

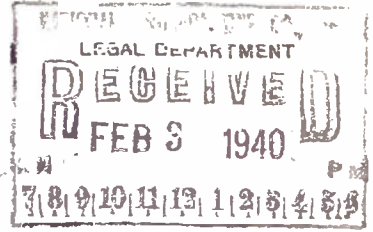
# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1205

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## FCC PREPARES FOR REALLOCATION UNDER TREATY

The Federal Communications Commission this week took its first step toward reallocating about 90 percent of the nation's more than 800 broadcasting stations after receiving official notice that President Cardenas of Mexico had signed the North American Radio Treaty.

The first step was suspension of the new FCC rule extending broadcasting station license periods from six months to a year and providing for a staggered system of license renewals.

The FCC notified all licensees whose expiration date falls beyond August 1, 1940, that all licenses will terminate as of that date.

While there was no official word from the Commission, broadcasters quickly interpreted the action as an indication that the FCC may adopt a three-year licensing period, as allowed by the Communications Act, once the reallocation is put into effect.

The Commission's action was taken when approximately 100 applications for renewal on a year's basis, from February 1, were considered. The renewals were granted instead only until August 1.

Extension of present licenses until August 1 was understood to mean that the reallocation necessitated by the promulgation of the Havana Treaty will not be effected before that date and probably afterward. The order adopted gives all licensees until February 15 "to show cause in writing why this order of modification should not issue effective March 1, 1940".

The license renewals temporarily extended on the eve of the February 1 deadline affected stations operating on clear channels, including limited time and daytime assignments. It was the first group of license extensions to fall due under the one-year provision. Other renewals since August 1 have been for only the unexpired portion of the one-year term. The 106 frequencies on which broadcast stations are assigned have been staggered at two-month intervals from February 1 for convenience in routine handling.

Just when the reallocation will become effective cannot be determined until conflicts with other countries on the Continent are worked out respecting certain assignments. The only changes from the original treaty provisions are those provided for in a bi-lateral agreement with Mexico under which four frequencies

allocated to Mexico will be kept entirely clear in this country, with no other station assignments on them, while on two other frequencies, only one station will be assigned in this country. The four entirely clear frequencies are 730, 800, 900 and 1570 kc. In addition it is agreed that on 1050 kc., only one station in this country (WHN, New York City) will be assigned. On 1220 kc. the agreement permits only one station in this country to be located in the central area.

Formal conversations with Mexico, Canada and Cuba as to the effective date will not be undertaken until Mexico formally deposits with the Havana Government the signed treaty provisions. Meanwhile, the FCC is continuing its survey of assignments under the reallocation, and has made substantial progress.

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#### FCC TO INQUIRE INTO MANAGEMENT CONTRACTS

To determine whether broadcast licensees are themselves discharging the rights, duties, and obligations under their licenses or whether, on the other hand, such rights have been turned over to and are being exercised by outside operating companies under so-called management contracts, the Federal Communications Commission has ordered hearing on certain pending applications for renewal of radio station licenses, and for other and similar renewal applications as they come before it.

Those stations already designated for hearing, under this move, at a date to be set later, are Westinghouse Electric & Manufacturing Company licenses for WBZ and WBZA, both at Boston; KYW, Philadelphia, and KDKA, Pittsburgh; WGY, General Electric Company, Schenectady, N. Y.; WESG, Cornell University, Elmira, N.Y.; WWL, Loyola University, New Orleans; and WAPI, Alabama Polytechnic Institute and University of Alabama, Birmingham, Ala.

The Commission now has before it the case of Station WSAL at Salisbury, Md., wherein it was alleged in the revocation order that control had passed to a mortgagee. Commissioner Thad H. Brown conducted hearings and has laid his findings before the full Commission.

The Communications Act requires that a radio broadcast station be operated by the license holder.

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The Radio-Recording Division of the National Broadcasting Company announces that since December 15, 1939, seven stations have newly subscribed to the NBC Thesaurus Library and 24 stations have contracted for renewals.

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## NAB PLEDGES AID TO CHURCH CAMPAIGN

Declaring that "anti-sectarianism and anti-racial propaganda weakens both religion and the liberties of our country by divisive tactics of propagandists attempting to arouse Americans against themselves", Neville Miller, President of the National Association of Broadcasters, on Thursday, pledged the cooperation of the radio industry in a nation-wide campaign with the Federal Council of the Churches of Christ in America, wherein local ministers will use local radio stations "for the purpose of creating a better understanding between the various races and religious groups".

In a letter sent to all radio stations in the United States, Mr. Miller further declared: "There is no greater public service a station can render than to give its facilities to bring its listeners closer together in the bonds of understanding, based upon truth and fact. This, to me, is one of the root-principles of the American system of broadcasting."

Mr. Miller pointed out that from its knowledge of past history, the Federal Council of Churches, representing some 143,000 individual Protestant congregations in the United States, "knows that the germs of intolerance cannot easily be controlled, once let loose", and that "the time is at hand for a constructive campaign of tolerance and understanding".

In a statement by the Federal Council of Churches, the aims of the campaign were detailed as follows:

"The primary aim of this radio campaign is to lay essential facts before the American public, in order that, through an educated public opinion, we, as a people, may profit from the example of many less fortunate European peoples living in countries where democracy has been destroyed by tactics that included the fomenting of racial and religious hatred and oppression.

"Leading Christian clergymen in hundreds of American cities, over their own local radio stations, are being asked by the Federal Council of Churches, to 'lead the way' in this radio campaign in the common interest of all racial and religious groups in America and for due recognition of the contributions of minorities in the life of society as a whole.

"The Christian church is showing a great awareness of the issues presented. It is interested in healing, conciliation, understanding, mutual aid and peace. The clergymen will present information and discuss the contributions which all interested citizens can make to the American democracy."

Mr. Miller's letter to the broadcasters follows:

"The Federal Council of the Churches of Christ in America is sending one of its local contacts to your station, with the sincere request that facilities be granted to a local minister,

for the purpose of creating a better understanding between the various races and religious groups who comprise your listening audience.

"The Federal Council of Churches, representing approximately 143,000 churches in the United States, feels that the time is at hand for a constructive campaign of tolerance and understanding, lest the spread of intolerance by hate-mongers both at home and abroad, sweep over the country as it has elsewhere.

"From its knowledge of past history, this national church body knows that the germs of intolerance cannot easily be controlled once let loose; that anti-sectarianism and anti-racial propaganda weakens both religion and the liberties of our country by divisive tactics of propagandists attempting to arouse Americans against themselves.

"We have had the opportunity of examining the material upon which the Council's new effort for tolerance will be made. It is factual and impartial. It is informative and it is 'good' radio. It is material which men of good will in all faiths will welcome. And it is vitally important that this message, educational in scope and patriotic in purpose, be gotten across now.

"The Federal Council of Churches has again turned to radio to do this job. It feels that no other medium of communication can reach the minds and hearts of men so effectively. I feel sure that all stations will wish to take part in this important, worthwhile project. Its spokesmen will no doubt be outstanding clergymen in each city. Certainly there is no greater public service a station can render than to give its facilities to bring its listeners closer together in the bonds of understanding, based upon truth and fact. This, to me, is one of the root-principles of the American system of broadcasting."

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#### TEMPORARY TELEVISION LICENSES ISSUED EIGHT STATIONS

While deliberating its future policy regarding television, the Federal Communications Commission this week issued temporary licenses to eight television stations, the permits to expire on March 1. The stations are: W9XAL, Kansas City, Mo.; W1XG, Boston; W9XG, W. Lafayette, Ind.; W2XDR, Long Island City; W3XAD, Portable (Camden, N.J.), W3XEP, Camden, N. J.; W9XK, Iowa City, Ia.; W9XUI, Iowa City, Ia.

At the same time it renewed the licenses of nine other television stations for the regular period. They are:

W2XAB, New York City; W2XVT, Passaic, N.J.; W2XH, Schenectady, N.Y.; W6XAO, Los Angeles; W2XBS, New York City; W2XBT, New York City; W2XAE, Philadelphia; W3XP, Philadelphia, and W9XZV, Chicago.

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## FCC REFUSES PERMIT FOR BURGLAR ALARM BROADCASTS

A novel experiment to determine whether or not the broadcasting of fire and burglar alarm signals would be successful commercially was halted this week when the Federal Communications Commission refused to grant a permit for its operation.

Harry Jackson, a junk dealer, of Harrisburg, Pa., outlined the scheme and asked for a general experimental license.

"The applicant has developed an automatic burglar and fire alarm device which is set in motion by an unauthorized entry in or a fire at the place where the equipment is installed", the FCC reported. "The applicant's present system operates so that the weight of an intruder springs a trap. The trap sets in motion the machinery, which causes a metal cage to spring up, enclose, and hold the unauthorized entrant until removed by law enforcement authorities, and at the same time place in operation the local alarm. Associated with this equipment is a pre-cut record, reproducer, amplifier, and one or more loud speakers. The voice message transcribed on the record consists of the address of the installation and such additional information as the applicant deems necessary to attract the attention of the persons within hearing distance of the loud speakers. . . . ."

"It is the purpose of the applicant to develop the alarm system, together with the prospective automatic radio features, so that the signals can be picked up by receivers on mobile units. The results of the contemplated experiments are expected to provide the applicant with a means of determining whether there will be any benefits derived by commercializing the proposition."

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PRESS WIRELESS INQUIRY DROPPED BY FCC

The Federal Communications Commission has dismissed proceedings of investigation of charges, practices, classifications, and regulations of Press Wireless, Inc., for and in connection with multiple address public press services to outlying territories and possessions of the United States. The basis upon which the investigation and hearing were instituted have been satisfactorily removed by voluntary action of Press Wireless.

