects may be much more widespread when it is visible in latitudes unusually far south. When Professor E. V. Appleton took an expedition to the north of Norway for the purpose of investigating the effects of the Aurora on wireless reception he found that during its occurrence the various layers in the upper atmosphere that are normally reflectors of short and medium radio waves ceased to perform this function. In other words, the sky-wave of any short-wave or medium-wave transmission passing through the Auroral area was liable to be no longer effective.

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## ARGENTINE BANS PROPAGANDA ON SPANISH WAR

The Argentine Post & Telegraph Department, which exercises control over radio broadcasting, has issued a resolution which prohibits the broadcasting of all comment, propaganda or distorted news regarding the present war in Spain, according to the American Commercial Attache at Buenos Aires. Future broadcasts on this subject must comply strictly with facts emanating from responsible sources.



This resolution is based on the view that radio should elevate the cultural level of the listener, the report states, but that some comments broadcast on the Spanish situation have served only to produce the opposite effect. Furthermore, it is pointed out that there have recently been misleading broadcasts, capable of offending other countries, which are not in accordance with various South American radio conventions designed to promote peace and international understanding.

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### NAVY RADIO METEOROGRAPH READY FOR DAILY USE

A radio meteorograph system that will add to the safety of flying, developed for the Navy Department, has reached a stage where it is ready for daily use, according to the U. S. Bureau of Standards.

The device was announced last year, but since that time "the component parts of the system have been materially improved", the Bureau of Standards stated, "and its performance has been determined through simultaneous radio meteorograph and aerograph soundings of the upper atmosphere under typical service conditions."

"While affording the same order of accuracy of measurement as the aerograph, the radio meteorograph can be used during adverse visibility conditions and can attain much higher altitudes (12 to 15 miles) instead of about 4 miles for the usual airplane sounding", the Standards Bureau continued.

"The radio meteorograph attached to a small unmanned balloon, sends down radio signals which give a measure of the variations in atmospheric pressure, air temperature, and air humidity as the balloon ascends. The decrease in barometric pressure as the balloon rises is utilized to operate a small switch arm which moves over a set of electrical insulating and conducting strips. The conducting strips are electrically interconnected with two resistors which control the modulating frequency or pitch of the radio signals. One of these resistors consists of a small capillary glass tube filled with an electrolyte which varies markedly in electrical resistance with the surrounding air temperature. The second resistor is mechanically varied by the expansion or contraction of a hair element and hence varies with the relative humidity. The temperature resistor is normally in circuit so that the modulating frequency or pitch is normally proportional to the temperature.

"At predetermined pressure levels, corresponding to approximately 500-foot increments in the height of the balloon, the switch-arm switches in the humidity resistor and the modulating frequency or pitch becomes a measure of the relative humidity. At the ground receiving station, an automatic graphical frequency recorder connected in the output of a receiving set converts the variations in pitch into a plot of temperature and humidity against pressure.

"The improvements incorporated in the system during the past year have increased the stability of the modulating oscillator and the accuracy of frequency measurement at the ground receiving station. The design of the capillary thermometer has been materially improved and its cost reduced. A simplified calibrating and operating procedure has been evolved which increases the accuracy of the observations while at the same time permitting rather wide tolerances in manufacture, in order to reduce cost.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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RECEIVED  
MAR 15 1938  
NATIONAL ASSOCIATION OF BROADCASTERS

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March 15, 1938.

CONGRESSMAN RAPS RADIO TAX; BILL MAY BE SHELVED

The 75th Congress will not vote a tax on broadcasting stations, according to present indications, and even hearings on the Boylan-Payne wattage tax bill may not be held this session.

Sentiment against the tax appears to be growing, and even Chairman Doughton, of the House Ways and Means Committee, has indicated his belief that the matter should be dropped at least until the Federal Communications Commission recommends a form of license tax.

Representative Thompson (D.), of Illinois, who earlier stated he would hold hearings on the Boylan bill, said this week he would talk with Representative Boylan (D.), of New York, about postponing action. Afterwards he will issue a public statement.

An example of the sentiment of some members of Congress regarding a tax on radio stations is the attitude of Representative Fred H. Hildebrandt (D.), of South Dakota, who extended his remarks on the subject in the Congressional Record.

Citing the public services of radio stations, Representative Hildebrandt said he is opposed emphatically to any form of special tax on broadcasting. His remarks were occasioned by the House's rejection of the gross receipt tax proposed by Representative McFarlane (D.), of Texas, as an amendment to the 1939 revenue bill.

"I rise to express my opposition to any scheme which would undertake to single out radio stations for special treatment for the purpose of taxation", he said. My opposition to imposing peculiar burdens upon this industry is based primarily upon my concern for the economic welfare of the hundreds of small radio stations in this country which are rendering a necessary local service to their communities. Particularly do I have in mind the radio stations in my State and their importance to the development of rural life.

"In South Dakota there is licensed a total of 11 radio stations. Three of these stations are licensed to and operated by educational institutions. The remaining stations are under commercial management, but likewise render a distinctive public service.

"It is doubtful if those who reside in metropolitan areas fully appreciate the importance of radio broadcasting service in the more sparsely settled rural areas. Radio has developed from a hobby or a plaything into an essential instrument in the daily lives of our rural people. In the State of South Dakota, with a total population of 692,000, representing a total of 160,900 families, surveys made by competent authorities show that of the total of 160,900 families in South Dakota there are 114,600 families with radios in the home. In other words, radios are in the homes of more than 71 percent of the families of South Dakota.

"In the different agricultural areas of this country radio has become an almost indispensable incident to farming. With the cooperation of State and Federal agricultural agencies, radio is progressively improving its technique as an aid to farmers. The broadcasting of market news, of crop and live-stock reports, and weather information is an important service to the farmers of my State as well as the farmers everywhere. In addition, there is disseminated by means of radio invaluable technical and other information to farmers that enables them to obtain in a practical way important scientific developments in the field of agriculture. Thus it is clear that the utility of radio in agriculture has become an established fact, and its future development should not be encumbered by onerous taxation which will in any manner impair the opportunity to continue to perform this needed public service.

"I am certain that the conditions with respect to radio in my State are similar to those in the other great agricultural regions of the country. Through the medium of radio there is brought to the 114,600 families of my State great music which otherwise they would never have the opportunity to hear. Also, the other programs originating from the stations in metropolitan areas bring a type and character of entertainment which is a great boon to those who would otherwise have no chance to receive such entertainment. Through the radio the world is brought to the homes of these people and because of this fact, people of South Dakota and all other agricultural States have the opportunity to be as well informed about national and international affairs as do those citizens of our great cities where the other facilities for distributing information are available in greater abundance.

"It is my understanding that radio stations devote on the average about 50 percent of their time to programs from which they receive no revenue. These programs include speeches by the President of the United States and other public officials, broadcasts of great symphony orchestras, and interesting special events of various types. Radio stations, by virtue of the license which they receive from the Federal Government, assume an obligation to perform this public service. The performance of this service is possible only because of the fact that they receive revenue from commercial sponsors. To impose a special tax upon



the broadcasting stations which would result in diminishing their revenue would certainly mean that expenditures for the sustaining type of program would necessarily be reduced and the service which radio stations are now performing would suffer. Moreover, any proposal to tax advertising is an unsound economic principle. Advertising is 'an attempt to sell' and taxing this essential function in the production and distribution of goods would place an additional obstacle in the way of efforts that are being made to revive and stimulate the processes of production. Therefore, I submit that there is no justifiable reason to subject this great mass communication industry to what amounts to punitive treatment.

"Radio has a definite function to perform in its service to the people. It has been my observation that the responsibility to the people which broadcasters have assumed has been well met. Because of the importance of the continuous service which radio is performing for the people of my State, I desire to record emphatically my opposition to any measure to place an unjustifiable burden upon broadcasters and thus tend to destroy or curtail their service to the people."

Representative McFarlane, in an extension of his remarks in the Record, defended his tax proposal.

"It provides an excise tax of 10 percent of the gross receipts of all radio broadcasters. Measures providing for taxes of this type have been pending before the Committee on Ways and Means at various intervals since 1927. It is costing the Government each year in excess of \$2,000,000 to maintain the Federal Communications Commission, and no part of this sum is provided by the industry supposed to be regulated. It is estimated this tax will not work a hardship upon the industry, since the industry is taking from the smaller and the larger newspapers of this country, which are not favored by a free license and a radio broadcasting station, more than \$140,000,000 each year in legitimate advertising. They are not contributing one red cent toward the maintenance of the Federal Communications Commission, which last year cost more than \$2,250,000 to operate.

"These radio stations receive a free license to operate by the Government, and these licenses, through trafficking by the owner, we find to be very valuable; and since these radio stations own little property and collect enormous fees for advertising, it seems they should pay a reasonable tax to the Government. Certainly under this tax bill we need the revenue, and the small newspapers of this country that do not own radio stations and need relief will appreciate your vote."

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## RADIO MAKER'S AVERAGE WAGE HIGH; EMPLOYMENT DROPS

The average wage for workmen in the radio manufacturing industry compares favorably with other industries, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, declared this week in commenting on preliminary figures from a U. S. Bureau of Labor Statistics survey.

"The preliminary figures reported an industry average last August of 60.9 cents an hour (since increased) for workers in receiving set manufacture, both male and female, and 47.9 cents hourly for employees of parts and accessory factories", he said. "The present all-manufacturing national average is 66.6 cents. Wages in tube factories were not carried in the preliminary figures but will be included in the final report. This also will contain breakdowns on various geographical manufacturing districts except for the tube statistics which will be on a national basis.

"The industry average of male workers in receiving set factories was 69.6 cents per hour, and 50.4 cents hourly for female workers. Among employees of parts and accessory manufacturers the average hourly earnings for male employees was 54.5 cents and 41.8 cents for female workers. The industry average, however, for all workers in the radio industry, according to the latest official report, for December, 1937, was 63 cents per hour.

"Radio workers' wages compare most favorably with those of other comparable industries. Following are the last December average hourly earnings in other industries: jewelry, 61.3 cents; clocks and watches, 58.5 cents; stamped and enameled ware, 61.8 cents; cutlery, 61.2 cents; lighting equipment, 67.5 cents; electrical machinery and apparatus, 74.8 cents, and the highly paid automobile industry average of 9.5 cents."

Simultaneously, the Bureau of Labor Statistics report a sharp seasonal decline, 20.9 percent, in the number of workers in radio factories during December, 1937. Decreased employment was reported in seventy-nine of eighty-nine various manufacturing industries reporting to the Department of Labor.

The radio factory employment decrease of 20.9 percent last December followed a decrease of 21.9 percent last November. The December, 1937, employment in radio factories was 38.8 percent below that during December, 1936. The December, 1937, index figure was 124.0, compared with the November index figures of 156.7.

Radio factory payrolls last December declined 19.7 percent from the previous month, and were 41.0 below December, 1936, payrolls. The December index figure on payrolls was 98.7 percent, against 123 percent in the previous month, and 165.5 percent in October.

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## CROSLEY TAKES OUT FINCH FACSIMILE LICENSE

Powel Crosley, Jr., President of the Crosley Radio Corporation, Cincinnati, has taken out a license under the Finch facsimile patents for all of his stations and has placed an order for facsimile equipment for WLW, 500,000 watts, the nation's most powerful broadcaster. Later, similar Finch equipment will be installed for WSAI, 5,000 watts, as well as equipment for the three Crosley short wave stations, W8XNU, W8XAL and W8XIR.

WLW intends to place facsimile recorders in different localities during the testing period which will begin from 1 A.M. and last through until 6 A.M. in the morning.

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## EGYPT TO EQUIP POLICE CARS WITH RADIOS

The State Police of Egypt will shortly inaugurate an automobile radio service for scout cars similar to that used in this country and Europe, according to a report to the Department of Commerce from the office of the American Commercial Attache at Cairo.

Under the present plan the six American-made automobiles which are at present operated by the Cairo city police will be equipped with radio receiving sets of a standard 5-tube type, the report stated. The necessary apparatus for a central broadcasting station for the police cars will be located at police headquarters in Cairo.

Although it is believed that the necessary equipment for this new service would be purchased in the United Kingdom, there is a possibility that the order may be placed with an American firm, it was reported.

It was expected locally that should the radio police car system in Cairo prove successful, the service would be extended to the city of Alexandria in the near future.

Inasmuch as there seems to exist a possible opportunity for the sale of American equipment, interested American firms and individuals should address detailed offers direct to the Inspector General of the Egyptian State Railways, Telegraphs and Telephones at Cairo, Egypt, the Commerce Department stated. However, in the event that any interested American firm is represented in that country, they should request their local representatives to approach the Radio Telegraph Section of the Administration.