A new tariff, which became effective September 1, is applicable alike to points in outlying territories and possessions of the United States and to points within the continental United States and Canada, and eliminates the provision restricting the reception of Press Wireless transmissions to receiving stations operated or directed by the company in localities in which the company operated or directed a receiving station.

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## NEW STATION AUTHORIZED TO OFFER COMPETITION

The Federal Communications Commission this week granted a construction permit for a new broadcasting station to the Presque Isle Broadcasting Co., Erie, Pa., and pointed out in its decision that the outlet would provide competition with Station WLEU, of Erie.

"A second broadcasting station located in Erie would compete with Station WLEU for the patronage of advertisers and for listening audiences", the FCC stated. "The competition between two local broadcasting stations would be expected to result in improvements in the program service of each and corresponding benefits would thus be received by members of the listening public. It is apparent that such competition will promote the public interest."

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## ARMY CHIEF PROPOSES RADIO AIR WARNING CIRCUIT

Gen. George C. Marshall, Army Chief of Staff, told a secret House Military Committee session this week that the War Department wants to set up a radio warning net to guard against air attack, if additional funds are allowed by Congress.

Members revealed that the Army Chief listed \$12,000,000 for an air raid warning net among the most pressing needs. An additional \$28,000,000 is required to equip completely troops now in service, he told the group.

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## BBC SENDS SPECIAL PROGRAM TO B.E.F.

A special service of programs for the British Expeditionary Force and other Forces serving on land and sea outside Great Britain was introduced recently by the British Broadcasting Corporation. Though the programs of the new service are chiefly drawn from those of the BBC's Home Service, different items, to the extent of an hour or two each night, are broadcast when the Home Service programs consist of items unsuitable for active-service listening. At such times listeners tuned in on 342.1 metres hear dance music, theatre organ, Variety, light music, sporting broadcasts, and the like.

The new transmissions are an experiment. If the service succeeds, the BBC hopes to present the troops with something much more complete in the way of a daily program.

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The Committee on Merchant Marine and Fisheries this week reported to the House favorably a bill to extend the time for filing the report of the Federal Communications Commission on the Great Lakes survey until "as soon as practicable but not later than January 1, 1941". The present law set a time limit as December 31, 1939, but the FCC asked an extension last December.

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World radio market series of the Department of Commerce issued this week included reports on Madagascar, St. Pierre-Miquelon, Peru and Australia (supplement - regulations).

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The National Labor Relations Board has announced the certification of the American Federation of Labor's radio broadcast technicians and engineers union of the International Brotherhood of Electrical Workers as the sole collective bargaining agency for broadcasting operators, engineers and technicians of the Interstate Broadcasting Company, Inc., of New York City. The action was the result of a secret ballot election on Jan. 8 which produced three votes for the chosen union, no votes for the C.I.O.'s American Communications Association and two votes in favor of neither organization.

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Appointment of Patrick Dolan as Sales Promotion Director of Columbia Recording Corporation was announced this week by Edward Wallerstein, President. In August, Mr. Dolan joined the Publicity Department of the Columbia Broadcasting System. In his new post with the CBS subsidiary, his office will be at the record company's plant in Bridgeport, Conn.

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The Federal Communications Commission has under consideration regular rules for operation of ship and coastal harbor telephone stations on the Great Lakes to supplant the temporary rules which expired February 1. The proposed new rules will be acted upon by the Commission before the opening of the regular navigation season.

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School executives of every State have been invited to participate in a national conference called by Sterlin Fisher, Director of Education of the Columbia Broadcasting System, for Saturday, February 24, in St. Louis. Chief item of business at the conference will be consideration of a proposal to adopt Columbia's American School of the Air broadcasts as part of regular classroom studies in every State.

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The Federal Communications Commission has granted application of Globe Wireless, Ltd., for construction permit for a new radiotelegraph station at Portland, Ore., and has renewed the licenses of its 11 stations at Woodcliffe Lake, New Jersey, all with the condition that they be used for transpacific communication and not for domestic service. At the same time, the Commission granted extension, on a temporary basis, to not later than May 1, of Globe Wireless's 34 point-to-point radiotelegraph stations, subject to final determination of the Commission in its January 4 proposed modification of said licenses and by its order of January 24 for hearing on same.

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The Philco Radio & Television Corporation has dispatched by air express a complete set of replacement tubes to Pitcairn Island in the South Pacific Ocean for the radio receiving set which at present is their only means of communication with the outside world. The shipment was made as a result of an urgent plea in a letter from Mrs. Edna Young, wife of David A. Young, descendant of Christian Young, one of the mutineers of the "H.M.S. Bounty" more than 150 years ago. The letter, dated November 24, 1939, and sent via New Zealand, was received in Philco headquarters in North Philadelphia after more than two months in transit.

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Normal service was restored last Thursday night by the Mackay Radio and Telegraph Company, following settlement of a dispute between the company and the American Communications Association, a C.I.O. affiliate. About 360 radio and telegraph operators and clerks were involved in the labor dispute, which centered around wages and working conditions. Admiral Luke McNamee, President of the Mackay organization, said all the differences between the company and its employees had been settled "satisfactorily", but no details were made public.

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Telephone operating subsidiaries of the International Telephone and Telegraph Corporation in nine countries have reported an aggregate net gain of 72,000 telephones for 1939. This compares with a gain of 76,000 in 1938, the largest in their history, and of 53,000 in 1937. Their net increase for December, 1939, is a new peak for that month at 9,655 telephones compared with the 8,884 added in December, 1938. I. T. & T. officials estimate that the volume of toll and long distance calls completed by these companies in 1939 has been nine percent greater than in 1938 when 27,600,000 calls were handled. The I.T. & T. telephone companies were serving at the end of the year approximately 838,000 telephones in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Puerto Rico, Rumania and Shanghai, China.

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RADIO TIME SALES UP 14%, YEARBOOK SHOWS

Gross "time sales" by broadcasting stations and networks of the United States during 1939 amounted to an estimated \$171,113,813, an increase of 14% over the preceding year, according to the 1940 Yearbook of Broadcasting Magazine, trade journal of the broadcasting industry, published this week.

The actual dollar volume or net income for the year, however, amounted to an estimated \$130,800,000 after deduction of cash and frequency discounts but not deducting agency commissions. This was 12% above the 1938 figure.

Of the \$171,113,813 gross, the survey shows that \$83,113,813, or 48.5%, represented time sales by the three major network organizations -- National Broadcasting Co., with two networks, Columbia Broadcasting System and Mutual Broadcasting System. Local time sales were estimated at \$46,000,000, or 27% of the total, and national and regional non-network (spot) time sales at \$42,000,000, or 24.5% of the total.

The Broadcasting Yearbook is a 446-page volume, listing all United States and Canadian broadcasting stations by States, call letters and wave lengths, and showing the executive personnel, news and sports commentators, equipment, etc. of each station. It discloses that there were exactly 814 stations in the United States and 90 in Canada in operation or authorized for construction as of Jan. 1, 1940. Of these, 56 had been authorized during 1939, and the data on these is listed in detail.

Listing the stations in the United States and Canada, the Yearbook discloses that 269 in the United States and 26 in Canada were owned in whole or part by newspaper or other publishing interests, or were under options to be sold to such interests, as of Jan. 15, 1940. This compares with 238 at the beginning of 1939.

All but 54 of the country's radio stations are privately owned and all but 36 derive their supporting revenues from the sale of advertising time. The Yearbook lists 36 broadcast stations owned by educational institutions, of which 12 sell time; 12 owned by churches or other religious institutions, of which one sells time, and six owned by State or municipal groups, of which five sell time.

It is estimated in the Yearbook that 45,200,000 radio sets are in use in 28,700,000 homes in the United States, including 6,500,000 auto radios, and that 9,000,000 sets to the value of \$289,000,000 were sold during 1939.

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## NEW RCA TELEVISION RADIO RELAY SYSTEM DECLARED READY

Development of the radio relay method of transmitting television signals between cities has been advanced by RCA Laboratories to the point where it is technically ready for the first stop of application in a public service, the Radio Corporation of America announced this week, as plans were being made to receive members of the Federal Communications Commission in New York on their television inspection tour which began yesterday (Thursday).

This new development, different from any other system so far devised, makes possible the establishment of inter-city television networks similar in effect to the wire networks of sound broadcasting, RCA said. It is feasible, according to RCA engineers, to set up a radio relay system for television linking New York City, for example, with the nation's capital, Washington, D.C., and with Boston, Mass., and other intermediate cities. Similar radio relay networks could be established in other sections of the country.

Even such a limited network could make television programs immediately available to approximately 20,000,000 persons, or, roughly, one-sixth of the nation's population, it was estimated. Programs could originate as well as be received at any city which is part of the radio relay system.

In announcing the readiness of the radio relay system for television transmissions, RCA executives reiterated their belief that "television is here". They base this belief on evidence obtained in nine months of operating a regular television program service in the New York metropolitan area. The evidence shows definite public acceptance of the all-electronic system of television as operated on standards formulated by the Television Committee of the Radio Manufacturers' Association, composed of the most capable television engineers in the radio industry.

RCA has had an experimental radio relay system in test operation for nearly a year between the National Broadcasting Company's Empire State Building transmitter and Riverhead, L.I. The relay points are located at Hauppague, 45 miles from the Empire State Building, and at Rocky Point, 15 miles from Hauppague. The Rocky Point station boost the signal another 15 miles to Riverhead.