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## PROSPECTIVE NAB PRESIDENTS REDUCED TO DOZEN

The Executive Committee of the National Association of Broadcasters has reduced the list of prospects for the job of paid president of the NAB to a dozen, it was learned this week, as the Association's Directors prepared to meet in Washington next Monday.

An announcement of the choice is expected to be made following the Directors' meeting. The Executive Committee, however, has refused to disclose the narrowed-down eligibility list until a report is made to the Board.

Some of the names still being mentioned as possibilities in broadcasting circles, however, are: John G. Winant, former Governor of New Hampshire; Robert M. Hutchins, President of the University of Chicago; former Senator C. C. Dill; Stewart McDonald, Federal Housing Administrator; M. H. Aylesworth, former President of the National Broadcasting Company, and Harless Branch, Second Assistant Postmaster General.

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## UNION MUSICIAN LICENSES LOOM FOR INDEPENDENTS

Several hundred independent broadcasting stations may have to enter into negotiations with the American Federation of Musicians and obtain AFM licenses, as did their colleagues, the network-affiliated outlets, it was learned this week.

Following a conference between Philip G. Loucks, Special Counsel of the National Association of Broadcasters, and Joseph N. Weber, President of AFM, a truce was declared until after a meeting of the NAB Board of Directors in Washington March 21st.

So far no direct demands have been made on the independent stations, but AFM demands on the makers of transcriptions and phonograph records have induced the latter to make an appeal to the broadcasters still unlicensed by the musicians.

At a meeting in New York last week the transcription and recording company representatives drafted a letter to be sent to all independent stations pointing out that the AFM objects to sending recordings to stations as yet unlicensed on the ground that they are on the "unfair" list.

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SIX HEARST STATIONS ON MARKET; OTHERS ARE BID FOR

Confirming earlier reports, Broadcasting magazine this week stated that six of the ten radio stations operated by William Randolph Hearst are in the process of being sold and that bids have been made for other Hearst radio properties.

The deal, which must be approved by the Federal Communications Commission, will be the largest in radio history, surpassing the hitherto record sale of KNX, Hollywood, to the Columbia Broadcasting System for \$1,300,000.

If all of Hearst's radio properties are disposed of, as it now appears they will be, Elliott Roosevelt, son of the President, will find his job as President of Hearst Radio, Inc., which he assumed January 1st, dissolved with the discontinuance of the Hearst subsidiary.

FCC officials stated that they have had no official word of the Hearst negotiations, but applications for approval are expected as soon as the deals are consummated.

As previously reported, KEHE Los Angeles, has already been sold to Earle C. Anthony, owner of Stations KFI and KECA, for \$400,000, subject to FCC approval.

Other deals said to be under negotiation are:

Sale of four Southwest Hearst stations (KOMA, Oklahoma City; KTSA, San Antonio; WCAO, Waco, Tex.; and KNOW, Austin, Tex.) and the International Radio Sales and International Radio Productions to a group of unnamed business men for approximately \$900,000. The option is said to expire March 20th.

Sale of WINS, New York, to Col. Arthur O'Brien, Seattle attorney and former Democratic National Committeeman, for \$250,000.

A bid also is reported to have been made for WBAL, Baltimore. WCAE, Pittsburgh, the most profitable Hearst station, is said not to be for sale, whereas WISN, Milwaukee, and KYA, San Francisco, may be disposed of if an adequate offer is made for them.

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MRS. JENCKES AIRS VIEWS ON BOAKE CARTER IN RECORD

Representative Virginia E. Jenckes (D.), of Indiana, who some weeks ago started a controversy with Boake Carter, radio commentator, aired the feud at some length in an extension of remarks in the Congressional Record this week.

Her blast also took in the Philco Radio & Television Corporation, of Philadelphia, which was sponsoring Carter at the time, and the Columbia Broadcasting System, which carried his comments. She said she was filing official charges against all three with the Federal Communications Commission.

The attack had its origin in the remarks of Boake Carter regarding Mrs. Jenckes' suggestion to uproot the Japanese cherry trees in Washington and substitute American cherry trees. The suggestion was made during a patriotic address in Washington.

Mr. Carter in his radio commentary poked fun at the idea and expressed the hope that other members of Congress would not concern themselves with such trivialities.

Mrs. Jenckes in her extension of remarks inserts correspondence she had with the Labor Department regarding Boake Carter's citizenship, the list of stations which carried his remarks, a published column on the subject by Mr. Carter, and other data.

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GERMANY TO BUILD NET OF OUTDOOR RADIO LOUDSPEAKERS

A network of 6,000 outdoor loudspeakers is to be established in large German cities in the course of the next six years, according to a report by the American Consulate General at Berlin made public by the Department of Commerce.

These loudspeakers, which are designed for the broadcasting of addresses by Government officials and other events of national interest will be erected on large hexagonal columns on the six sides of which advertising space will be rented, the report stated.

A similar network of such loudspeakers, though smaller and without advertising space, will be established in the smaller municipalities and villages, according to the report.

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: : : TRADE NOTES : : :  
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American radio exports declined for January, 1938, the U. S. Bureau of Foreign and Domestic Commerce, reporting a decrease of 37.2 percent compared with January, 1937. Total January exports were \$1,624,032, compared with \$2,584,207 in January, 1937. Principal set export decreases reported were with France, United Kingdom, Canada, Argentine, Peru, Mexico, and other Latin American countries, British India, and New Zealand, although an increase in set exports to the Union of South Africa was reported. The larger decline in tube exports were on sales to France, Belgium, Canada, Australia, Argentine, and Peru, but tube exports to Mexico increased. Material decreases in parts and accessory exports occurred in sales to the Netherlands, Norway and Sweden, United Kingdom, Canada, and Latin American countries, while substantial increase of parts exports were made to Malta and Cyprus, Switzerland, New Zealand, and the Union of South Africa.

Station WALA, Mobile, Ala., on June 1st will become affiliated with NBC's Southern Group. WALA will serve as an optional station on either the NBC-Red or NBC-Blue Networks. The station, owned and operated by W. O. Pape, is on the air with a day power of 1,000 watts and a night power of 500 watts. It operates on a frequency of 1380 kilocycles and is the only station in Mobile.

WOR, Newark, has renewed its contract with Transradio Press Service for a three year period, according to Alfred J. McCosker, President of the Bamberger Broadcasting Service. This new agreement, Mr. McCosker stated, was prompted by increased public demand to receive latest up-to-the-minute bulletins on the progress of world affairs at more frequent intervals. The new contract includes the right of WOR to use Transradio news in facsimile work.

Tentative plans for the fourteenth annual RMA convention and membership meetings at the Stevens Hotel, Chicago, June 7-8, in conjunction with the National Radio Parts Trade Show will be made at a meeting in April of the RMA Board of Directors.

New radio police communication systems are proposed in appropriation bills introduced in the New Jersey and Virginia Legislatures. The New Jersey bill contemplates an expenditure of \$465,000, and the Virginia system \$150,000, including broadcast stations.

The General Electric Company plaque, awarded annually for the best "on the air" record among stations owned and managed by the National Broadcasting Company, has been presented to the transmitter staff of Station WEAF, 1937 winners, at Bellmore, Long Island. The trophy, presented by Chester Lang, General Electric Company executive, was accepted by Gerald Gray, station engineer at WEAF. The silver plaque is awarded on the basis of the least time off the air due to equipment failures or errors of station operating personnel. The record of WEAF, key station of the NBC-Red Network, for 1937 was 3 minutes and 29 seconds, of which only 10 seconds were chargeable to personnel errors. WEAF's total time on the air during the year was 6,380 hours and 24 minutes.

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Following vigorous opposition by the Radio Manufacturers' Association, a "luxury" tax bill introduced in the Kansas State Senate, which included a proposed 2 percent sales tax on radio receiving sets selling for more than \$50, has been killed. The proposed legislation died with the adjournment of the special session of the Kansas Legislature, according to advices to RMA and follows similar results with similar legislation which RMA has opposed in other States.

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Frank Braucher, Vice-President in Charge of Sales at WOR, has announced the appointment of Eugene S. Thomas as Sales Manager of the station. Mr. Thomas has been Assistant Sales Manager for the past two years and prior to that was Manager of the Sales Promotion Department. He joined WOR in 1934.

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An increase in power for Station KVOL, Lafayette, La., from 100 watts to 250 watts daytime on 1310 kc. was recommended to the Federal Communications Commission this week by Examiner George H. Hill.

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Clifford P. Hougland, Oscar Katz, and Fred Mahlstedt have recently joined the Columbia Broadcasting System as members of the Research Department. All three are working under the direct supervision of Dr. Frank N. Stanton, Manager of the Department. Mr. Hougland came to Columbia from the American Mutual Liability Insurance Company; Mr. Katz was formerly with National Markets Analysis, Inc., and Mr. Mahlstedt with Arthur Kudner, Inc.

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A power increase of from 500 watts to 1 KW-5KW on 1400 kc. was recommended to the Federal Communications Commission this week for Station KLO, Ogden, Utah, by Examiner Tyler Berry.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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MAR 27 1938

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B U L L E T I N

## FCC ADOPTS McNINCH RESOLUTION FOR MONOPOLY INQUIRY

The Federal Communications Commission at a special meeting today (March 18) adopted an order with respect to an investigation of chain broadcasting and monopoly in the broadcasting industry. The order adopted by the Commission was proposed by Chairman McNinch in a motion seconded by Commissioner Sykes, with the exception of the second "whereas" clause which was inserted on motion of Commissioner Craven. The vote of the Commission on the adoption of this order was Chairman McNinch, Commissioners Craven, Sykes, Brown, Walker and Case in favor, and Commissioner Payne against the adoption of the order.

Commissioner Payne said, "While, of course, I am heartily in favor of investigation of the monopolistic trends in broadcasting, I voted against the substitution of the McNinch Resolution for the Craven Resolution because of my objection to the methods by which that substitution was being made. Commander Craven had spent a great deal of time on his resolution, and I felt it was not only better drawn, but more comprehensive and calculated to be more effective."

The complete order follows:

"Whereas, under the provisions of Section 303 of the Communications Act of 1934 as amended 'the Commission, from time to time, as public convenience, interest, or necessity requires, shall - (1) have authority to make special regulations applicable to radio stations engaged in chain broadcasting;" and,

"Whereas, the Commission has not at this time sufficient information in fact upon which to base regulations regarding contractual relationships between chain companies and network stations, multiple ownership of radio broadcast stations of various classes, competitive practices of all classes of stations, networks and chain companies, and other methods by which competition may be restrained or by which restricted use of facilities may result;

"Now, therefore, it is ordered that the Federal Communications Commission undertake an immediate investigation to determine what special regulations applicable to radio stations engaged in chain or other broadcasting are required in the public interest, convenience, or necessity; such investigation to include an inquiry into the following specific matters, as well as all other pertinent and related matters including those covered in the Report on Social and Economic Data prepared by the Engineering Department of the Federal Communications Commission and filed with the Commission on January 20, 1938:

- "1. The contractual rights and obligations of stations engaged in chain broadcasting, arising out of their network agreements.

- "2. The extent of the control of programs, advertising contracts and other matters exercised in practice by stations engaged in chain broadcasting.
- "3. The nature and extent of network program duplication by stations serving the same area.
- "4. Contract provisions in network agreements providing for exclusive affiliation with a single network and also provisions restricting networks from affiliation with other stations in a given area.
- "5. The extent to which single chains or networks have exclusive coverage in any service area.
- "6. Program policies adopted by the various national and other networks and chains, with respect to character of programs, diversification, and accommodation of program characteristics to the requirements of the area to be served.
- "7. The number and location of stations licensed to or affiliated with each of the various national and other networks. The number of hours and the specified time which such networks control over the station affiliates and the number of hours and the specified time actually used by such networks.
- "8. The rights and obligations of stations engaged in chain broadcasting so far as advertisers having network contracts are concerned.
- "9. Nature of service rendered by each station licensed to a chain or network organization, particularly with respect to amount of program origination for network purposes by such stations.
- "10. Competitive practices of stations engaged in chain broadcasting as compared with such practices in the broadcasting industry generally.
- "11. Effect of chain broadcasting upon stations not affiliated with or licensed to any chain or network organization.
- "12. Practices or agreements in restraint of trade or furtherance of monopoly in connection with chain broadcasting.
- "13. Extent and effects of concentration of control of stations locally, regionally or nationally in the same or affiliated interests, by means of chain or network contracts or agreements, management contracts or agreements, common ownership or other means or devices, particularly insofar as the same tends toward or results in restraint of trade or monopoly.

"It is further ordered that hearings be held in connection with such investigation at such times and places as the Commission shall designate.

"It is further ordered that a copy of this order be posted in the office of the Secretary and that a copy of the same be mailed to each licensee of a broadcast station and to each chain and network organization."