Each relay station contains both receiving and transmitting devices, and is mounted on a 100-foot steel tower. The antennas are of the parabolic type necessary for the highly directional, or beam-like, transmission, which the system uses. The power required for operation is 10 watts or less. The distance between each relay point, in practical operation, would vary according to the terrain. The average distance would probably work out at approximately 30 miles. The station operates unattended. The receiver is on at all times, and when a control signal is transmitted from a terminal point the relay receiver picks it up and delivers it to the companion transmitter. This action is repeated at each relay point until the circuit is in full operation. The frequency used is approximately 500,000 kilocycles.

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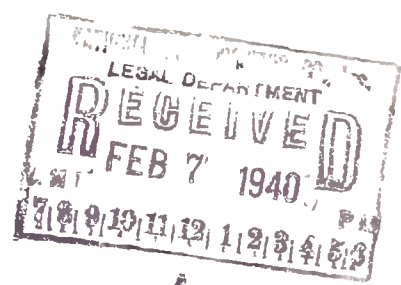
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February 6, 1940

## INDUSTRY STARTS TELEVISION PROBE AS FCC RETURNS

Further investigations of the practical possibilities of television have been undertaken by the radio industry, it was learned, as the members of the Federal Communications Commission returned to Washington Tuesday after a tour of Eastern laboratories.

The Commissioners declined to comment on the trip or to predict what step will next be taken by the Commission, but a spokesman of the FCC described the tour as "very interesting".

The Board of Directors of the Radio Manufacturers' Association is scheduled to meet in New York City on Thursday at which time the industry will determine its next action on both television and frequency modulation.

The FCC appeared to be waiting for the radio manufacturers to make the next move with regard to television. As Chairman James L. Fly had suggested that the leading manufacturers engaged in television experiments set up a committee to make a new examination of the practical possibilities of the art, the RMA Television Committee, or a new group, may be designated to conduct the new inquiry.

Among the television demonstrations witnessed by the FCC on the Eastern tour were network transmission by General Electric in Schenectady, experiments in color television at the RCA laboratories at Camden, N.J., and the new developments of the Allen B. Dumont Laboratories at Passaic, N. J.

A television receiver that will sell for \$100 plus \$49.50 for an aerial was shown to the Commission by the Cath-Ray Electronic Laboratories at New York.

The Philco Radio & Television Corporation in Philadelphia exhibited an interior revolving aerial which appeared to have advantages over the conventional outdoor aerial.

The Commission went about 20 miles outside of Philadelphia to receive simultaneous transmission by Philco and Columbia but reported that the reception was "jumbled".

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## INDUSTRY WAITS ANXIOUSLY FOR FCC MONOPOLY REPORT

With a preliminary report based on the monopoly inquiry due any day, broadcasters, particularly in the network field, are anxiously awaiting the recommendations to be made to the Federal Communications Commission by its Committee. The report is expected to be released sometime this month.

More drastic supervision of the industry and control of contractual relations between radio stations and the chains were expected to be recommended. The report, however, must be adopted by the full Commission before it becomes effective.

A staff of the FCC has been working on the report almost a year following prolonged hearings which began in the Fall of 1938 and extended into the Spring of 1939. The first factual report was submitted to the Monopoly Committee several weeks ago. The Committee, comprising Commissioners Brown, as Acting Chairman, Walker and Thompson, has considered the report in preliminary fashion but will give it a final review before passing it on to the full Commission for consideration and action.

One report was that Commissioners Walker and Thompson are inclined toward drastic recommendations looking in the direction of realignment of regulation as it affects networks, both through recommendations for new legislation and through introduction of new regulatory policies.

Through making contract approval a condition for obtaining a right to use the air for broadcasting, some members of the FCC hope to obtain control over the chain broadcasting systems without the necessity of obtaining legislation, it is said. If the plan is put into effect, it may have a far reaching effect on distribution of chain programs, as it would give the Commission authority, if not successfully contested, to say how many hours would be given for day and night use for the chain programs.

While considerable testimony was taken on the matter of chain contracts and their effect in preventing local programs from getting on the air during the most valuable hours in the evening, a supplemental inquiry into control was instituted when one of the chains obtained exclusive rights to broadcast the baseball World Series. It was alleged that when it attempted to sell this feature to stations of other chains which had been blocked out from the broadcast, the individual stations were prevented from taking it because of alleged threats of the chains with which they were affiliated to abrogate their contracts.

Some members of the Commission believe chain contracts prevent stations from giving time for local problems, and it was pointed out that in the case of an epidemic, when local health authorities might want some of the best time to acquaint citizens with methods for stemming it, it could not be obtained because of contractual relations with the chains.

It was the contention in the Commission when the last World Series broadcast was obtained by one chain, that this was matter in which a great many people were interested and that contractual relations should not have prevented a station, willing to purchase it, from using it simply because of its contract with another chain.

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NAB REPORTS MUSIC PROJECT SUCCEEDING

Broadcast Music, Inc., has passed the \$1,000,000 mark, according to NAB President, Neville Miller, who made the following statement last week:

"The Board of Directors of Broadcast Music met in New York on Tuesday, January 30. The response from the stations had been so encouraging that we decided to make a special effort to secure contracts from the remaining stations and start operation at the earliest possible date. Therefore, the Board will meet again the middle of next week and it is hoped that by then we shall have received sufficient additional checks and contracts to justify immediately declaring Broadcast Music, Inc., a going concern.

"We have passed the million dollar mark and are on our way to the million and a half mark. With the money in sight, it is extremely important that we save all the time possible and get under way at once."

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SENATE ALLOWS FUND TO TRAP SPIES

The Senate Appropriations Committee, told that any foreign spy could broadcast trans-Atlantic messages with a radio built from dime store parts, recommended last week that the Federal Communications Commission be granted an increase of \$238,165 over current appropriations for checking on unauthorized broadcasts.

The House had voted a \$278,165 increase for next year, but in its final report the Senate Committee cut the item by \$40,000. That amount was to have been spent on the construction of a new listening station near Anchorage, Alaska. The Commission's total appropriation as it passed the House was for \$2,116,340 and as reported by the Senate Committee is \$2,076,340.

Chairman James L. Fly of the Communications Commission, explaining to the Committee why the FCC maintained listening stations to check up on the activities of amateur and other operators, said there was "extreme difficulty in avoiding espionage work by the use of high frequencies".

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## AMATEUR REQUESTS OFTEN SENTIMENTAL

Receipt by the Federal Communications Commission of some 400 cards asking that the call signal of a certain amateur radio station be never again issued but be preserved in inactive status as a memorium to its late holder, focuses attention to a recurring incident in amateur annals.

The Commission's files bulge with more or less similar requests. In addition to petitions for non-assignment or non-reassignment, there are requests for transfer of a call from friend to friend, husband to wife, father to son, etc.; also supplications for calls to match names, nick-names, initials or other assorted abbreviations, and, above all, expressed desire for "two-letter calls", pride of the old timers. One file contains some sixty pieces of correspondence with a single "ham" persistently trying to get one particular call.

Though appreciating the intense interest and enthusiasm on the part of the radio amateur, the Commission feels obliged to say "No" to most of these requests. The Commission is guided in this respect by its rules and regulations, which are fairly applicable to all and preclude individual favoritism. The only assignments in the nature of exceptions are those provided for in the rules themselves.

However, for many years it has been the practice not to reassign amateur calls to others so long as the alphabet permits allocation of new calls to stations. This tends to avoid confusion of records and mailing lists, as well as giving each amateur a distinctive call.

Under present rules, a vacated call is kept unused for a period of five years before it is subject to request from any one but the latest holder, and then it can only be requested by a previous holder. In other words, reassignment of a call is limited to previous holders of that particular call.

The Commission is obliged to avoid making promises in connection with amateur calls. The reason for this is that it is impossible to foresee what changes may be necessitated by future events.

It must be remembered that calls are assigned for the purpose of identifying the station rather than the operator, though the amateur likes to regard the call as a personal identification, often times using it on his correspondence, as a marker for his automobile, etc. There is nothing to prevent this practice, and gravestones even have been marked with beloved call signals.

Perhaps the outstanding example of a deceased's call signal being perpetuated is the case of W1AW. It was for many years assigned to Hiram Percy Maxim, the inventor, and remains as a tribute to his memory as the identifying call of the West Hartford, Conn., headquarters station of the organization which he founded - The American Radio Relay League.

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SENATOR JOHNSON AMENDS LIQUOR AD BAN BILL

An amendment which broadcasters describe as "worse than the first" was introduced in the Senate last week by Senator Johnson (D.), of Colorado, to his bill (S. 517) designed to prohibit the advertising of alcoholic beverages by radio.

The proposed bill is much more drastic than the bill reported by the Committee on Interstate Commerce in its effect on broadcasters. It broadens the prohibition on broadcasters and advertisers and further prohibits "any advertisement of, or information concerning, . . . any person engaged in the business of manufacturing or selling any alcoholic beverages, if the purpose of such advertisement or information is to induce the purchase or use of any alcoholic beverage". Subsection (d) would make station licenses conditioned upon compliance with the provisions of subsection (a); it provides that if the Federal Communications Commission "finds that any licensee has wilfully violated any provision under subsection (a), the Commission shall have the same power to revoke such license as it has to revoke licenses for violation of, or failure to observe any of the restrictions and conditions imposed by the Communications Act of 1934 as amended."

S. 517 is on the Senate calendar and might come up at any time under unanimous consent. Senator Johnson is expected to offer his proposed amendment when the bill is called up for consideration.

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REDUCTION IN COPYRIGHT DAMAGE FOR HOTELS URGED

A bill designed to reduce the amount of damages allowed for infringement of copyright of musical compositions in certain hotels and other places of amusements was introduced in the House last week by Representative O'Brien (R.), of New York.

It proposes to amend Section 25 (b) of the 1909 Copyright Act by inserting before the period at the end of the first sentence thereof a comma and the following: "except that the damages for infringement of copyright of musical compositions played in hotels or restaurants when on entrance fee is charged, or cover or its equivalent charge made, shall not exceed \$10 for each performance, unless greater damages are shown".

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## RADIO AND PRESS GET TOGETHER IN CALIFORNIA

An example of cooperation with mutual benefits of radio and press is described in an article in the January issue of "California" by Kay Barr.

"Press and radio being two of the most powerful influences of modern life, it was with genuine satisfaction and pleasure that residents of San Francisco and the Bay area learned of the friendly relationships recently established between Al Nelson, manager of KGO and KPO, with the San Francisco Chronicle and the San Francisco News", the article says.

"Several outstanding programs have already grown out of this wholesome cooperation, starting with the Chronicle Election Night Party. Then came the News Christmas Eve Community Sing and the series, 'The City of St. Francis', now in progress under the auspices of the Chronicle. These constitute an index of Nelson's determination that KGO and KPO shall be of the greatest possible service to the community and all worthwhile civic efforts.

"Other plans are just over the hill, and with the momentum now generated there is no doubt of their being carried out. For instance, the climax of the 'City of St. Francis' series will come with a two-and-a-half-hour show, open to the public in the Civic Auditorium, Friday evening, January 26.

"Other cities have had radio programs exploiting the advantages and opportunities, the industrial, educational and cultural growth of their communities. But never in the history of radio has there been such a serial as the dramatic pageant of history, 'The City of St. Francis', with its fourteen gripping broadcasts all based on fact.

"And by the time a leading metropolitan newspaper and the two National Broadcasting Company stations join in a record-breaking public program, millions of listeners will not only have a better knowledge of San Francisco history, but they will know the city is headed for even greater progress in the future than it has enjoyed in the past. . . . .

"Hundreds of favorable comments regarding the series have been received from all points of the compass. The programs are being heard and enjoyed in Los Angeles, Honolulu, Alaska, as far east as Colorado, and at all intermediate points. Teachers, historians, authors, members of patriotic and historical societies, of PTA groups, and many other individuals and organizations have expressed their enthusiastic approval and the hope that more programs of the same constructive nature will be broadcast.

"All of which is so highly gratifying to Nelson and to Paul Smith, General Manager of the Chronicle, that the entire series is being recorded and will be reproduced some time this Spring, probably at hours when school children may hear them in their classrooms. . . . .

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"Meantime, all San Francisco is congratulating KGO, KPO, the Chronicle, and the News for joining hands in cooperative plans that will be for their mutual benefit and of tremendous civic service to the communities they all serve.

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### COUGHLIN SILENCE PUZZLES THE COMMISSIONERS

Although in New York City over last week-end when the Rev. Charles E. Coughlin, Detroit radio priest, failed to make his customary Sunday radio talk, members of the Federal Communications Commission professed as much ignorance as the average listener of the reason for the cancellation.

A cryptic comment from the radio announcer - "Probably events transpiring this week will enlighten you" - was the only suggestion to listeners that Father Coughlin might have had an extraordinary reason for remaining off the air.

For months, since organization of a new network of stations to broadcast his speeches, Father Coughlin has appeared regularly on Sundays, and officials of the chain outlet, WJR-Detroit, expressed surprise at his absence.

The announcer, advising hearers to "pay no heed to idle rumors which will be circulated this week", said:

"Be assured Father Coughlin knows what he is doing. He knows why neither he nor any other person is speaking over this microphone today."

The rectory of the Shrine of the Little Flower, Father Coughlin's church in Royal Oak, Mich., where he delivers the radio talks, could shed no light on the question.

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The Office of the American Commercial Attache, Rio de Janeiro, reports that the State of Sao Paulo has just contracted for the purchase of a two-way police patrol system for the city of Sao Paulo. The equipment, which is of American origin, is the first installation of its kind in this country. The sets will arrive in the near future.

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::: TRADE NOTES :::  
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Under the title, "The War of Lies and Laughs", J. C. Furnas in the February 3 issue of the Saturday Evening Post reports the word battle under way among belligerent short-wave radio stations abroad.

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The Columbia Broadcasting System inaugurated a series of lectures by the General Engineering Department for CBS employees this week when A. B. Chamberlain, Chief Engineer, addressed his co-workers on the topic: "The Organization, Functions and Duties of the CBS Engineering Department". The informal series is an expansion of the weekly lectures presented in the Spring of 1939 principally to technical employees.

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When WOR's new frequency modulation station, W2XOR, begins operation in the New York area next month, it will relay Mutual network programs almost exclusively. In this fashion listeners will be able to hear many broadcasts which are not being aired over WOR due to local commercial commitments, this providing a wider array of radio entertainment via the two stations.

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Gross billings for time on the Columbia Network - after deductions for network and individual station cancellations, but prior to deductions for agency commissions and the time discounts to sponsors -- totaled \$3,588,989 during January, 1940.

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Gross network revenue for the NBC networks for January 1940 reached an all-time high in the history of the company, totaling \$4,405,208 - an increase of 9.2% over January 1939 and 2.9% over December 1939.

In order to provide a proper comparison with the corresponding month of last year for each network - NBC's total revenue for January 1939 has also been broken down on a new basis.

The comparisons are as follows:

	<u>January 1939</u>	<u>January 1940</u>	<u>Increase</u>
Red	3,211,161	3,496,393	8.9%
Blue	<u>822,739</u>	<u>908,815</u>	<u>10.5%</u>
Total NBC	4,033,900	4,405,208	9.2%

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### G.E. DEMONSTRATES NETWORK TELEVISION

Network television was demonstrated to Federal Communications Commission members in Schenectady last Thursday by General Electric engineers. The first demonstration of its kind in history, in which a program transmitted from New York was clearly received in Schenectady homes, 142 air line miles away, was made possible by the use of General Electric's new relay station working in conjunction with its main transmitter atop the Helderberg Mountains.

Although telecast programs had been received at the Helderberg relay station before in tests, it was the first time that such programs were rebroadcast for the entertainment of persons in the area served by the local station. Both image and voice were reported excellent, equally as good as programs originating in the Schenectady studio, thus proving to the Commission that network television is possible. So far as known, this was the first time a television program has actually been rebroadcast over any such distance and from a point more than a mile below the line of sight.

Members of the Commission who viewed the demonstration were Chairman James L. Fly, Commissioners Paul A. Walker and Thad H. Brown, and Secretary T. J. Slowie. With them were Dr. L. P. Wheeler, W. H. Bauer and G. O. Gillingham of their staff. Among those in the General Electric group accompanying the Commissioners on their tour of inspection of General Electric's television facilities were Dr. W. R. G. Baker, Manager of Radio and Television; Chester H. Lang, Manager of Broadcasting and Advertising; Dr. E. F. W. Alexanderson, radio expert and scientist; C. A. Priest, Chief Transmitter Engineer, and W. J. Purcell, engineer of broadcast station WGY.

By the use of the new relaying equipment, located 1.2 miles from the main transmitter atop the Helderberg Mountains, 12 miles from Schenectady, television broadcasts from New York City will become available to Capital District residents within the range of the company's station W2XB.

The programs transmitted from New York City are received at the relay station on the 44-50 megacycle band by means of a rhombic antenna that resembles two diamonds placed end to end and supported by four 128-foot towers. The programs then pass through an amplifier, a part of the antenna structure, that increases the signal strength about 20 times before entering a wire line leading to the relay receiving station located beneath the antenna. Here the radio signals from New York are changed to sound and picture signals.

By means of a low-power 10-watt transmitter the picture part of the programs is then relayed on a carrier wave of 156-162 megacycles from a small transmitting antenna to the main Helderberg station. This transmitter is similar to the diamond-shaped one used to pick up the programs from New York but is only 10 feet across as compared with the 400 feet of the receiving antenna.

At the main transmitter a dipole antenna picks up the picture part of the relayed program and feeds it to the transmitter where the frequency is converted to the 66-72 megacycle level and amplified to 10 kilowatts.

The sound part of the program is relayed from the receiving station to the main transmitter by wire line. There it modulates a standard 10-kilowatt ultra-high-frequency transmitter, and the programs are then broadcast from two antennas above the transmitter to listeners in the Capital District.

The relay station is located 129 air line miles from New York City and stands 1,700 feet above sea level, with the rhombic antenna 128 feet above. The main transmitter is at an altitude of 1520 feet with 60-foot antennas above.

General Electric's television transmitter has been operating experimentally with programs every Monday night for several weeks. Now with the relay station in operation, permitting NBC programs to be added to the local station's programs, it is expected the new local station will soon be officially opened. However, no definite date has yet been set.

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#### PHELAN HEADS REORGANIZED POSTAL COMPANY

Frank W. Phelan has been elected President of the three newly organized companies which were formed in connection with the reorganization of the Postal Telegraph and Cable Corporation last week. The new companies are: All America Corp., which includes All America Cables and Radio, Inc., and Radiar, a radiotelegraph company in Argentina; Commercial Mackay Corp. which includes the Commercial Cable Company, the Mackay Radio and Telegraph Companies of California and Delaware, the Federal Telegraph Company of Newark, N.J. and an interest in the Commercial Pacific Cable Company; and the American Cable & Radio Corp. which holds all the equity in the first two corporations.

The other officers elected by the Directors to serve the three companies are: John L. Merrill as Chairman of the Board, Kenneth E. Stockton, Chairman of the Executive Committee, and Wolcott H. Pitkin, Vice President.

Mr. Phelan and Mr. Merrill are President and Chairman of the Board respectively of All America Cables and Radio, Inc. and have been the two outstanding personalities in developing communication service between the Americas for the past 30 years. Mr. Stockton and Mr. Pitkin are Vice Presidents of the International Telephone and Telegraph Corporation.