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## CRAVEN-McNINCH FEUD SEEN IN FCC DISCORD

A rift in the Federal Communications Commission that may create as much of an uproar as the family scraps in the TVA and the Bituminous Coal Commission was disclosed this week as Chairman Frank R. McNinch battled to retain control of a situation packed with political dynamite.

Commdr. T.A.M. Craven, former Chief Engineer of the FCC, suddenly loomed as a rival to McNinch's leadership by reason of his insistence that the Commission at once launch an investigation of monopoly charges frequently hurled at the broadcasting industry.

With the Commission as badly split as in the most hectic days of the late Chairman Anning S. Prall, members were turning to members on Capitol Hill for an airing of the discord while maintaining an official silence themselves.

It is not unlikely that President Roosevelt himself will have to step in to put an end to the intra-Commission bickering unless a compromise is reached on the demand of Commissioner Craven for an immediate FCC investigation.

Up to this time Administration leaders on Capitol Hill have been successful in blocking resolutions for a sweeping investigation of the FCC and the radio industry. Their strongest argument has been that Chairman McNinch should be given a chance to "clean house" before Congress takes a hand.

Administration leaders in Congress admit that they cannot withstand the demands for a Congressional investigation much longer, unless the Commission itself agrees to conduct a probe.

"If the Commission does not do something about investigating the radio monopoly", said Chairman Connor, of the House Rules Committee, which has held up the Connery resolution, "I assure you I shall do everything to cause a Congressional investigation."

While rumors of bitter fighting among the Commissioners in closed meetings have been circulating for several weeks, Commissioner Craven's demand for a vote on his resolution to set up a committee of three Commissioners to investigate the monopoly charges brought the scrap into the open.

Following four hours of wrangling on Wednesday, Commander Craven made public his resolution, which Chairman McNinch had tried to have tabled. The following day Representative McFarlane (D.), of Texas, aired the feud on the House floor.

3/18/38

Judge Eugene O. Sykes, veteran member of the Commission, and Norman S. Case, former Governor of Rhode Island, lined up with Chairman McNinch on a preliminary test vote to table the Craven resolution. Siding with Commissioner Craven were George Henry Payne, Paul Walker and Thad H. Brown.

Although the motion to table was defeated 4 to 3, the Commission deferred action on the resolution itself while Chairman McNinch sought to effect a compromise.

Representative McFarlane in his address in the House said the opposition of Commissioners Sykes and Case to the inquiry is "perhaps understandable when one recalls that these two gentlemen comprised the Broadcasting Division" of the Commission prior to its abolition by Chairman McNinch in last Fall's reorganization.

The Texas Congressman added that "it is rather pleasing to note that four members of this Commission . . . have at last risen to their responsibility."

He said it was his "understanding" that Chairman McNinch had been ordered by the President at a White House conference last week "to have the Commission investigate the alleged monopoly which exists in radio broadcasting."

Oddly enough, Chairman McNinch himself in an address to the National Association of Broadcasters last month stated that he would recommend to the FCC that it investigate the monopoly charges. Commissioner Craven, however, apparently was quicker to the trigger.

Chairman McNinch and his supporters, it is understood, tried to refer the Craven resolution to the Law Department for study, but Commander Craven declared that it would result in several months' delay.

"The time has come to establish the truth or falsity of charges of short-comings of the existing application of radio to the services of the public", he said.

The text of the Craven resolution follows:

"Whereas there was filed with the Commission on January 20, 1938, a report relating to the social and economic aspects of broadcasting, wherein was strongly urged the necessity for additional data and further study of facts with reference to a number of important phases of the broadcasting industry, including monopolistic trends, competitive practices, and contractual relationships between chain companies and network stations; and

"Whereas it has been charged that certain monopolistic practices or trends which would result in monopoly in radio broadcasting exist or may exist; and

"Whereas the Federal Communications Commission has not undertaken to make available complete facts and data which would establish the truth or falsity of such charges: Therefore

"It is ordered, That the Federal Communications Commission immediately investigate these charges and that a committee consisting of three Commissioners be appointed by the Commission to conduct hearings and otherwise to fulfill the requirements of this order."

William S. Paley, President of the Columbia Broadcasting System, while promising cooperation in an inquiry that may be ordered denied that CBS is in any sense monopolistic.

"Since its entry into the field in 1927, Columbia has grown to a network of 114 stations of which eight are owned and one is leased by CBS", Mr. Paley said. "The remainder have voluntarily associated themselves with Columbia, and thus received national and international programs not locally available."

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#### 15 CHARGES AGAINST RADIO READ IN THE HOUSE

Fifteen "indictments" of the Federal Communications Commission and the broadcasting industry were made in the House on Thursday by Representative McFarlane (D.), of Texas, while the FCC was fighting over the Craven monopoly resolution.

The list of charges, which was not read on the floor but was placed in the Record at the end of Representative McFarlane's brief speech, are as follows:

"Let us review some of these known existing evils that no one in Congress has yet defended.

"(1) It was demonstrated that radio censorship and dictatorship exists, not by the Government or any Federal agency but by the vested interests and the radio monopoly.

"(2) That radio and motion pictures, the main means of controlling and molding public opinion, are in the hands of the Telephone and Radio Trust, with television about to be added.

"The Natural Resources Committee pointed out that television may become a wonderful boon or if misused and misregulated a horrible monster. To permit the present Communications Commis-

sion, as it has in the past regulated radio, or rather mis-regulated, is a thing that Congress must prevent, and one way we can do it is by cleaning up the radio cesspool.

"(3) That the public are in the process of being fleeced by stock racketeering in radio securities.

"(4) Specific evidence was presented to show that the S.E.C. is helpless to cope with the present Columbia Broadcasting System's stock-issue registration and distribution, which has the appearance of fleecing an innocent investing public; neither can it cope with the issuance of securities by R.C.A., which controls all of the stock of N.B.C.

"(5) That the trafficking in radio frequencies for which broadcasting companies pay the Government nothing, has proven a flourishing racket.

"(6) That the FCC was on the verge of giving two frequencies allotted to the Navy to the Columbia Broadcasting System. A situation which has all the appearances of another Teapot Dome.

"(7) That the FCC officials have admitted the present existence of the radio monopoly and its racketeering practices and are either unwilling or unable to protect the public and enforce the law. And this monopoly costs the Government \$2,262,375 annually to maintain the Federal Communications Commission to grant free licenses to this monopoly to enable this monopoly to take from the public through advertising over \$140,000,000 annually, with no regulation of the advertising rates to be charged.

"(8) That unfair competition prevails whereby privileged individuals, with unusual political connections, are enriched by millions of dollars through the continued holding of so-called experimental licenses.

"(9) That the consent decree of 1932 contains elements so suspicious that they fairly shout for complete exposure.

"(10) That two governmental agencies, the FCC and the FTC, specifically instructed to protect the public against monopoly and monopolists, are either unable or unwilling to enforce the law.

"(11) That the Radio Trust has a complete monopoly of the 40 cleared channels.

"(12) That 93 percent of all the broadcast power is in the hands of this monopoly.

"(13) That radio control of newspapers is a widespread evil.

"(14) That the illegal monopoly conditions existing before the consent decree of 1932 were not changed by that decree and still flourish.

"(15) The dissemination of indecent, vulgar, nightmare broadcasting programs, which excite the children so they cannot sleep and nauseates the grown-ups in thorough disgust of such programs."

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#### SPECIAL EXPERIMENT ON MILEAGE RULE RECOMMENDED

A special experiment to determine whether or not there will be interference resulting from the simultaneous operation of two broadcasting stations at less than the mileage separation proscribed by the Federal Communications Commission was recommended this week by Examiner Robert L. Irwin.

Reporting on an application from the Westchester Broadcasting Corporation, which operates WFAS at White Plains, N. Y., for authority to experiment with simultaneous operation with WBRB, at Red Bank, N. J., on 1210 kc., Examiner Irwin recommended that a permit be granted.

Regarding the proposed experiment, he says:

"The applicant has engaged a qualified engineer to make a field contour map based upon measurements to be made at the 0.5, 1 and 2 millivolt per meter contours of each of the stations involved on 1210 kilocycles. While such measurements are being made there will be a one-minute interruption in the transmission period of Station WFAS so that both the composite signal and the signal delivered by Station WBRB may be measured. In this manner the existing ratios may be carefully studied.

"The operation of Station WFAS as proposed will not cause objectionable interference to the normally protected contour of any existing station. Stations WINS and WNEW have applications pending to increase their power assignment to 5 kilowatts during the daytime. If the applications of Stations WFAS, WINS and WNEW were granted, the operation of WFAS would limit that of WINS to its 3 millivolt per meter contour and WNEW to its 1.7 millivolt per meter contour. The latter stations would be limited to the extent shown by the operation of WFAS on its present operating assignment. The granting of the present application from Station WFAS would merely increase the number of hours in which WINS and WNEW experience the interference without increasing the magnitude of the interference."

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3/18/38

## CONNOLLY DENIES HEARST RADIO DEALS

Reports current in radio circles that William Randolph Hearst is negotiating to dispose of his radio properties, including ten broadcasting stations, were denied this week by Joseph V. Connolly, Chairman of the Board of Hearst Radio, Inc., according to the New York Times.

"The only Hearst station involved in a sale is KEHE, Los Angeles", Mr. Connolly said. "Report of the sale or prospective sale of WINS, New York; KOMA, Oklahoma City; KSTA, San Antonio; WACO, Waco, and KNOW, Austin, is untrue.

"We have from time to time received offers for our stations, but KEHE is the only one we have sold and that to Earle C. Anthony of Los Angeles, owner of KFI and KECA. He has signed a contract, but execution of the deal has not been completed. The figure is \$400,000."

While the Federal Communications Commission has received no applications for transfers from Hearst, authors of the reported negotiations insisted that a deal was under way although not consummated.

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## NEW APPELLATE COURT FOR FCC PROPOSED

A court to hear appeals from rulings and orders of the Federal Communications Commission, the Board of Tax Appeals, Federal Trade Commission, Interstate Commerce Commission and similar Government organizations would be established under a bill introduced this week by Senator Logan (D.), of Kentucky.

The court would be known as the United States Court of Appeals for Administration, and would sit in the District of Columbia except when circumstances required that it sit elsewhere. A Chief Justice and 10 Associates appointed by the President for life or during good behavior would compose the court, with salaries of \$12,500 annually. The court's rulings would be subject to review only by the United States Supreme Court.

Appeals from FCC decisions now go to the U. S. Court of Appeals for the District of Columbia.

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## "ZENITH NURSE" RECALLS DARLINGTON'S DEVICE OF 1930

Announcement of the development of the "Zenith Radio Nurse" last week by the Zenith Radio Corporation caused E. S. Darlington, of the General Electric Company, who is in charge of the short-wave broadcasting there, to dig into his files this week and produce a story of a similar device that he rigged up in his home in 1930 as an aid in bringing up his young daughter.

Then merely engineer in the General Electric laboratories, Mr. Darlington first developed a scheme for keeping tabs on his infant when she cried at night. Later he worked out an ingenious arrangements for transmitting parental orders to the child via short-waves.

The first invention, as described in a General Electric publicity release in October, 1930, said:

"When the Darlington infant arrived Darlington pere decided to put some of his mechanical ingenuity at work to bear some of the burdens of the householder. The baby, according to the best modern precepts, sleeps in a different room than the parents. Because of this isolation from the first-born there were hours of worry and sleeplessness. The baby might be crying or falling out of the crib or enduring the pains to which infants are subject.

"The answer was very simple. A telephone transmitter, used as a microphone was rigged up by the crib-side and connected by wire to an amplifier and a loud speaker close to the ear of the father. At the first cry of the baby, father is awake and alert. A phonograph at his side is turned on and a lullaby sounds through a loud speaker near the crib. If the lullaby fails to soothe, the father knows that some other form of attention is required, perhaps a bottle of warm milk, and then and not until then he enters the baby's boudoir."

Five years later when Jean Darlington grew a little older, her father rigged up a short-wave communication system in his home so as to save the family the trouble of looking around the neighborhood for her at meal time.

A newspaper feature article at the time described the working of the system thus:

"When the engineer wants his daughter to come home he merely turns to a portion of the apparatus of his private experimental radio station, twists a little knob and says, in a mild voice, as though conversing with someone at his elbow, 'Jean, dinner', or 'Time for your bath.'

"Without fail and within a very few minutes, depending on how far the youngster has strayed from the paternal roof, she will come trotting home.

"This happy result is achieved through the little rubber-tired cart that Jean takes about with her wherever she goes to play. Rigged to the cart is a light, but thoroughly efficient, combination radio receiver and amplifier, or loud speaker. This is attuned to the correct wave.

"The radio engineer's daughter does not, necessarily, play with this cart all the time, but she always takes it along and parks it near where she is playing. Mr. Darlington could reach her with his voice through this arrangement if Jean were five miles away. Ordinarily she does not go more than three or four blocks from her home. She may be playing fifty feet from where she has parked her wagon, and the loud speaker solves that, because she can then hear her father's voice. Or some other child may hear the broadcast and run and notify Jean that her daddy wants her."

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#### RADIO DEFAMATION - IS IT LIBEL OR SLANDER?

Defamation uttered over a broadcasting is, from a legal standpoint, comparable to malicious gossip repeated over a backyard fence, in the opinion of Edward J. Hickey, Jr., an attorney in the Department of Justice.

"Radio defamation", he asserted, "whether extemporaneously interpolated or read from prepared continuity, constitutes slander rather than libel".

His views, first published in the Georgetown University Law Journal, were carried in the Congressional Record March 17th in an extension of remarks by Senator Bone (D.), of Washington. They are supported by numerous court decisions.

"The question naturally arises - Why is it so important to decide whether radio defamation is libel or slander - what difference does it make? In answer to this it may be said that the distinction between the tort of libel and that of slander becomes important", he adds. "Any defamatory matter shown to be libel is, if untrue, actionable without proof that it has actually caused detriment to the person who is the subject thereof. In other words, once a plaintiff establishes defamatory matter as libel, the law will presume damage, and the allegation is therefore actionable per se. On the other hand, defamation amounting to slander, does not entitle the person defamed to maintain an action unless, either he can establish the slanderous words to be within the three categories

of imputation which are slanderous per se, or show that the words have resulted in some actual detriment to the complainant. Such actual detriment is called special damage, and it must be shown to amount to an actual pecuniary loss, a loss of some definite material advantage which is directly relative to the words complained of. Such damage is very often difficult to prove, and it is through an appreciation of this fact that we can better understand a plaintiff's desire to sound his action for radio defamation.

"If it now be accepted that the damage defamation may cause is not determinative of its character, it remains to indicate that speech read from written copy enjoys no more preferred status than that orally interpolated. The basis of the purported distinction proceeds on the premise that the reading over the air of written defamatory matter amounts to a publication of a libel. As it is the form of the imputation that determines the character of the defamation, and as that form must be permanent to constitute libel, it is difficult to see how the utterance of a radio commentator meets the requirements, whether he speak impromptu or reads from prepared script. In either case, as to the utterance, the form is just the same, the ebullition of fleeting moments, as the spoken work quickly 'dissolves'. To constitute a publication of the written matter it must necessarily follow that the defamatory script be circulated as such, for only in this way can the repetitions born of permanency be established. If for hypothesis, a defamatory script be circulated among the radio station announcers and engineers, and then later broadcast, it is submitted that such an act would constitute libel within the limited space of the radio station, and slander as to the station's audience."

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#### SIXTH POWER RATIFIES ANTI-PROPAGANDA PACT

The Union of South Africa has acceded to the broadcasting Convention which was drawn up in September 1936, World-Radio reports. Now that six powers have ratified or acceded, the Convention comes into force. The other five are Great Britain, India, Australia, Denmark, and New Zealand.

The Convention binds the signatories to eschew all broadcasting propaganda of a character likely to disturb international relations, and particularly news known to be false.

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## MCDONALD EXPLORES LANDS SIGHTED BY COLUMBUS

Commdr. Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, who is now on his way home after a two months' cruise aboard his yacht "Mizpah", reports some of his experiences in the section of the world first sighted by Columbus.

The following radiogram came from Trinidad:

"Tonight waiting for the Zenith Foundation Program, we are lying in Scotland Bay on the western coast of Trinidad, temperature about 80. Here we can look westward and see a northern tip of South America. Columbus reached Trinidad and saw the same sight of South America but thought it was just another island and went on back to Spain without bothering to call. Since leaving Miami on February 3rd we have called at Havana and Isle of Pines which we put into because of weather; then Montego Bay in Jamaica, where the finest bathing beach in the Caribbean exists; then to Kingston, Jamaica. We then went on to Ciudad, Trujillo, Dominican Republic, where we entertained and were entertained by President Trujillo and his Secretary of State and Secretary of Foreign Affairs. President Trujillo wanted us to stay longer and use his Summer home Sans Souci. He also sent the Army band down to entertain us in the evening and during our entire stay we had Government cars and escorts at our disposal. Then on to Ponce Puerto Rico which was the anti-thesis of the cleanliness and prosperity that we had witnessed in the Dominican Republic.

"From there we sailed for the delightful Dutch Island of Saba which is nothing but a volcano with no harbor. Doctor and Mrs. Keeler, Gene Kinney and I went ashore in the dinghy and had a good ride over the rollers but landed right side up on the 25 ft. rocky beach of Saba. We climbed 900 ft. in the air to the village named Bottom, built in the crater of an extinct volcano. Cleanliness and relative prosperity were apparent on this little Dutch Island and I was delighted to find the Brigadier General, who has 4 soldiers under his command, the proud possessor of a Zenith farm radio with a wincharger. We paid our respects to the Dutch Governor and he, in turn, came down to the Mizpah, had dinner on board and spent the night with us, returning to his upstairs home in the morning. From there we called on the island of Barbuda one of the 64 wrecks since 1865. We approached the island at night but anchored 13 miles off in 12 fathoms of water, turned our searchlights toward the island and fished. We caught a five foot shark, which we turned loose after killing him, and then caught an eleven foot shark and found inside of him not only the five foot shark but also the octopus which I had shot with my revolver.

"In the morning we went in with the port launch and practically all of its thousand inhabitants were down at the wharf in the lagoon to meet us, but the only white man on the island, the warden, was not there. We found him out on the beach waving an English flag and carrying an official book of rules telling what to do in case of a wreck which he firmly believed the yacht was.



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"We next called on the French Island of Guadeloupe spending a delightful day there. We then moved on a few miles south to the British Island of Dominica, and witnessed a native carnival and no shops or stores open. Even the harbormaster and the quarantine officers were dancing and singing along the streets with the rest of the people. All were colored, wearing screen masks to make them look like whites. At times hundreds of these chanting masqueraders gathered around our automobile, making it impossible to proceed, but were good natured every way.

"The next day we had an interesting drive over the French Island of Martinique from the port of Fort de France to the partially rebuilt city of St. Pierre at the base of Mount Pelee. In Fort de France we saw two staged fights between the mongoose and the fer de lance, one of our deadliest snakes. Needless to say the mongoose won both times.

"Then to the British island of St. Lucia, a clean and prosperous island with mountainous and glorious tropical scenery. Then to the island of Barbuda, interesting but too citified, and well termed the most British of the British possessions. From Barbuda, we called on Robinson Crusoe's island of Tobago, whose natives are nearly all black. They are unspoiled because tourist boats never call there. It's a beautiful little island which we hated to leave.

"And now we are on the island of Trinidad and from Port of Spain we shall make one or two calls at South America in Venezuela and will then head north. These islands of the Caribbean are beautiful and interesting but frankly as cruising ground I still like Georgian Bay best."

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An increase in power from 100 to 100-250 watts for KWOS, Jefferson City, Mo. was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin. KWOS is operated by the Tribune Printing Co., which publishes the Jefferson City Tribune.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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J. S. Heinl

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MAY 1938

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No. 1110

J. S. Heinl

March 22, 1938.

## RCA WINS ANOTHER ROUND OF FIGHT WITH MACKAY

The Radio Corporation of America this week got another favorable ruling from an Examiner of the Federal Communications Commission in its long drawn-out fight with the Mackay Radio & Telegraph Company over the latter's attempt to share international radio traffic now enjoyed exclusively by RCA.

Examiner R. H. Hyde submitted an unfavorable report to the Federal Communications Commission on Mackay's application for a permit to conduct a point-to-point radio telegraph service between several of its stations and Rome, Italy.

The Examiner's recommendation, of course, is subject to approval by the Commission, but it marks another distinct victory for RCA, which has been resisting Mackay's moves to establish contact with world capitals now served by RCA for several years.

The first and longest fight was over an application by Mackay for a permit to add Oslo, Norway, to its international service. The FCC denied this petition, however, and the matter was carried to the courts.

Examiner Hyde in his findings and facts and conclusions upon which he based his adverse recommendation said:

"1. The service proposed to be rendered by the applicant is similar to services available to the public over existing radio and cable circuits between the United States and Italy; the applicant does not propose to make any change in rates or to offer any new or improved service.

"2. The amount of traffic which applicant expects to handle on the proposed circuit is 180,600 words westward and 81,900 words eastward annually. From the evidence relative to these estimates it appears improbable that any appreciable amount of new communication business would result from operation of the new circuit. Such traffic as the applicant obtained for the new circuit, in all probability, would be diverted from existing services.

"3. Existing communication facilities between the United States and Italy are more than adequate for efficient handling of available traffic.

"4. The evidence with respect to content and character of all contract agreements and understandings with respect to the proposed new circuit indicates that the applicant's contract with Italo-Radio provides for the same charges and divisions of tolls as the contract of the Italian company with R.C.A. Communications, Inc., with provisions, however, for notation of a Mackay 'via' on telegrams received from the applicant and a further provision under which the applicant undertakes to deliver 700 transit messages a month to Italy. There is no evidence of any contract between applicant and International Telephone and Telegraph Corporation with respect to the proposed new circuit.

"5. The evidence with respect to the nature of foreign terminal facilities available for the proposed circuit indicates that the new circuit, if established, would be forked with that of R.C.A. Communications, Inc., and also with other points of communication; that facilities are not available at the foreign end of the proposed circuit to provide for simultaneous operation of competing American circuits.

"6. The evidence indicates that establishment of the proposed circuit would result in a further division of a relatively small volume of traffic among carriers subject to the Communications Act of 1934 and that the interests of such carriers would be adversely affected by loss of revenue thereon.

"7. The situation with respect to the new communication circuit proposed in the instant applications is similar in its most important phases to that disclosed in the Oslo cases (applications of Mackay Radio and Telegraph Companies, Docket Nos. 3336, 3337, and 3338) in which the Commission found that the public interest, convenience and necessity would not be served by the establishment of an additional circuit. Accordingly it is concluded that the applicant has not shown that the granting of these applications would serve public interest, convenience or necessity."

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#### HOUSE VOTES MEMORIAL TO "FATHER OF RADIO"

The House of Representatives this week passed a joint resolution authorizing the Marconi Memorial Foundation, Inc., to erect a monument to Guglielmo Marconi, "the father of radio" in the National Capital at a spot to be chosen.

The resolution must pass the Senate and be signed by the President before it becomes a law. The memorial is to be built by voluntary contributions being raised by the Marconi Memorial Foundation.

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## SENATE GROUP SYMPATHETIC TO RMA APPEAL

The campaign in Congress to repeal or reduce the 5 percent radio excise tax was renewed by the Radio Manufacturers' Association at a public hearing late last week before the Senate Finance Committee. Assurances were given by Chairman Harrison that the industry's tax relief appeal would be given 'most careful and thorough consideration.'

Bond Geddes, Executive Vice President of RMA, presented, in oral argument and detailed brief, the numerous reasons for complete repeal or substantial reduction of the tax. President Leslie F. Muter of the RMA, of Chicago, attended the hearing, and a dozen Senators were so interested, with numerous questions, that the RMA time for presentation of the industry's tax relief plea was trebled. The Senate Committee will act on the bill soon, probably within a fortnight.

That radio, broadcasting as well as manufacturing, should be free of any special tax because of its tremendous public service and general use, was emphasized in the presentation of RMA to the Senate Committee. Widespread support came from the trade, in letters to the Committee and individual Senators, including formal resolutions from the Retail Merchants' Association, of San Francisco, and other trade organizations. Further active support was given by the Radio Servicemen of America and its membership in many local sections. Senators also are receiving appeals from many distributors and dealers.

That radio should be the first excise tax repealed or reduced, because of its position as the greatest agency of mass communication, was contended vigorously by Mr. Geddes in his discussions with Senators and the extended brief filed also by RMA. Provisions of the House bill proposing repeal of excise taxes on outright, undeniable luxuries, including furs, sporting goods, cameras, and chewing gum, was sharply criticized and demand made that the radio tax be given prior consideration to any and all of the luxury-repeal provisions of the House bill. Pointing out that the revenue reduction involved in repeal or modification of the radio tax would be less than on any of the principal excises repealed in the House bill, Mr. Geddes cited the sharp reduction in manufacturing and sales, and estimated unemployment in the industry of between 40,000 and 50,000 radio workers.

In asking, first, for repeal, if possible, of the entire radio tax, or a reduction to at least 2½ or 3 percent in the rate, depending on the government's revenue requirements in the pending legislation, the Senate Committee also was asked specifically to exempt police, marine aircraft, public address, and other commercial radio, also to clarify the present law for loud speaker, amplifier, and other parts manufacturers.



Chairman Harrison inquired regarding proposals to tax broadcast stations, and Mr. Geddes, opposing the broadcasting tax, declared that it was exactly as unsound in principle as the special tax now in effect on radio receiving apparatus.