Mark A. Sunstrom, Comptroller of the I.T.&T., was elected Comptroller of American Cable & Radio Corp. and John W. Lair was elected Comptroller of All America Corp. and Commercial Mackay Corp. Howard L. Kern was elected General Attorney and Samuel G. Ordway, Secretary and Treasurer. Other officers chosen are: C. R. McPherson, J. A. Redegeld, J. J. Brosnan, E. H. Dufau, A. A. Gray, V. J. Slattery and E. J. Vogel.

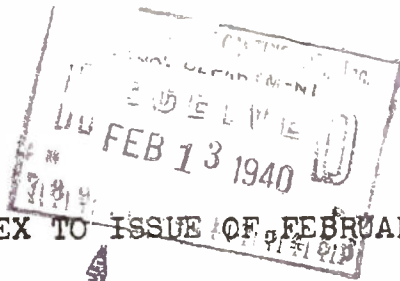
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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## FCC CRACKS DOWN ON STATIONS IN NEW CAMPAIGN

With an abruptness that startled the radio industry, the Federal Communications Commission this week cracked down on a network sponsor and five Texas licensees for alleged violations of the Communications Act or FCC regulations.

The revocation of the Texas station licenses was the most drastic action taken by the Commission in years. It followed the revocation of the license of Station KUMA, of Yuma, Ariz., as of February 1st. Other revocations are expected to follow as a result of investigations now underway.

"The Pot o' Gold" program was cited to the Justice Department by the FCC in its first move in response to complaints that the lottery clause of the Communications Act was being violated by several program sponsors.

The attention of the House was called to "The Pot o' Gold" program recently by Representative Tenerowicz (D.), of Michigan, who had received complaints from motion picture theatre owners in his district.

"The Pot o' Gold" program, sponsored by Tums over an NBC network, gave away \$1,000 to the lucky listener who happened to answer a telephone call from the program's conductor. The name was selected at random anywhere in the United States.

The FCC also transmitted to the Department of Justice the facts concerning a program advertising Mead's Bakery, recently broadcast by Stations KWFT and KBST at Wichita Falls and Big Springs, Texas, respectively.

The Commission explained it had received complaints that these programs, which involve gifts of money by chance, violate Section 316 of the Communications Act which prohibits the broadcasting of ". . . any advertisement, or information concerning any lottery, gift enterprise, or similar scheme . . ."

In turning these cases over to the Department of Justice for such action as that department deems necessary and warranted, the Commission offered any cooperative assistance desired, an FCC statement explained.

The orders of revocation were directed at Stations KSAM, Huntsville; KAND, Corsicana; KRBA, Lufkin; KTBC, Austin, and KNET, Palestine, all of Texas. They are effective February 24.



The order resulted from investigation instigated January 26, of undisclosed interests of Dr. James G. Ulmer and Roy G. Terry in the stations mentioned, it was said.

It is indicated that original construction permits and licenses for these stations were issued by the Commission upon false and fraudulent statements and representations and because of the failure of the applicants to make full disclosure to the Commission concerning the financing of station construction and operation, as well as the ownership, management and control thereof, in violation of the law, and that, had the actual facts in this connection been made known to the Commission, it would have been warranted in refusing to license these stations.

KSAM is licensed by the Sam Houston Broadcasting Association, H. G. Webster, President, and operates on 1500 kilocycles with 250 watts, daytime; KAND is licensed by the Navarro Broadcasting Association, J. C. West, President, and operates on 1310 kilocycles with 100 watts, unlimited time; KRBA is licensed by the Red Lands Broadcasting Association, Ben T. Wilson, President, and operates on 1310 kilocycles with 250 watts, daytime; KTBC is licensed by the State Capitol Broadcasting Association, Inc., and operates on 1120 kilocycles with 1 KW, specified hours (D-WTAW), and KNET is licensed by John Calvin Welch, William M. Keller and Bonner Frizell as the Palestine Broadcasting Association, and operates on 1420 kilocycles with 100 watts, daytime.

The licensees have 15 days in which to ask hearing, in which case the revocation order will be stayed pending the outcome of the hearing.

The FCC also has set for hearings the renewal applications of eight stations operating on clear channels in connection with its inquiry into management contracts to determine whether licensees actually control the stations in their name or whether they are dummies.

The Commission recently held a hearing in the case of Station WSAL, Salisbury, Md., wherein it was alleged in the revocation order that control has passed to a mortgagee.

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STATION WMCA GIVEN POWER BOOST TO 5 KW

Station WMCA, New York, this week was granted an increase in transmission power from 1 KW to 5 KW, to become effective after the transmitter is moved from Flushing, Long Island, to Kearney, N.J., and new equipment is installed.

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FREQUENCY MODULATION HEARING OFF UNTIL MARCH 18

The Federal Communications Commission on Friday postponed the frequency modulation hearing from February 28 until March 18 on the request of "F.M." proponents who asked that they be allowed more time to prepare their case.

While Prof. Edwin H. Armstrong, Columbia University teacher and developer of the new transmission system, had suggested to the FCC that it postpone a decision in television regulation until after hearing the "F.M." case, officials at the Commission indicated that the FCC is trying to reach a decision on television as soon as possible.

It was suggested that frequency modulation opens up such a revolutionary field of radio transmission that television could not wait until it has had an adequate test.

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FCC STUDYING PLAN TO MERGE RADIO AND CABLES

Consolidation of cable and point-to-point radio telegraph systems between the United States and foreign countries is strongly urged in a report which the Federal Communications Commission is studying.

This report, the second phase of a wire communications study for a Senate Interstate Commerce Sub-Committee, headed by Senator Burton K. Wheeler, is expected to develop considerable difference of opinion among the members of the Commission.

The proposal also is said to have been opposed by the Navy Department.

While those who have studied the first report sent to Senator Wheeler on the proposed domestic wire merger point out that it is a move in the direction of Government ownership, it has been indicated that discussions of the staff on the international systems have a more definite trend in that direction.

One argument for Government ownership of the international communication systems, and more particularly the radio telegraph, is that in making agreements for contact stations in foreign lands it would be better for two governments to negotiate rather than private corporations and a foreign government.

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## HOUSE MOVES TO CURB POWERS OF FEDERAL AGENCIES

Close on the heels of a Supreme Court decision which had the effect of broadening the powers of the Federal Communications Commission, the House this week expedited a bill which would curb the authority of all independent Federal agencies, including the FCC.

Similar in purpose to the Logan bill, now before the Senate, the House bill has been reported favorably by the Judiciary Committee and given a "green light" by the Rules Committee. The legislation, like the Logan bill, is expected to encounter opposition from the Administration.

The House bill is understood to have been directed at the Labor Relations Board, but its provisions would make the decisions of all independent Federal agencies subject to court review.

The Judiciary Committee said in its report that there are approximately 130 different Federal agencies in the Government, and added:

"The law must provide that the Governors shall be governed and the regulators shall be regulated, if our present form of government is to endure.

"The phenomenon of the administrative officers and employees - the so-called bureaucracy - attempting to control all processes of government for their selfish ends is not new in either this country or in the history of the world."

The Logan bill was passed by the Senate last session but was called back for reconsideration as the result of protests by Senator Minton, (D.), of Indiana, and other administration supporters.

The House bill must await a decision of the leadership as to when it will be called up for action. Proponents predicted it would be taken up soon.

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## MEET ANDY'S DAUGHTER

Cards have been received announcing the arrival of Miss Dorothy Alyce Correll, daughter of Mr. and Mrs. Charles James Correll. The happy event took place in Los Angeles, February 1st with everybody, including Mr. Andrew H. Brown, doing fine.

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## HEARING SET ON GREAT LAKES RADIOTELEPHONE SERVICE

For the purpose of obtaining information to determine policy with respect to assignment of frequencies for commercial radiotelephone communication on the Great Lakes, the Federal Communications Commission has designated Commissioner Thad H. Brown to hold a hearing on March 4 at Cleveland, Ohio.

The problem, fundamental to future development of the service, is briefly, whether this service shall take the form of short distance communication between ship and shore, making full use of the land line telephone and telegraph systems, or long distance communication directly between ships and coastal stations at any point on the lakes.

The present rules of the Commission provide frequencies which are suitable only for the short distance communication. However, one of the pioneer companies is providing a longer range service through the use of certain frequencies now authorized to it on a temporary basis under a waiver of the rules.

The assignment of frequencies suitable for communication over longer distances involves a number of questions: for example, the general policy of limiting the use of radio frequencies to those services which cannot be adequately and satisfactorily performed by wire lines; the international agreement to limit the use of such frequencies to actual long-distance communication because of the interference that would result from their use for short or medium distance communication; probable interference resulting from the use of a few such frequencies by several coast stations; unavailability of a sufficient number of "long distance" frequencies, except by restricting their use for other services.

A determination of this basic question of policy is a material element in each of the applications now pending, either for renewal of license or for new license, for stations at Houghton, Mackinac Island, Manistee, Marine City, Rogers City, Wyandotte, Port Huron and Detroit, all in Michigan; Duluth, Minnesota; Port Washington, Wisconsin; Lake Bluff, Illinois; Lorain and West Dover, Ohio, and Buffalo, New York. In addition to these applicants, the question is of primary importance to shippers, steamship operators and others concerned by this rapidly expanding service.

Accordingly, the proceeding is brought on the Commission's own motion, and will be open to all persons having an interest in the outcome. They have 15 days in which to make request to be heard. The individual applications for station licenses will be heard on their merits following a decision in this matter.