Senators King, of Utah, Bulkley, of Ohio, Townsend, of Delaware, and others expressed interest in television and facsimile experiments. To a suggestion that television was being deliberately delayed, Mr. Geddes cited financing and engineering problems of great magnitude remaining, and the territorial difficulties between television service of Great Britain and the vast continent of this country. That facsimile promised more immediate application was stated.

Further difficulties in securing repeal or reduction of the radio or any other of the various excise taxes was increased by House action rejecting the proposed 'family corporation' tax, reducing the revenue bill by \$20,000,000 or more. That the Senate might find it necessary to restore the 'nuisance' taxes repealed in the House bill has been informally discussed. The Senate Committee was urged that preferential and prior tax relief should be granted radio if any excise taxes whatever are repealed or reduced in the Senate.

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#### CALDWELL URGES INDUSTRY TO FIGHT PERILS

Seeing a threat to the American system of privately-owned broadcasting in various moves now under way, O. H. Caldwell, former Federal Radio Commissioner and now editor of Radio Today, calls upon the radio industry and listeners to awake to the perils of government ownership as it operates abroad.

Writing in the current issue of his magazine, Mr. Caldwell says:

"Radio in the United States today is free!

"It is free to the listener.

"It is free of government control.

"And it can be used freely by those who have a message to tell. Having so far avoided the government muzzling and taxing which hampers radio in other countries, American radio is first, last, and all the time, a popular servant of the people!

"As a result American broadcasting supplies the finest programs anywhere in the world. The most costly talent is an everyday affair. Music, news, drama, and entertainment are available 18 hours a day, at the turn of a dial. All these come without cost - without fee - to every listener. In consequence the largest listening audience in the world - 37,000,000 radios - has been built up. Measured by the standards of radio in other

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countries, American broadcasting is a shining example of progress for other nations to copy.

"But there are those who would tear down this splendid structure built in 'The American Way of Doing Things.'

"There are those who would impose intolerable burdens upon America's now-free radio - who would restrict its operation in ways detrimental to the public interest - who would inject the dangers of government operation into our free institution of broadcasting.

"These critics who themselves have contributed nothing to radio's vast record of achievement, would revamp and revise the present structure to fit their own whims or political arguments, unmindful that radio as it stands today has been tested through 15 years of searching trial and effort.

"These critics seize upon single minor incidents of program oversight, such as the Mae West broadcast - yet overlook the hundreds of thousands of hours of wonderful musical and cultural programs which are the rule in broadcasting. And, frowning at radio, they overlook the far more objectionable obscene text and pictures which certain illustrated magazines are bringing into American homes, carried by U.S. mailmen.

"Others of these tinkerers - and wreckers - of American radio, would put impossible taxes on American broadcasting stations. The Boylan bill, proposing a tax of \$1 per watt on small stations, and \$3 per watt on large ones, is an example of this vicious attempt to control broadcasting through intolerable taxes.

"Others would eventually head American radio into government control and government operation, substituting Washington bureaucrats and political appointees for present highly-paid entertainment executives chosen by reason of their expert qualifications alone.

"And in the wake of government control and operation, would come a Federal license on radio receiving sets - a pall on home enjoyment and education in the form of the heavy hand of the government tax-collector, taxing sets and tubes.

"These are some of the steps in the vicious program of federal control and taxation, already disclosed by movements underway at Washington.

"It is time, therefore, that radio men and radio listeners woke up to the presence of the forces that are about to imperil radio listening and 'the American Way of Doing Things.'

"American broadcasting - like all other human institutions - has some faults. But broadcasting's short-comings are minor - and merely serve to accentuate the merits of an otherwise magnificent - truly miraculous - public service. American broadcasting is sound and healthy, and has grown strong and vital under its own initiative.

"In the best interests of American radio, the present system must be retained along its present broad principles of private operation.

"Government ownership of broadcasting.

"Censorship of programs.

"Limitation of station service.

"Political domination of radio.

"Bureaucratic administration of programs.

"Taxes or licenses for radio listening.

"Those are not 'the American Way of Doing Things'."

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## INTER-FAMILY PROFIT HELD ILLEGAL BY FCC EXAMINER

A broadcasting station cannot be sold within a corporate family at an inflated value, or with a substantial allowance for goodwill or going concern value, in the opinion of Examiner P. W. Seward of the Federal Communications Commission.

He submitted an adverse report on the application of the Travelers Broadcasting Service Corporation, which operates WTIC, Hartford, Conn., and several short-wave stations, to transfer its licenses to the Travelers Broadcasting Company.

Fortifying his conclusions by numerous citations of law and court decisions, Examiner Seward said, among other things, "there seems to be no doubt that a radio broadcast stations is a public utility" but that this does not make it a common carrier.

"Since the courts will not permit a public utility to add any amount as a separate item to the value of its property after valuing the assets upon the basis of a plant in successful operation, for 'good will', 'franchise', 'past losses', 'going value', 'pioneer losses', 'development expense', or any other similar item for the purpose of fixing the value of its properties for rate making purposes", the report stated, "it is quite clear that such items may not be considered as separate items to be added to the value of the physical properties of a broadcast station that is a going concern in successful operation, in arriving at the value of the properties for the purpose of sale.

"The total consideration to be paid by the Assignee for the properties here involved, accounts receivable, contracts, and the assignment of the licenses, is \$2,000,000, all of which will be paid to the parent company. Of this sum, \$500,00 is for the properties, the value fixed by the parent company as a going concern in successful operation; \$1,500,000 is to pay an obligation of the assignor which has been assumed by the assignee and is the consideration being paid by the assignee to the assignor for the accounts receivable, contracts - the value of neither of which has been shown - and the assignment of the licenses.

"For this Commission to grant this application and thereby approve the various transactions herein set forth, would be to point the way and blaze the trail to a 'by-pass' around the various provisions of the law which would amount to a nullification thereof. If the owner of a broadcast station may artificially enhance its capital structure in the manner herein shown by capitalizing its past losses or 'development expense', thereby pyramiding its intangible assets, or by attaching a value to the license issued to it, and such acts are approved by the granting of an application, it would be a recognition by this Commission of authority by the licensee of a radio broadcast station to capitalize its past losses or 'development expense' or

would recognize a 'property right' in the license for the use of the frequency, which is prohibited by the provisions of the Act, and which has long been prohibited in the case of other public utility services."

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### UNSETTLED PRICES RETARD RADIO TRADE, SURVEY SHOWS

With the radio manufacturing industry still trailing 1937 figures, Dun & Bradstreet, Inc., New York financial statisticians, this week blamed unsettled prices and burdensome stocks of both wholesalers and retailers.

Evidence of a definite upturn in either production or sales, the report stated, were still absent in mid-March.

Simultaneously, Radio Today published the first complete figures on sales of radio sets and tubes in 1937.

"Exceeding most estimates and expectations, radio sets sold by manufacturers in the fourth quarter of 1937, totaled 1,992,980, bringing the year's total up to 8,064,780", the trade magazine stated. "The 1937 total thus came within 2 percent of the 1936 record, 8,248,755 sets. These figures, obtained from licensees, refer to number of sets reported sold by manufacturers to distributors and dealers. Actual sales to the public are believed to be considerably less, owing to the large inventory carried over by the trade in warehouses and retail stocks.

"Tube sales reported by manufacturers for the last quarter of 1937 fell off to 18,278,000 units - only 59 per cent of the same quarter of 1936. The total tube sales for the year 1937 - both initial equipment and replacement tubes - thus totaled only 92,055,000 tubes, or 6 percent below 1936."

"Neither production nor distribution of radio sets for the two opening months this year equalled the 1937 January-February totals", said the Dun & Bradstreet report. "Aside from the brief spurt during the Christmas shopping season, demand has narrowed progressively since the sudden shrinkage in sales last September. Totals for the first nine months of 1937 were larger in most divisions than the comparative 1936 figures; for each subsequent month, the percentage loss from the previous year was widened. Evidence of a definite upturn in either production or sales still was absent at mid-March.

"Inventory reduction has been slow, despite price cuts as deep as 50 percent on some receivers. Stocks held by manufacturers on March 1 were considered not excessive, due to drastic production curtailment in the fourth quarter of 1937. With both wholesalers and retailers, however, inventories still were burden-



some. This was expected, as the trade was geared during the first nine months for a 9,000,000-set year.

"Few factories turning out radio sets have operated at more than 60 percent of capacity thus far this year. In the comparative period of 1937, full schedules were maintained, and the backlog of orders was rising, despite rates of 25 to 50 percent higher than for the 1936 months. To meet current demand for low-priced units, some manufacturers of nationally-advertised consoles have turned to the production of table models to retail at \$19.95 down to \$9.75. This move apparently was to combat the inexpensive 'no name' merchandise, which had cut dealers' volume.

"Retail sales thus far this year have fallen 30 to 50 percent below the 1937 comparative. Competition has been severe, and even the reduced volume was built largely by the unusually liberal allowances extended for old radio sets. Demand shifted abruptly in the final quarter of 1937 from consoles to inexpensive table models. Automobile sets have sold well, especially to used-car owners. Sales progress was reported as the most satisfactory in the South and on the Pacific Coast. Business in agricultural areas was better than in industrial districts.

"Little benefit accrued to either manufacturers or retailers from the modest price advance made last June, when 1938 models were introduced. By October, weakness was apparent in most divisions, and retail prices in some of the large cities were entirely demoralized by the end of 1937. Since January all kinds of prices have obtained, with some sales made virtually on a bargaining basis.

"Officially off as much as 50 per cent, additional discounts surreptitiously given and excessive trade-in allowances have rocked price standards to a noticeable degree. Some State resale price rulings collapsed, retailers abandoning even the pretense of adherence to producer quotations. No stability was expected before June, when the 1939 models doubtless will be adjusted to lower levels."

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FCC WARNS OF FALSE AUTO ALARM SIGNALS

The Federal Communications Commission has ascertained through a study of ship and coastal radio station logs that false operation of auto-alarm installations has been caused by coastal stations transmitting a series of dashes or "V's" for the purpose of frequency checking, it was disclosed this week.

With a view toward eliminating such possible false actuation of auto-alarms by signals transmitted for this purpose, the Commission has cautioned operators of coastal stations against transmitting any combination of signals on the frequency of 500 kilocycles, which in any way might simulate the auto-alarm signal.

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## TIME AND PROCEDURE OF FCC INQUIRY IS VAGUE

While the Federal Communications Commission is on record as having ordered a broad investigation of broadcasting, all inquiries as to the time when the inquiry will start and the procedure to be followed have met with vague answers.

Moreover, there is no evidence that the split within the Commission has been healed by adoption of the McNinch resolution by a vote of 6 to 1.

The FCC action, regardless of its outcome, is expected, however, to forestall any Congressional investigation of broadcasting and the FCC this year. Next year there will be another Congress, and all pending bills proposing such inquiries, including that of the late Representative Connery (D.), of Massachusetts, will die in the interim.

Members of the Commission are understood to be still divided on the issue of whether the inquiry should be conducted by the whole body or by a select committee with the members who composed the old Broadcast Division left off. The members are Judge Eugene O. Sykes, former Chairman, and Norman Case, a Republican from Rhode Island.

The Mutual Broadcasting System announced this week that it welcomes the decision of the FCC to make a thorough investigation of the operations of broadcasting chains, and pledged wholehearted cooperation.

The Mutual network made public a message telegraphed Sunday to the Hon. Frank R. McNinch, Chairman of the Commission: "Having learned of the action taken yesterday by the Federal Communications Commission in voting for an inquiry covering the thirteen points on chain broadcasting operations, please be advised that we offer fullest cooperation. We place our personnel and records at the disposal of the Commission and await notification as to how best we may cooperate."

The telegram was jointly signed by Alfred J. McCosker, Chairman of the Board, and W. E. Macfarlane, President.

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Three Japanese newspapers have private facsimile services between Tokyo and the city of Fukuoka, important city on the island of Shikoku, located southeast of the main island of Honshu. The newspapers include the Osaki Mainichi, the Tokyo Nichi Nichi, and the Hochi. All of the foregoing papers use the apparatus manufactured by the Nippon Electric Co. They also own and operate portable apparatus, and are equipped to send material from anywhere in Japan to Tokyo.

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## NAB POSTPONES MEETING TO SELECT PRESIDENT

Directors of the National Association of Broadcasters have postponed a meeting scheduled for March 21st to select a paid president until March 30th.

Philip G. Loucks, acting counsel and administrator of the NAB, said that the Executive Committee engaged in studying and interviewing candidates for the job have not completed their report.

"The Committee has found its task more difficult than first anticipated", he explained, "and although every effort has been made to get the report ready for the scheduled Board meeting the time was found to be too short."

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## RECORDING DEVICE IN U.S. COURT VOTED BY HOUSE

Installation of recording devices similar to those used in taking down broadcasts for rebroadcasting as an experiment in the United States District Court in Washington was voted by the House this week.

A resolution proposed by Representative Hobbs (D.), of Alabama, authorizes the experiment. The author proposed to extend the system to all U.S. District Courts if the test proves successful in expediting appeals.

As contemplated by Representative Hobbs, the recording of a trial will enable the U. S. Court of Appeals or even the U.S. Supreme Court to listen to the full trial of a case without a rehearing.

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Wednesday of this week marks the anniversary of fifteen years in radio for G. W. (Johnny) Johnstone, who, as Director of Public Relations for WOR-Mutual, has played an important role in the phenomenal growth of America's latest coast-to-coast network. Mr. Johnstone's career has kept step with broadcasting from its pioneer days. His background of experience includes journalism, familiarity with the technical aspects of radio, music and myriad public relations contacts. Before coming to WOR he held the post of Director of Press Relations at the National Broadcasting Company, and in 1931 assumed the duties of Assistant to M. H. Aylesworth, then President of NBC.

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I.T.T. 1937 INCOME MORE THAN DOUBLE 1936

The International Telephone and Telegraph Corporation and subsidiaries reports for the year ended December 31, 1937, consolidated net income of \$10,236,148 as compared with \$4,009,103 for 1936.

There were approximately 696,500 telephones operated by telephone subsidiaries (exclusive of Spain) at December 31, 1937, a net increase in excess of 50,000 during the year. Gross telephone operating revenues for 1937 amounted to \$32,476,000 as compared with \$26,751,000 for 1936.

Cable and radiotelegraph operations produced gross revenues in the amount of \$5,327,000 in 1937 as compared with \$4,931,000 in 1936.

Sales by the manufacturing subsidiaries for the year 1937 were the highest in the history of the Corporation, amounting to over \$82,000,000. More than \$100,000,000 in orders were received during the year and orders on hand January 1, 1938, were in excess of \$60,000,000 as compared with approximately \$40,000,000 at the beginning of 1937.

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ZENITH REPORTS \$1,418,978 OPERATING PROFIT

Zenith Radio Corporation, of Chicago, has reported a consolidated operating profit for the first nine months ended January 31, 1938, of its current fiscal year amounting to \$1,418,978, after depreciation of excise taxes and liberal reserves but before provision for Federal Income and Excess Profits Taxes or Undistributed Profits Taxes, as per the Company's books, Hugh Robertson, Vice-President and Treasurer, reported this week.

"In view of the unexpected change in general business conditions last Fall, the Company felt it advisable to greatly curtail production and operating expenses", Mr. Robertson said. "Although employees volunteered wage and salary reductions, the officers felt that until general business conditions became more definitely alarming, it was not necessary for us to impose such a penalty upon our people.

"Our new product 'Radio Nurse', recently announced, is creating unusual public interest, and although it is too early to definitely forecast sales possibilities, we are anticipating a very substantial volume with resulting contribution to our profits."

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Arthur H. Samuels, Executive Producer of Station WOR, Newark, and a former newspaper man and editor of several magazines, died in Doctors Hospital, New York, Sunday morning after a three-day illness.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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## S-W PROGRAMS STUDIED AS U. S. STATION IS URGED

The President's special Inter-Departmental Committee engaged in studying international broadcasting, with particular attention to European propaganda transmitted to the Latin American Republics, this week conferred with American short-wave station operators on the type of programs they broadcast.

At the same time Congressional Committees were being urged to hold hearings on bills in the House and Senate to authorize construction of a government-owned Pan American short-wave station either in Washington or California.

Representatives of the National Broadcasting Company, Columbia Broadcasting System, General Electric Company, Westinghouse Electric & Manufacturing Company, and the World Wide Broadcasting Foundation met with Dr. John Studebaker, U.S. Commissioner of Education, and a sub-committee of the Inter-Departmental Committee headed by Chairman Frank R. McNinch of the Federal Communications Commission.

Dr. Studebaker's investigation is directed at the educational possibilities of short-wave broadcasting as well as present programs, whereas two other sub-committees are studying the technical facilities and the general programs.

A meeting of the full Committee is scheduled for Monday, at which time the sub-committees will make preliminary reports.

At the sub-committee conference, ways and means of improving the American service to Latin American countries was discussed at some length, but no conclusions were reached. The consensus, however, was that short-wave stations which now hold licenses but fail to utilize their facilities to the best advantage should be made to show cause why they should continue operation.

Spokesmen for the commercial organizations now operating experimental short-wave stations without profit, because of Federal Communications Commission regulations, also put in a word for at least a modification of the ban on commercial advertising in international broadcasting.

Meanwhile, authors of House and Senate resolutions to build a government-owned Pan American station are confident that hearings will be started in April.



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Representative Celler (D.), of New York, has a bill before the House Naval Affairs Committee, while Senators Chavez (D.), of New Mexico, and McAdoo (D.), of California, have a measure before the Senate Interstate Commerce Committee.

Representative Celler's bill proposes that the station be erected in Washington, as originally planned at the Inter-American Conference in Montevideo in 1933, while the Senate resolution specifies California without designating an exact location.

While Administration leaders undoubtedly will hold up any Congressional action on either bill until after the President's Committee makes its report, members of Congress are evidencing increasing interest in the subject.

Broadcasters, especially in the short-wave field, meanwhile are expanding their services in an effort to convince the Inter-Departmental Committee, the Administration, and Congress that privately controlled stations can do a better job than the Government could.

Behind the whole activity is the fear that once the Government takes a hand in broadcasting, even in the international field, it might move in on the domestic scene.

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#### NAB GROUP IN CONSTANT SESSION ON PAID PRESIDENT

With the selection of a paid president to head the National Association of Broadcasters still undecided, the Executive Committee is meeting in Washington in an effort to have its recommendation ready for a scheduled meeting of the Board of Directors on March 30th.

The Committee meeting began Thursday, and Philip G. Loucks, special counsel and administrator, said it will continue until the Directors' session.

No information is being given out officially on the deliberations, but indications are that the broadcasters are having a difficult time finding the man they want who will take the job.

A rumor that the advice of the President was being sought in the selection was started after Mark Ethridge, Acting Chairman of the Executive Committee, called at the White House. This could not be confirmed, however.

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## FCC ISSUES RENEWAL OF WCAM OVER PROTESTS

Despite the testimony of two members of its own law department, the Federal Communications Commission this week renewed the license of Station WCAM, owned by the City of Camden, N. J., which allegedly had leased its facilities to the Broadcasting Advertising Company in violation of Section 310(b), of the Communications Act.

The lawyers said that their investigation showed WCAM had been leased in direct violation of the Act, and several members of the Commission opposed granting the renewal until after a more complete investigation.

Upon motion of Judge Eugene O. Sykes, however, the license was renewed. He was supported by Chairman Frank R. McNinch, Thad H. Brown, and Norman Case.

Commissioners who voted against the motion were T.A.M. Craven, George Henry Payne, and Paul Walker.

Apparently fearful of political repercussions, the FCC late this week issued a formal "correction" on a previous report of the voting of the Commissioners on the City of Camden station renewal.

The statement read:

"With reference to the application of the City of Camden, Camden, New Jersey, for renewal of license, Commissioner Sykes moved that the application be granted, seconded by Commissioner Brown. Commissioners McNinch, Sykes, Brown and Case voted 'aye'; Commissioners Craven, Payne and Walker voted 'no'.

"Commissioner Walker moved that the station be given a 60-day temporary extension of license, seconded by Commissioner Payne. Commissioners Craven, Payne and Walker voted 'aye'; Commissioners McNinch, Sykes, Brown and Case voted 'no'."

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## A. F. OF L. S-W STATION LICENSE SET FOR HEARING

The application of the Chicago Federation of Labor for renewal of its international broadcast station license to operate W9XAA, Chicago, was set for hearing this week by the Federal Communications Commission.

The action gave credence to a rumor that the FCC is preparing to eliminate short-wave stations which do not provide good service to foreign listeners.

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5 KW. POWER RECOMMENDED FOR UNIVERSITY STATION

An increase in power from 1 KW to 5 KW for Station WILL, Urbana, Ill., operated by the University of Illinois, was recommended to the Federal Communications Commission this week by Examiner P. W. Seward.

Examiner Seward held that there is a need for the added service and that the greater power would add 1,500,000 listeners to the educational station's listening area.

While admitting that the power increase would hamper somewhat neighboring commercial stations, Mr. Seward said:

"The interests of Stations WCHS, WKZO and WIND will not be adversely affected to a material extent, as compared to the benefits to be derived by the granting of this application. It has been shown that increased interference will occur in that part of the normally protected service area of Station WIND in the State of Illinois near Urbana. This area receives a similar service to that rendered by Station WIND from stations situated in the Metropolitan area of Chicago. The increased power requested by the applicant herein will enable Station WILL to lay down a stronger signal in this area than at present and will give the station a wider coverage for the dissemination of its educational programs.

"If this application and an application to establish a new radio broadcast station at Wisconsin Rapids, Wis., are both granted and the stations placed in simultaneous operation, the station at Wisconsin Rapids would experience interference from the operation of Station WILL to approximately the 1.3 mv/m contour. No objectionable interference would be expected to Station WILL from the operation of the proposed Wisconsin Rapids station. In view of the increased population (approximately 1,500,000), that would receive service from Station WILL, a State-owned educational station, if operated as proposed, it appears that it would be in the public interest to grant this application."

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FCC TO PROBE A.T.&T.- RCA TIE-UP

The Federal Communications Commission voted Wednesday to investigate the contractual relations between the American Telephone & Telegraph Co., and the Radio-Marine Corporation, subsidiary of the Radio Corporation of America.

The Commission said the investigation would be made in connection with a study of radio requirements for safety purposes for ships navigating the Great Lakes and inland waterways. This survey is being directed by Commissioner Thad H. Brown.

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## RADIO INDUSTRY FOLLOWS HOUSE PATENT HEARINGS

The radio and communications industries this week were represented at a hearing before the House Patents Committee on two bills proposing compulsory licensing of patents after three years and prohibiting a monopoly on patent control.

No action is expected at this session of Congress. The hearings are being conducted by Representative O'Malley (D.), of New York, as head of a sub-committee under Chairman Sirovich (D.), of New York.

During the first part of the hearing Representative McFarlane (D.), of Texas, arch critic of the radio and broadcasting industry, charged that television progress would be retarded unless Congress takes steps to break up the "patent monopoly" of the American Telephone & Telegraph Company.

Representative McFarlane is the author of the bill which would require the licensing of patents after three years. The other measure was drafted by Representative Connery (D.), of Massachusetts.

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## FCC EXEMPT FROM PRESIDENT'S REORGANIZATION PLAN

The Federal Communications Commission is specifically exempt from the provisions of the Administration's Reorganization Bill which the Senate was debating this week.

The FCC is listed as one of the "independent establishments" which will be retained as such and will not be subject to any transfer or consolidation that the President may effect.

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Construction permits for two small broadcasting stations were recommended this week to the Federal Communications Commission by Examiners. The applicants are: Sherman V. Coultas, Milton Edge and Hobart Stephenson, of Jacksonville, Ill., for 1310 kc., 100 watts, unlimited; and Y. W. Scarborough and J. W. Orvin, of Charleston, S. C., for 1210 kc., 100-250 watts, unlimited.

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## MACKAY LINE TO WARSAW OPPOSED BY FCC EXAMINER

On the heels of an unfavorable report on the application of the Mackay Radio & Telegraph Company for a permit to establish radio communication with Rome, Italy, Examiner R. H. Hyde this week recommended a similar denial on Mackay's application for a permit to connect with Warsaw, Poland.

As in the two previous hearings, RCA opposed the application on the ground that it already is providing adequate service.

Alfred E. Smith, as one of the Trustees of the Postal Telegraph Company, was represented at the hearing as an intervenor.

Examiner Hyde's recommendation was based on grounds almost identical to those listed in the report on the Rome application.

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## STATIONS NOT LIABLE UNDER NEW FTC LAW

Broadcasters, as well as newspaper publishers, are specifically exempt from liability in connection with the dissemination of false and misleading advertisements under provisions of the Wheeler-Lea bill signed this week by President Roosevelt.

They are required, however, to submit all information requested about the sponsors to the Federal Trade Commission, which will administer the act.

Authority of the FTC is extended to include radio and other advertising of foods, drugs and cosmetics, heretofore controlled by the Department of Agriculture.

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An agreement has been signed between the Minister of Posts and Telegraphs in Persia and the German Telefunken Company for the erection of a short-wave transmitter in the vicinity of Teheran, according to World-Radio. The aerial installation will include provision for directional and omni-directional radiation. The directed rays, it is stated, are destined particularly for European service, but the installation provides also for transmissions to North America and Australia.