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## ELECTRICAL EXPORTS RISE FOR 1939

After lagging behind 1938 shipments for the first 10 months of 1939, exports of electrical equipment from the United States advanced rapidly during November and December to total \$113,026,796 for the year compared with \$111,546,789 for 1938, an increase of \$1,480,007, or 1.3 percent.

Impetus for the increase was derived from the exceptionally large sales made during November and December, particularly the latter month when such sales reached the highest level in several years. The December exports of \$11,930,924 advanced sharply over the already better-than-average sales of November which totaled \$10,550,753 and also compared very favorably with the large volume of \$10,697,076 recorded in December, 1938.

Few items showed any radical variations during the year, fluctuations having occurred both up and down within fairly narrow limits.

Radio receiving set components, rigid metal conduit, and telephone instruments were among other electrical items which established new monthly highs during December.

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## GEORGIA GOVERNOR GETS NEW STATIONS PERMIT

The Federal Communications Commission this week granted a construction permit for a new broadcasting station to the Governor of Georgia, E. D. Rivers.

Governor Rivers, apparently acting in his private capacity, asked for a permit to operate with 100-250 watts on 1420 kc. at Valdosta, Ga. The town now has no broadcasting station.

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Some of the British Broadcasting Company's short wave programs, including those of America, were cut off for 45 minutes Wednesday night. It was stated officially the interruption was caused by a "technical fault". Home services were not interrupted.

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## U.S. DOMINATES RADIO MARKET IN SOUTH INDIA

A considerably major portion of the trade in radios and accessories in the South Indian market is already monopolized by the United States, according to the American Consulate at Madras. Cheapness, coupled with quality, has rendered many an American radio very popular in the market.

"As a result of the war, German radios have been cut off the market", the report to the Commerce Department states. "German radios in general did not enjoy the wide sales in this area. The following were the chief makes: 'Telefunken', 'Mende', 'Centrum', and 'Saba'. Among these, 'Telefunken' was the latest to be introduced into this market and it is reported that this radio was making some headway in regard to sales.

"Supplies of the Netherlands 'Philips', popular and widely sold in the market, are reported not coming in since the outbreak of war. The same is the case with the British make 'Pye', though one shipment has come after undue delay. Many orders are still unfilled for both 'Philips' and 'Pye'. It is stated by local dealers that wireless firms in the United Kingdom are at present diverted to the manufacture of war supplies and hence it is apprehended that they may be obliged to give less attention to their foreign trade.

"For European and English radios and accessories an increase in price of about 25 to 30 percent has been recorded in the market, while for American makes 33-1/3 percent has been noted. The bigger increase in price for American makes is attributed to the unfavorable exchange situation consequent on the fall of the sterling to which the Indian rupee is linked.

"It is reported no immediate shortage is felt in the market for radios and accessories."

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// Beginning Sunday, Feb. 18, Station WTOL, Toledo, O., will become affiliated with the National Broadcasting Company, bringing the number of affiliated stations at that time to a total of 183. WTOL is licensed to the Community Broadcasting Company, operating full time on 250 watts power on a frequency of 1200 kc. The station will be a supplementary outlet of the Basic Blue Network.

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SHORT-WAVE BROADCASTS PROMOTE FOREIGN TRADE

Foreign listeners to KGEI, General Electric's short-wave broadcasting station at San Francisco, like American merchandise. This is shown in many of the hundreds of letters received by KGEI which reveal that G-E's international broadcasts not only are building goodwill for the United States but also are directly promoting American foreign trade.

A letter just received from C. R. Halle, Pietermaritzburg, Natal, South Africa, says, in part:

"I suppose you consider this place a part of darkest Africa belonging to Britain and leave it at that. Well, in reality it is darn near an American Colony. Just think this over:

"I have just come home in an American car, after seeing to the electricity supply from American transformers to American stoves and refrigerators. I listen on my American radio set to your American station KGEI and tonight I shall see a lot of American films in a cinema outside which about 20,000 pounds worth of American cars will be parked. And so it goes on . . . not to mention the wife's American Kayser stockings, etc.

"Good luck to you and let's hope Hitler never parts us."

S. H. Thung, Sindanglaka Estate, Tjiandjoer, Java, Netherlands East Indies, writes, in part:

"Let me first convey my thanks and gratitude for the service extended by the General Electric Company for its KGEI broadcasts. For this service, I have tried to repay by buying a General Electric range and will soon replace my refrigerator with a General Electric one. This station has kept the name of General Electric continually in my mind."

General Electric owns and operates KGEI at San Francisco and WGEA-WGEO at Schenectady on a strict non-commercial basis, to build goodwill between the United States and other countries.

KGEI is the only American broadcasting station whose programs are regularly received in the Orient. The Oriental beam broadcasts are also received with utmost clarity in Australia, New Zealand and South Africa. The station also broadcasts daily to Latin America.

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STANDARD OIL SPONSORS FIGHT ON SHORT-WAVES

The Joe Louis-Arturo Godoy heavyweight championship fight at Madison Square Garden tonight (Friday, February 9th) will be broadcast to Latin America via National Broadcasting Company short wave service under the sponsorship of the Standard Oil Company of New Jersey and its affiliates in Latin America.

The affiliated companies participating in the broadcast are the West India Oil Co., Standard Oil of Cuba, Standard Oil of Brazil, and the Compagnia de Petrolio Lato.

The stations carrying the fight to Latin American listeners are WRCA and WNBI, both operating on a frequency of 9670 kilocycles and 31.02 meters.

The broadcast will mark the first time a fight has been presented on short wave radio under commercial sponsorship, the Standard Oil Co. of New Jersey being the second organization to avail itself of commercial broadcasting via shortwave. The first was the United Fruit Co., which assumed sponsorship of a quarter-hour evening news program in Spanish, as announced on Nov. 8, 1939.

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CBS, INC., EARNED \$5,000,000 IN 1939

Consolidated net earnings of the Columbia Broadcasting System, Inc., approximated \$5,001,500 in 1939, equivalent to \$2.93 a share on 1,709,723 shares of \$2.50 par value stock outstanding or to be outstanding upon completion of the exchange of the old \$5 par value stock, according to a statement issued this week.

In the preceding year, consolidated net earnings amounted to \$3,541,700 or \$2.07 a share based on the same number of shares.

During the past year the company acquired 100 percent ownership of the Columbia Recording Corporation and its subsidiaries. The operating results of these companies, which do not materially affect the consolidated earnings, have been included in the 1939 result, the company states.

This is a preliminary statement, subject to audit now being made. The annual financial report, however, will be mailed to stockholders in April.

At a meeting of the Board, Directors declared a cash dividend of 45 cents a share on the Class A and Class B stock of \$2.50 par value. It is payable on March 8 to holders of record February 23.

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## EUROPEAN LONG DISTANCE TELEPHONES EXTENDED DESPITE WAR

Most countries abroad have added to their long distance telephone cable networks during 1939, according to information from Associated Companies of the International Telephone and Telegraph Corporation in Europe, and the use of the 12-channel carrier-on-cable systems has been particularly prominent.

In Great Britain, 900 Km. of 12-channel cable was installed during the past year and another 1,100 km. is under construction or on order. In addition to the carrier cable, another 4,000 Km. of other loaded trunk cables were completed or are under construction. Of the London-Paris 12-channel cable system reported last year, the section from London to the French Coast, including the submarine portion, has been completed and considerable progress has been made with the manufacture and installation of the section of France.

Initial 12-channel carrier-on-cable systems have been completed or are under construction in a number of countries in Europe. In Belgium the Roosendaal cable was completed and will eventually be extended to Brussels to link the Belgian and Dutch toll telephone networks. In Sweden the Goteborg-Malmo system was under construction at the end of the year and in Finland the Helsinki-Turku plan was started, a system which is to be connected to the recently laid Stockholm-Turku submarine cable which is also designed for 12-channel operation. In Denmark a combined 12-channel and loaded cable is under construction between Aalborg and Aarhus, a distance of 111 Km., and this cable will eventually be extended to Copenhagen. In Rumania the Bucharest-Ploesti combined 12-channel and loaded cable system has been extended to Brasov which makes a total distance for this cable of 170 Kms.

The Norwegian and Swedish cable systems were connected with the installation of the Halden-Kornsjø cable which is a loaded cable 70 Kms. in length designed for voice frequency and single channel carrier operation.

Although 1939 has witnessed no exceptional changes in telephone sets as a whole in England, the new British Post Office desk set has begun to make its appearance. This set is now being manufactured and supplied to the Post Office by Standard Telephones and Cables, Ltd., in place of the moulded desk set designed in 1931

The Bell Telephone Manufacturing Company of Antwerp, Belgium, has now completed the development of a new subscriber set containing a number of advanced features which will make the set even safer from the effects of moisture and dust, and easier to maintain. This set will be on the market in 1940.

Standard Telephones and Cables in London has developed a new equalized receiver technique which is incorporated in all of its new equipment including the new desk sets referred to previously. Head receivers to meet all requirements with a common magnetic structure and giving the same improved performance have been standardized to replace entirely the old type receivers. The same principles have been applied to a magnetic transmitter suitable for airplane use.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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## BAN ON BROADCASTS BY ALIENS DISCUSSED

Prohibition of domestic radio programs produced by aliens is being discussed by the Federal Communications Commission at the instigation of the Federal Bureau of Investigation, it was reported this week.

Under the present Communications Act, aliens are prohibited from owning radio broadcast stations, and it is contended this restriction should be extended to prevent aliens from having any part in the production of programs in order to eliminate possibility of subversive propaganda being disseminated over the air.

Any such prohibition might be difficult to put into effect and, in any event, would require legislative action, it was pointed out. Discussion of it was prompted by the F.B.I. investigation of espionage in this country.

The discussion, it was explained, has nothing to do with reception in the United States of short-wave propaganda broadcasts by powerful foreign stations. It is aimed at broadcasts over standard wave stations in this country, and is designed to stop at the source any programs which might include material intended to influence the minds of listeners against democratic principles and in favor of foreign "isms".

It was explained it might be a simple matter to prohibit radio stations from using programs produced by aliens, but it would be more difficult to control a situation where a citizen might be found preparing a program containing subversive propaganda. In the latter case, the Commission would be powerless to stop the program under the law's restriction against censorship.

But there is reported to be a growing tendency within the majority of the Commission now to control the kind and type of programs being used by broadcast stations and the networks. It led to a bitter battle earlier in the week when the "Pot of Gold" program was under consideration. Then the conservative membership won a partial victory when the matter was sent to the Department of Justice.

It was contended that for the Commission to take any action against the program at this time would be just as much censorship as to rule the program could not go on the air.

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It was impressed on the Commission it would be on stronger ground, if the Department of Justice presented the facts to a court and, if the program was ruled to be a lottery, the Commission could still take action against the stations which put the program on the air.

It is known that tremendous political pressure was brought against the program on behalf of certain moving picture theater owners who complained they were suffering from the competition, because their theater audiences were being depleted on the night the program is broadcast.

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PREPARED STATEMENTS BARRED AT "F.M." HEARING

The reading of prepared statements, which has been frowned upon ever since James L. Fly became Chairman of the Federal Communications Commission, will not be permitted at the frequency modulation hearing which will begin on March 18th. The order has been issued, it was explained, "in order to expedite the proceedings".

The final date for the filing of written statements, sketches, drawings, etc., in connection with argument, has been extended to March 11.

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NYC GETS SPECIAL EXPERIMENTAL LICENSE

The New York City Police Department this week was granted special temporary authority to operate Class II Experimental Municipal Police Station on A4 and A3 emission, using the equipment, frequencies and licensed power of Municipal Police Station WRGR, for the purpose of conducting tests to determine the practicability of utilizing radio operated teletype machines. The authority is to be from date of grant until further order of the Commission, but not beyond one month, subject to condition that no interference will be caused to the service for which the transmitters are primarily licensed.

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## FCC TO RULE ON NAVAL TIME SIGNAL REQUESTS

Broadcasting stations were advised this week that they may henceforth obtain permission to rebroadcast Naval Observatory time signals from the Federal Communications Commission.

In a notice to standard station licensees, the FCC said:

"It is the police of the Navy Department to consent to the rebroadcasting of the Naval Observatory Time signals in all cases where satisfactory assurance has been given that the following conditions will be complied with by the broadcast station concerned.

- "(1) Announcement of the time signal must be made without reference to any commercial activity;
- "(2) The time signal to be rebroadcast must be obtained by direct reception from a Naval radio transmitter which is broadcasting the time signal;
- "(3) The Naval Observatory time signals are intended to be sufficiently accurate for astronomical and other scientific purposes. No time, therefore, may be announced as a Naval Observatory time signal if any time lag has been introduced.

"In order to avoid hereafter the necessity for each individual licensee to make application to the Navy Department for the consent to rebroadcast the Naval Observatory time signals, requests therefor may be made direct to the Commission under the provisions of Section 3.94 without being submitted to the Navy Department, provided appropriate representation is made with the request that the above conditions will be complied with in full. Representations of compliance with conditions 2 and 3 shall include such diagrams, descriptions and data as necessary to show that no time lag in excess of 0.04 second has been introduced.

"In addition to the above conditions, requests for such authorizations must be made for the full license term when accompanying an application for renewal of license or for the balance of the unexpired license period when made after the application for license has been granted."

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The Rev. Charles E. Coughlin returned to the air Sunday but made no mention of the cancellation of his broadcast last week.

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WORLD TIME CONVERSION CHART AIDS RECEPTION

General Electric this week was distributing copies of a world time conversion chart in hours which enables short-wave listeners to gauge the time of any other country on the globe in relation to their own time.

"With this chart", General Electric explained, "you can convert standard time in any zone to Greenwich Meridian Time or tell what time it is in other parts of the world."

By means of dark and light shading, the chart also shows where day and night begin and end.

General Electric, according to Mr. E. S. Darlington, In Charge of Short-Wave Broadcasting, is offering the charts in Spanish, Portuguese, French, and English to its far-flung listeners of Stations WGEA and WGEO, of Schenectady, and KGEI, of San Francisco.

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F.D.R. IS CANDIDATE OF LONDON RADIO TIMES

While Americans in this country may be divided over the third term issue, the "Radio Times", of London, journal of the British Broadcasting Corporation, has come out flatly for the re-election of President Roosevelt.

Discussing a series of talks on "Men of the Hour", the journal comments on a talk on Mr. Roosevelt by Sir Frederick Whyte, thus:

"Personally, we find Roosevelt perhaps the most interesting of the whole galaxy. Although he has lived all his life in a country where everything is publicized and all the facts are on the record, people disagree about him more even than about Stalin, the Man of Mystery. Millions swear by him, but the average business man can't speak his name without foaming at the mouth. Any joke against him goes down well in the Pullmans, and most of the papers seem to knock him all the time, yet he is strongly backed for a third term. Nobody's for him but the people' - as his friends say."

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BROADCAST MUSIC, INC., NOW "GOING CONCERN"

Broadcast Music, Inc., was declared a "going concern" by its Board of Directors, meeting last week in the company's new offices at 580 Fifth Avenue, New York City, the National Association of Broadcasters has announced in its weekly bulletin.

The total amount of funds actually received or pledged was \$1,140,357.50. Members of the Board expressed confidence that as other station commitments are received the figure will exceed the \$1,500,000.

Stock certificates and license agreements will be issued in the very near future. It was also announced that the selection of personnel for the staff of BMI will be completed shortly. Meanwhile, Neville Miller will continue to serve as President of the corporation, and Sydney M. Kaye as Vice President and General Counsel.

Members of the Board present at the meeting were: John Elmer, Edward Klauber, Lenox R. Lohr, Samuel R. Rosenbaum, John Shepard, III, and Neville Miller, President, and Sydney Kaye, Vice President and General Counsel. Also present was Everett E. Revercomb, acting Secretary and Treasurer of the corporation.

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CBS MAY WRITE OWN SCRIPT FOR U.S. PROGRAMS

A contemplated policy of the Columbia Broadcasting System to write its own scripts for broadcasts on governmental themes, and to discontinue present Government-prepared programs, may change Uncle Sam's appearance on the air waves, according to the "Federal Diary" in the Washington Post.

"It was learned that C.B.S., beset by pleas of many Federal agencies for network time, believes it can solve the problem only by using programs on subjects pertaining to several departments, that are written by Columbia", the article said.

"The chain has discontinued the Interior Department program "What Price America" after a year's run, although it awarded the program the prize for the most interesting Government series on the air. In its place, a temporary program has been substituted, pending development of the network's own series on governmental subjects.

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"C.B.S. still carries programs of the Office of Education, but if C.B.S. develops its policy to completion, these may be discontinued.

"The contemplated action raises the question whether the Government can find in the future any outlet for programs of its own preparation. Federal radio experts also expressed doubt the network would be able to present adequate broadcasts unless a much larger sum of money is devoted to them than now appears probable."

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### NO SHOT-BY-SHOT BROADCAST OF BATTLE, SAYS BBC

"There is a tendency to imagine that the BBC broadcasts from the battlefield areas will be in the nature of running commentaries while the actual events are taking place", "London Calling", a BBC weekly organ comments. "Many people in Australia, for instance, thought that there would be a kind of ball-by-ball commentary on the war, after the manner of the Test Match commentaries. They seem to have overlooked the fact that such a commentary would be more eagerly listened to by the enemy than by anyone else. The whole course of a battle might be changed disastrously if the enemy were apprised of what was happening at certain critical moments.

"Listeners can take it for granted that the BBC commentators will be subject to the same rules of rigid censorship as are war correspondents. Everything a war correspondent writes must be censored before it is released for publication; similarly everything spoken by a broadcasting commentator must be censored and the only way in which this can be done is for the commentary to be recorded and broadcast later, at a suitable time. Listeners can take it, however, that within those limitations they will be able to hear many thrilling stories from the battlefield."

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The Kansas City Star last Sunday inaugurated a complete new suite of studios, control and office rooms in the Star Building for WDAF, its radio station.

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::: TRADE NOTES :::  
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The U. S. Civil Service Commission this week released application blanks preparatory to holding open competitive examinations for the positions of Radio Inspector at \$2,600 a year and an Assistant Radio Inspector at \$2,000 a year with the Federal Communications Commission.

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Local and spot sales on the 15 stations owned, operated or programmed by the National Broadcasting Company this year broke all previous records for the month of January, according to James V. McConnell, NBC's National Spot and Local Sales Manager. The total revenue for January, 1940, was \$516,400, an increase of 31 percent over the January, 1939, figure of \$392,700.

In making the announcement, Mr. McConnell also predicted a bright outlook for the remainder of 1940, with every indication, he said, that the percentage increase would be maintained throughout the year.

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Charged with misrepresentation in the sale of "V-Bev", a medicinal preparation, Purity Products, Inc., 1060 Broad St., Newark, N.J., The Journal of Living Publishing Corporation, 1819 Broadway, New York, and Victor H. Lindlahr, have been served with a complaint by the Federal Trade Commission. Mr. Lindlahr controls the advertising practices of Purity Products, Inc., with respect to "V-Bev", and is editor of "The Journal of Living", published by the New York corporation and used for advertising the Purity company's preparation. The respondents advertise by radio and in newspapers.