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## FCC AGAIN EXTENDS MONITOR RULE

The Federal Communications Commission this week further extended the working date of Rule 981 for a period of six months from March 15th. This rule requires all relay, international, television, facsimile, high frequency and experimental broadcast stations to have a frequency monitor in operation. It was originally made effective September 15, 1936. However, the working date has been extended from time to time until March 15, 1938, for the reason that monitors meeting the requirements are not commercially available, the FCC stated.

The monitors required by this rule do not have to be approved by the Commission but shall have an accuracy of at least one-half the tolerance allowed for the class of station with which used.

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## RADIO LISTENING INCREASES WITH THE RECESSION

It's an ill wind that blows nobody good!

Radio listening is on the upgrade as theater attendance falls off with the recession.

A report of the Cooperative Analysis of Broadcasting, standard measurement of service of radio, this week disclosed that listening during January and February was well above 1937 and 1936. Variety, organ of the amusement industry, is authority for the statement that theater business has slumped.

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## PRIEST CAN FORECAST WEATHER VIA RADIO

Father Alfred Bahner, a parish priest in the little village of Nussdorf, near Traismauer, in Lower Austria, claims that, by placing a radio headpiece over his ears, he can tell what sort of weather is approaching, according to World-Radio. Father Bahner has abnormally fine hearing, and can measure atmospheric pressure and movements of wind from slight vibrations of sound which would be inaudible to most people, writes their Vienna Correspondent. But he says that this responsiveness of the ear can be cultivated. He has several radio sets installed in a kind of observatory which he has constructed on the upper floor of his house adjoining the church, but he listens seldom to relays of speech or music.

"Fading" is his hobby, with variation of strength and quality, and "background noises", which determine his weather prophecies. His forecasts, which cover a radius of fifty miles or more, are for the following 24 hours. The Vienna Academy of Science and the Berlin Institute for the Investigation of Oscillations have both commended and encouraged him in his original scientific labors.

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::: TRADE NOTES :::  
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Charles Michelson, New York Electrical Transcription firm is expanding its facilities, and has already augmented its sales staff with the addition of Aaron Hanger, formerly of the Publicity Department of New York University, and Jerome Diamond, recently with the New York World's Fair Engineering Department.

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Determination of minimum wage scales for the radio manufacturing industry under the Walsh-Healey Act relating to government contracts is being planned by the Department of Labor. The RMA has been invited to cooperate and procedure will be considered at the April meeting of the Association's Board of Directors. The minimum wages, which will be eventually determined by the Division of Public Contracts under the Walsh-Healey Act, will apply only to radio apparatus made for and sold to the government.

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W2XE, CBS international station, has enlarged its program of short wave broadcasts directed toward the Latin-American countries, effective immediately, and has also added a second commentator to its Spanish-speaking staff.

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An increase in power from 250 watts to 1 KW was recommended to the Federal Communications Commission this week for Station Wdz, Tuscola, Ill., by Examiner George H. Hill. The station operates on 1020kc., daytime.

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Treasury collections last February of the Federal 5 percent excise tax on radio and phonograph apparatus declined 44 percent compared with February 1937 tax collections, largely based on the preceding January operations. The January 1937 decrease was 46 percent. Total collections last February of the radio tax were \$260,580.34 against \$464,853.41 in February 1937. For the eight months ending February 1938, the tax collections were 12 percent under those of the same eight months ending February 1937.

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A power increase of from 1 KW to 5 KW was recommended for Station WKAR, operated by Michigan State College at East Lansing, Mich., this week by Examiner George H. Hill. WKAR operates daytime hours only on 850 kc.

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Further improvement in coverage of the North Mountain States was announced this week by the National Broadcasting Company with the immediate addition to the networks of Station KPFA in Helena, capital of Montana. It will be NBC's 146th outlet. KPFA is the only station in that section of the State. It is owned by the People's Forum of the Air, and operates full-time on a frequency of 1210 kilocycles. Daytime power is 250 watts; night power 100 watts.

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### GERMANY GIVES SECRET OF S-W SERVICE SUCCESS

The success of the world-wide short-wave broadcasting of the German Broadcasting System, according to Dr. Herbert Schroeder, its chief, is that the broadcaster never makes himself appear superior to his listener.

Reviewing the growth of the service on the approach of the fifth anniversary, April 1, Dr. Schroeder said:

"It has always been one of the chief characteristics of the program from Berlin that its builders never considered themselves superior to their listeners, and never aimed at 'improving' him in the common sense of the word.

"Their main guidance was the consideration that the listener is just a human being, craving for entertainment and enjoyment after a day's hard work and longing for information of an easily understandable kind about the ways and the art and music of the broadcasting country".

The German short-wave service was developed, he said, to link the Germans living abroad with their mother country.

"There are thirty million Germans and people of German birth or German stock living outside the boundaries of Germany, and of them roughly fifteen millions live scattered everywhere in overseas", he explained. "Their separation from the old homeland is not soothed by the fact, that they live in states of their own creation, as it is the case with the British in their Dominions and Colonies. Though being loyal citizens of their new states, these fifteen millions naturally have not only a sentimental but also a cultural longing for the country of their forefathers. Formerly this could be only satisfied by letters, papers, ships and other comparatively slow means of

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communicationa. Radio here meant an enormous change. It placed them in immediate and constant touch with the motherland. Furthermore - interest in Germany is not confined to people of German stock. Germany, the land of scenic and architectural beauty, the land of the great automobile roads, of the fastest ships, aeroplanes and trains, the land of some of the greatest civic achievements of our age, of the Labor Service and of 'Kraft durch Freude' and last but not least, Germany the land of music is always new to the radio listeners in the world. Though German music is played by all radio stations of the globe - the world wants to hear it performed by musicians and conductors of the land which created it.

"The German short-wave station began its service from Zeesen, a little village in the neighborhood of Berlin, on April 1, 1933. There had been previous short-wave broadcasts from there - but they were experimental only and quite insufficient to provide a satisfactory service. The old wooden tower, and its round antenna, of this first attempt, are still to be seen as one of the relics of Zeesen. On the first of April, 1933, directional aerials were introduced at Zeesen and special programs designed for the short-wave listeners only. That was a great improvement. At first only one aerial, directed to North America, was set into operation with a daily program of two hours' duration. It became a tremendous success, and subsequently new aerials were installed. The antennae for Africa, for South America and for Asia were erected early in 1934.

"In 1935 two more followed: for Central America and for South Asia - Australia. Today the German short-wave station operates a system of six beam aerials, embracing practically all inhabitable parts of the globe. They operate on a number of wavelengths in the 16, 19, 25, 31 and 49 meter bands, the call letters of which always commence with DJ. In correspondence to these six beams, there are six regional programs, so scheduled as to reach the listeners of the zones at which they aim, during the most convenient listening hours, i.e. late afternoon and evenings. Wherever he may be - the listener tuning in Germany, get his daily 6-8 hours of program designed to meet his wishes and interests. Furthermore there are always a few more hours of morning and mid-day broadcasts. From its original daily two hours the program has expanded into 40 hours per day. The energy of the station has had a corresponding development. Originally the transmissions went on the air with a power of 7 kilowatts. On the occasion of the Olympic Games of 1936, which the German Broadcasting System made audible throughout the world, the power was increased to 40 kilowatts. This has proved sufficient to safeguard satisfactory reception in all parts of the world, no matter how distant from the broadcasting centre."

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## POSTAL SIGNS FIRST COMMUNICATIONS CONTRACT

The Postal Telegraph and Cable Corporation, which handles about 22 percent of the telegraph communications business in this country, announced Thursday that wage increases of \$600,000 annually had been granted to 15,000 employees, effective April 1st.

The increases ranging from \$1.25 to \$4 a month, are the result of an agreement signed Dec. 18 with the American Radio Telegraphists Association, C.I.O. affiliate. Union officials said the agreement had been signed after fifteen strikes in different cities, and that it was the first major victory of unionism in the communications field.

R. A. Gantt, operating vice-president of the company, said the increase would apply to employees earning \$160 a month or less.

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## CBS TO OPEN HOLLYWOOD RADIO CENTER APRIL 30

Formal opening on April 30th of its new Hollywood KNX building and studios with a special two-hour dedicatory program and other ceremonies was announced this week by the Columbia Broadcasting System.

Staged in the studio-auditorium of the new CBS radio center in Columbia Square, before an invited audience of 1,000, the program will be broadcast over the coast-to-coast Columbia network at a time tentatively scheduled at 11:30 P.M. to 1:30 A.M. Throughout the morning and afternoon periods preceding the nationwide broadcast celebration, dedicatory programs will be heard over Columbia's West Coast network.

Though the building appears as an architectural whole, it actually comprises a number of structurally independent units with a driveway separating the two principal groups. On one side is the business building, which will house a variety of shops, Columbia Management of California, Inc., and general offices not directly connected with CBS. Across the driveway is the studio-office group, comprising a five-story office building, a two-story studio building, and a large radio auditorium.

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2400 CALIFORNIA STREET

WASHINGTON, D. C.

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March 29, 1938.

## ICKES SUGGESTS HE OPERATE PAN AMERICAN STATION

Secretary Ickes, who gave commercial broadcasters a fright when he equipped the new Interior Building with an elaborate broadcasting studio, has suggested to the House Naval Affairs Committee that he be placed in charge of the proposed government-owned Pan American station, it was learned this week.

Reporting along with the Navy and War Departments on the Celler Bill, upon which hearings may soon be held, Mr. Ickes said he believed the Interior Department is better equipped than the Navy to operate the station.

Mr. Ickes added that he had no objection to letting the Navy remain in charge of the transmitting equipment, which would be separate from the studio, as the Interior Department is not equipped with radio engineers.

The Navy and War Departments were somewhat non-committal about the advisability of building the station, but they advised the House Committee they had no objections and that the station might have a war-time value. No mention was made of the objective of the station to offset European propaganda transmitted to Latin American countries in peace time.

"At the present time", the Interior report stated, "people of Latin America are privileged to tune in American short-wave stations owned by American broadcasting organizations.

"During the evening hours, the best time for listening in Latin America as well as in the United States, these short-wave stations carry commercially sponsored programs almost exclusively. Were a powerful government station established to broadcast programs of a cultural and educational nature, it would appear that a service would be rendered in the development of good relations with our neighbor nations that is not now duplicated by the usual run of commercial programs on the short-wave broadcasts."

The Navy Department pointed out that the estimated cost of building the station would be nearer \$1,200,000 than the \$700,000 authorized in the Celler Bill and that the annual maintenance cost would be \$160,000 instead of \$100,000.

Admiral William D. Leahy, Acting Secretary of the Navy, suggested that the modern broadcasting studio in the new Interior Building be used in connection with the station but that the Navy retain engineering control.

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"While there is no express provision in the bill to the effect that this station will be available to the Navy for military use in time of war or national emergency", Admiral Leahy added, "the Navy Department considers this to be the intention of the bill."

Louis Johnson, Acting Secretary of War, expressed the belief that the Pan American station "would have no peacetime military value to the War Department although it might have some military value during war or national emergency."

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#### METAL RADIO TUBES BEING USED IN GERMAN AUTOS

At the annual German automobile show recently held in Berlin, several of the new automobile radio sets which were exhibited were equipped with steel tubes in place of the conventional glass tubes, according to a report by the American Consulate General at Berlin made public by the Department of Commerce.

This was the first time that metal radio tubes have appeared on the German market as standard equipment for receiving sets, according to the report.

The American Consulate General stated that the German radio industry disposed of 1,570,000 receiving sets on the domestic market during 1937, as compared with 1,300,000 sets sold in the preceding year. Exports totaled 116,600 sets and were only slightly smaller than in 1936.

Stocks of radio receiving sets on hand in the industry at the end of 1937 totaled 108,000, or about 42,000 receivers less than at the end of the previous year.

In addition to the 2.00 reichsmarks fee collected each month by the German Government from each owner of a household radio receiving set, an additional fee of 0.50 reichsmarks per month is now being collected from such owners for radio sets installed in the automotive vehicles.

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## 86% OF STATION TIME RECORDINGS, FCC TOLD

While the Federal Communications Commission plans to study duplication of radio programs on network stations, it received a new complaint this week regarding an independent and small-powered station which Congressmen contend is the backbone of the broadcasting industry.

Examiner John P. Bramhall, in recommendial denial of the application of KTSM, El Paso, Texas, for a transfer from 1310 to 1350 kc. and an increase in power from 100-250 watts to 500 watts, complained that 86 percent of the station's time is now devoted to recordings or transcriptions.

"Applicant contemplates the continuance of its present policy with respect to programs and submitted a sample of its programs broadcast for the week ending March 28, 1937, the report stated. "The week's program consumed 106 hours and 5 minutes of broadcast time and contained 337 spot announcements and 310 transcriptions and recordings. Applicant has classified as local talent farm flashes, news, religious and studio talks, lost and found announcements and reports of sport activities. Using this classification the station during the 106 hours and 5 minutes of broadcasting time devoted 14 hours and 23 minutes or approximately 13.5% to its so-called local talent programs; 4 hours and 39 minutes or approximately 4.37% of which was sustaining and 9 hours and 44 minutes, or approximately 9.16% sponsored.

"A further examination of the local talent phase of the program discloses only 46 minutes or less than 1% of the total broadcast time of 106 hours and 5 minutes was devoted to musical entertainment by local talent. But few of the items in this program which applicant has classified as local talent should be dignified with the name local talent. Talent has been defined as unusual mental ability or a special gift. Transcriptions and recordings consumed approximately 86% of the total time of the station. Just what is the saturation point in the use of recordings and transcriptions in broadcast programs there seems to be no fixed standard; if however, 100% should be the standard, then applicant has all but reached that goal.

"A station which devotes the major portion of its time to broadcasting phonograph records or electric transcriptions is not rendering to the public a service which it cannot readily obtain without such a station. This is particularly true where the station is located in a city such as El Paso where there is ample program material.

"There was also used by the station on a few occasions one minute for spot announcements. This will account for the entire broadcasting time of the station for the period given."

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## STATIONS ASKED FOR DATA ON EARNINGS, INVESTMENTS

Apparently seeking information to be used in recommending an appropriate tax or license charge on broadcasting stations, the Federal Communications disclosed this week that it had ordered all such stations to report their earnings and investments for 1937.

While no mention of the tax study was made in the FCC announcement, it is known that Chairman Frank R. McNinch has been instructed by President Roosevelt to investigate the possibilities of raising special revenue from broadcasting stations because of Congressional agitation.

The President is said to favor a gross receipts tax rather than the wattage levy proposed in the Boylan Bill. Whether a report will be made by the FCC before Congress adjourns is not known.

A form for supplying the information requested is being sent to all licensees affected by the order. Returns must be made on or before April 25th.

Announcement of the order was accompanied by a press release issued by Comdr. T.A.M. Craven. The Commissioner said that the FCC order "was pursuant to the recommendation contained in the report on the social and economic aspects of broadcasting prepared by the Engineering Department of the Commission on July 1, 1937."

Commissioner Craven, who prepared this engineering report, said that the "objective of the order is to secure vital information urgently needed by the Commission in establishing policies with respect to the regulation of the broadcasting industry."

Commissioner Craven stated that his purpose in urging the Commission to secure information with respect to the financial situation of broadcasting had no relation whatsoever to any consideration of the advisability of prescribing a uniform system of accounts for broadcast stations.

In addition to the requirement for each station to file information with the Commission, the Chief Accountant was directed to secure from chain companies more comprehensive information as to their financial situation.

"This was done in order that the Commission might have accurate data and a more complete understanding of the complex financial structure involved in the operation of broadcasting as a system in this country", Commissioner Craven said.



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Commissioner Craven stated that information of this character will be of substantial assistance and benefit to all concerned in the progressive development of broadcasting, particularly in the social and economic phases of the application of this relatively new invention to the service of the public.

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### SEATTLE LAWYER BUYING HEARST'S WINS

Close on the heels of a formal denial by Joseph V. Connolly, Chairman of the Board of Hearst Radio, Inc., that any Hearst radio stations other than KEHE were to be sold, Col. Arthur O'Brien, Seattle attorney, late last week stated he will purchase WINS, of New York, for about \$250,000 as soon as the deal is approved by the Federal Communications Commission.

Connolly later confirmed the report and said that "negotiations are nearing completion".

He made no mention of earlier reports that six of Hearst's ten radio stations are on the market or in the process of being sold.

Mr. O'Brien plans to spend \$250,000 in building up programs for WINS. He said 60% of the broadcast time would be non-commercial.

Mr. O'Brien, who specializes in Federal law, moved to Seattle two years ago from Washington, D. C., where he served as Democratic Committeeman. He owns an interest in KIRO, CBS station in Seattle, and will leave A. Cormier in charge of the station when he moves to New York.

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David Hofman, who, as producer and announcer was associated with Station CFCF, Montreal, for several years, has been appointed announcer in the BBC's television service from Alexandra Palace. Mr. Hofman, who is thirty years of age, has had ten years' experience of stage and film work, including eight years in Canada and the United States. During the depression in the American entertainment world, he worked as a lumberjack at various Canadian camps. He returned to England two years ago.

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### ULTRA-HIGH WAVE BAND HEARING POSTPONED

The Federal Communications Commission this week announced the postponement of a scheduled hearing on frequency allocations to services in the bands from 30,000 to and including 300,000 kc. until June 6. The hearing had been set for April 11.

Frequency allocations in the ultra-high bands were made last Fall subject to a public hearing attended by the licensees involved. The order does not become effective until next October.

All of the frequencies listed in the range 30,000-300,000 kc., except amateurs between 56,000 and 60,000 kc., are assigned to specific services. All except the amateur and point-to-point communication in Hawaii are experimental.

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### NEW STATION IN NORTH CAROLINA RECOMMENDED

Examiner Tyler Berry this week recommended to the Federal Communications Commission that it grant a construction permit to the Piedmont Broadcasting Corporation for erection of a broadcasting station at Salisbury, N. C., for operation on 1500 kc. with 100-250 watts power, unlimited time.

The same Examiner filed a favorable report on the application of KSRO, operated by the Press Democrat Publishing Co. at Santa Rose, Calif., for modification of its license. KSRO requests unlimited time on 1310 kc. with 100 watts nighttime and 250 watts daytime in lieu of daytime operation on 250 watts.

An unfavorable report was made by Examiner Robert L. Irwin on the application of WDNC, Durham, N. C., for a permit to transfer from 1500 to 600 kc. and increase its power from 100 watts to 1 KW.

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::: TRADE NOTES :::  
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J. R. Poppele, Chief Engineer of WOR, will embark April 6 on a seven-weeks tour of Europe to conduct an exhaustive survey of radio broadcasting and its allied industries in the Old World. Mrs. Poppele will accompany him. Nine countries are on the itinerary, including England, Germany, France, Holland, Belgium, Switzerland, Italy, Norway, Sweden and Russia.

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During 1937 the number of licensed radio receiving sets in Australia passed the 1,000,000 mark for the first time, the number of licensed listeners at December 31, 1937, standing at 1,008,595, compared with 887,015 at the end of 1936 and 258,179 at the end of 1927.

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What is believed to be the longest commercial contract ever signed in radio is the 99-year agreement signed by the makers of Golden Blossom Honey who participate in the announcements on the Alfred McCann Food Hour over WOR. The sponsor is so confident in the selling ability of this program that to insure its continuance the long term contract was drawn up.

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The American Consulate General, Habana, reports that there is no demand in Cuba for crystal radio receiving sets, and while the market for all-wave modern radio receivers is stated to be good, requirements are supplied by many well-known American manufacturers of such equipment, as well as others, who have established branches or representatives in this country.

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The New Zealand Government has announced, effective March 1, 1938, increases in import duties on 6 tariff items, ranging from 5 to 20 percent ad valorem, and including radio receiving sets among other items, according to a cablegram from the American Consulate General, Wellington, March 1.

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"LIP MIKE" DEVELOPED BY BRITISH

As a result of the production by the British Broadcasting Company's research engineers of a new type of microphone, a new technique in presenting commentaries on sporting events is likely to be adopted by the corporation.

The instrument is known as a "lip" microphone. It is mounted on a short handle, and is a modification in miniature of the standard ribbon-type microphone used in the studios of the BBC. It is insensitive to sound coming from more than a few inches away, and thus meets the need for an instrument that would enable the commentator to disregard extraneous sound when choosing his position - in other words, for a microphone that, while responding to the commentator's voice, would exclude background noises. To ensure that the commentator's mouth is always the requisite two inches from the microphone, the instrument is fitted with a guard which must be kept pressed against the speaker's upper lip. The quality of the output of the new device is equal in every way to that of the ordinary studio microphone.

Used first during the descriptive commentary broadcast from Guildhall, London, on the occasion of the Lord Mayor's banquet last November, the lip-microphone has made practicable a new method of describing outside events for listeners to BBC programs.

The method provides a solution to an old problem in broadcast description: the fusion of the descriptive skill of the experienced commentator and the unique knowledge of the expert. Two observers will be stationed at one point; one will give the commentary heard by listeners, and the other - at the elbow of commentator No. 1, but unheard by listeners - will "feed" him with extra details and facts about the event for incorporation in the broadcast description. Thus, in the words of the originators of the scheme, there will be "one voice, but foureyes", satisfying in a way that has not been possible before the demands of both the general and the specialist public.

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## EMPLOYMENT ANGLE OF PRESS-RADIO RIVALRY CITED

The following discussion of comparative employment in the broadcasting and newspaper publishing industries appeared in the current issue of Editor & Publisher:

"An aspect of the press-radio skirmishing that has seldom seen print was discussed last Sunday in the Washington Herald-Times editorial page. With the political aspects upon which the editorial pinned its points, this column is not immediately concerned, but some of the statements that followed may interest our readers on both sides of the fence. For instance:

"The average broadcasting station employs a mere handful of engineers, performers, announcers, office workers, and salesmen. In 1935, the Department of Commerce found only 14,561 people employed by all chain and local broadcasting in the United States.'

"There are 2,200 people at work on the Washington Herald and Times alone. Add to these the number hired by the other papers here, the correspondents for out-of-town newspapers and their secretarial help, and one realizes that newspapers give at least half as many jobs in Washington alone as does radio for the whole country.

"A newspaper is not simply the result of effort by a small number of editors, reporters, and photographers. It is the product of team-work by high-salaried and skilled workers many readers never heard of - stereotypers, engravers, linotypers, monotype operators, pressmen, make-up men. Add to these the executive staff, advertising salesmen, galley boys, apprentices, printers, newspaper carriers, delivery boys, telegraphers, clerks, accountants, typists, painters, carpenters, janitors, elevator operators, truck-drivers. The weekly Social Security taxes alone on such an organization are greater than the whole payroll of the average radio station.'

"There are no reliable and complete statistics on the number of people who contribute to the manufacture of the country's daily press - but if the number averaged only 50 each for the 2,000 dailies published, the total would be 100,000. The fact is that there are that many carrier boys. There are more than half that many members of the Typographical Union employed on newspapers. There are probably 30,000 or more editorial people, not counting string correspondents. A good guess would be that newspapers employ more nearly half a million than 100,000 directly and on part-time jobs. What their annual pay is runs still further into the realm of speculation. One of the great chains alone had a total payroll in 1936 of \$64,000,000. The bulk of newspaper expense is for payment of personnel - two-thirds of total expense would be a modest estimate. At that rate newspapers paid out last year close to half a billion dollars, for payroll alone."

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PALEY TO PUT CBS REPORT ON THE AIR

William S. Paley announced this week that he will address his annual report as President of the Columbia Broadcasting System to the listening public as well as to the company's own stockholders. Besides sending the report to stockholders in the usual way, Mr. Paley will deliver it over the air on Tuesday, April 5, at 10 P.M., EST, when it will be heard over WABC and the Columbia network.

Mr. Paley said he had decided to put his report on the air because of the widespread general interest in broadcasting and added that he hoped to stimulate public thinking about broadcasting by discussing industry problems with the audience just as frankly as he does with the company's own stockholders.

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MASON HEADS NBC SHORT WAVE UNIT

Short-wave radio has assumed such importance both technically and as the voice of American culture and ideals beyond our borders, that Lenox R. Lohr, President of the National Broadcasting Company, has assigned his assistant, Vice-President Frank E. Mason, to superintend all of NBC's activities in this field. Mr. Mason will have complete direction of NBC's increasingly numerous broadcasts of news, entertainment and other programs transmitted to Europe and South America, and the short-wave operations of the company.

Mr. Lohr said:

"While the licenses under which short-wave stations operate are experimental and carry no public obligation per se, the National Broadcasting Company feels that it, along with other private broadcasters, must see to it that the United States does not lag behind other nations in international short-wave broadcasting.

"In this period of world stress and widely conflicting political ideologies, it is especially important that NBC be alert to the needs of the United States for communicating its policies and actions to all parts of the world.

"Short-wave radio has become increasingly important, as improvements effected over the period of the past twelve months at Station W3XAL increased the range, and consequently the audience, which could be reached by American broadcasts.

"With his background of experience as former President of International News Service, and as Vice-President in charge of NBC's Station Relations for a number of years, Mr. Mason is exceptionally well qualified to guide our short-wave plans and their development. He has held newspaper positions of importance in various European capitals over a number of years, and, speaking several languages, he is an apt interpreter of the American viewpoint to foreign listeners. Since the principal feature of short-wave broadcasting is news, his experience as a journalist will enable him to give these highly important activities such direction as few others could bring to radio's newest sphere."

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