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Edgar Morris, distributor for the Zenith Radio Corporation in Washington, has been named Chairman of the annual Cherry Blossom Festival Committee by the District of Columbia Commissioners.

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DATA SOUGHT ON OVERSEAS TELEGRAPH COMMUNICATION

Carriers engaged in international telegraph communication were this week ordered by the Federal Communications Commission to file with the Commission, not later than April 1 next, certain information concerning such service with Europe, Africa, the Near East, Asia, Oceania, the West Indies, and Central and South America.

In order to secure full knowledge of existing overseas traffic, carriers will be required to count words and messages in each direction on March 6, and report the results to the Commission along with other information concerning present routes and the number and age of circuits in operation, and whether there was interruption to communication between 1934 and 1939.

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"SCOOP" CREDITED TO SHORT-WAVE RADIO RECEPTION

The Chicago Daily Times obtained a news "scoop" by means of direct reception of a short-wave broadcast from Vatican City regarding Nazi atrocities in Poland.

The "scoop" was credited to the Times by Oren Weaver, Midwest News Editor of the Columbia Broadcasting System chain in Chicago. Speaking over Station WBBM, Mr. Weaver said news reports from Vatican City had "confirmed the story by which B. E. Lucas of The Chicago Times had scooped the entire nation when he broke the story (of Nazi atrocities as reported by the Vatican) last week."

"We call that good reporting", Mr. Weaver said over the air. "Here's orchids to Mr. Lucas."

In another article which the Times captioned "But that's only the half of it!", the Chicago paper said:

"The Chicago Times is one American newspaper which does not fall for British propaganda', Nazi radio station DJC in Berlin broadcast. Fred Kaltenbach, formerly of Waterloo, Ia., and now in Berlin, quoted extensively from Mr. Lucas' 'We're Listening' column. According to Mr. Lucas, the Germans failed to mention 'all the buckets of cold water I have poured on Kaltenbach's broadcasting. They used only what helped their case and dared not quote what I said about German propaganda.'"

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## WMCA TO HAVE STRONGEST SIGNAL

A new type three tower directional antenna system which will give WMCA the strongest daylight signal of any independent radio station in the New York area will be constructed at Kearney, N.J., for WMCA's new 5,000 watt transmitter, permission for which was granted by the Federal Communications Commission Thursday. The permit boosts WMCA's daylight power five fold and provides for the removal of its transmitter from Flushing, Long Island, where it has been located for eight years.

Covering an area of 30 acres, the three towers will concentrate the WMCA signal into metropolitan New York. An elaborate groundwork of copper wiring spread fanwise under each tower will intensify the signal, comprising a strength equivalent to 15,000 watts, according to engineers. This ground system, containing more than 30 miles of wire, will act as a deflector in preventing loss of signal into the earth, it was explained.

The new transmitter will be housed in a modernistic structure of white terra cotta. Designed especially for the new system by WMCA engineers in cooperation with RCA, the building will be streamlined and windowless with special glass brick walls. Inside the building, a special air conditioning plant will keep the temperature controlled at all times. Emergency equipment will also be housed in the building in the event of failure of the primary transmitter.

The three towers of the antenna system will be built in parallel formation spaced 385 feet apart and rising 325 feet high. The top of each tower will be equipped with flashing beacon lights to warn approaching aircraft. Using a directional system to concentrate the signal in the metropolitan area the center tower is known as the "radiator" while the west tower is the "reflector" and the east tower serves as a "director" of the signal.

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## GILL OPENS OWN RESEARCH AGENCY

Samuel E. Gill, who last month resigned as Director of Research for Crossley, Inc., has announced the opening of offices at 52 Vanderbilt Avenue, New York City.

Mr. Gill, formerly connected with the National Resources Board and later with the Twentieth Century Fund, will deal principally with analytical phases of research. The service will be offered to advertisers and their agencies on a fee basis. Such field work as is carried on will be done only under the personal supervision of Mr. Gill or a member of his New York staff by professional market research workers who have, through a strict course of field training, become highly competent operators.

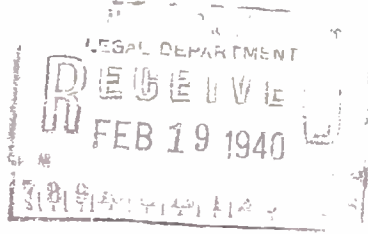
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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## TWO LICENSES REVOKED; "HIDDEN MANAGEMENT" CHARGED

Continuing its "crack-down" policy on the broadcasting industry, the Federal Communications Commission this week revoked two more licenses because of evidence of "hidden management" and irregular financial operations.

The revocations brought to eight the number of license cancellations since January 1st, six of them in Texas, and aroused fears that more are to come as a result of investigations now under way.

The revocation of the license of Station WSAL, Salisbury, Md., was an affirmation of an order issued last October but withheld on an appeal for hearings. The licensee is Frank M. Stearns. Involved in the inquiry also was Glenn D. Gillett, Washington consulting engineer, who was shown to have furnished the money for construction of the Salisbury station.

Final action of the FCC was based upon "false statements" made under oath by the licensee, according to an FCC statement, but the original order was directed at "mortgage control" of the station by Gillett, who was said to own majority interest in WBAK, Wilkes Barre, Pa., and WQDM, St. Albans, Vt.

Evidence of hidden management, operation and control of radio station KGKB, Tyler, Texas, was given by the FCC as reason for the revocation of the license issued to the East Texas State Broadcasting Company. It is effective March 1, 1940.

An investigation conducted by the Commission revealed that actual control has been in the hands of James G. Ulmer and that the East Texas Broadcasting Company has never filed with the Commission an application for transfer or assignment of its license, as required by law, the FCC stated.

Regarding the WSAL revocation, the FCC said in explanation:

"Where, as here, a license is obtained as a direct result of false statements and representations under oath, involving among other things an applicant's financial responsibility, and made to the Commission in the application itself as well as in the evidence submitted at public hearing in support thereof, the Commission has only one course of action and that is to make final its order of revocation upon that ground alone. The Commission is specifically empowered by Section 312(a) to revoke a license 'for false statements either in the application or in the statement of fact which may be required by Section 308 hereof or because

of conditions revealed by such statements of fact as may be required from time to time which would warrant the Commission in refusing to grant a license on an original application.' If the real facts had been known to the Commission with respect to applicant's finances the Commission could not have legally authorized the issuance of a license to an applicant who at best had available to him not to exceed \$340.00.

"Any contention that satisfactory service has been rendered and that the community in question would be without service in the future is not controlling in this case. However important the present service is, the Commission cannot escape the responsibility fixed by statute to ascertain the qualifications of applicants by considering truthful statements and to act accordingly in the granting or refusal of licenses. In requiring that applicants for licenses be found legally, technically, financially and otherwise qualified, Congress recognized that communities will be better served by those who truthfully show themselves to be qualified in all such respects than by persons who are willing to be used as mere figureheads for others who for reasons best known to themselves desire to conceal their interest.

"The applicant for a permit to construct and operate Broadcast Station WSAL made false statements under oath both in the original application and at the hearing thereon. Many of such statements involve matters of fact concerning the applicant's financial qualifications which, if the truth had been revealed, would have shown applicant not financially qualified and would have compelled the Commission to refuse to grant the license upon the original application.

"The revocation order heretofore entered in this matter on the 24th day of October, 1939, should be affirmed."

Meanwhile, it was disclosed in New York that M. H. Aylesworth, former NBC President, has been retained by Stack-Goble, the advertising agency handling the "Pot of Gold" account for Tums, to represent it in the Justice Department investigation of the radio program, cited last week by the FCC.

The agency has indicated it will fight any effort to put the program off the air. The FCC has asked the Justice Department to determine whether program is a violation of the lottery ban in the Communications Act.

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Station WMAL, Washington outlet of the NBC-Blue Network, for the second successive year has won the General Electric Plaque, awarded annually to the station which lost the least amount of time on the air through technical difficulties or personnel errors. Formal presentation of the plaque will be made at a dinner in the near future.

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## CONGRESSIONAL LOBBYING AT FCC HIT BY LAWYERS

Criticism of Congress for exerting political pressure on members of the Federal Communications Commission is contained in a report by the Attorney General's Committee on Administrative Procedure just issued in connection with a broad study of Federal agencies.

The committee of eminent attorneys, headed by Dean Acheson, said that the extent of the influence of members of Congress on individual Commissioners could not be determined, but it commented that it is "unquestionably a practice which should be discontinued".

The report also criticizes some of the practices of its own colleagues, radio attorneys, before the FCC, discusses program censorship in general, and analyzes generally the hearing procedure of the Commission.

"It is a widely and firmly held belief that the FCC has been subjected to constant external pressure, particularly by members of Congress", the Committee said.

"The interest of Congressmen in applications pending before the Commission is evidenced by correspondence, telephone calls, and conferences. Not unusually, according to available information, Congressmen wait upon members of the Commission in their offices in order to present pleas in behalf of or against the granting of a license. Attempts by Congressmen to utilize their official positions as an excuse for special pleading (under the guise of explaining 'peculiarities' of local situations are made with some degree of frequency from the time an application is filed until the Commission has rendered its final order."

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## U.S. ENVOYS TO GET NEWS STRAIGHT VIA SHORT-WAVE

American envoys in at least a dozen European countries will get their international news straight and uncensored henceforth via short-wave broadcasts from the United States.

The State Department announced this week that it had arranged to buy short-wave receiving sets for the Embassies in these countries so that the diplomats and their staffs will not have to rely on the censored news dispatches carried by the press in the nations where they are stationed.

The receivers are powerful enough to tune in United States short-wave stations, which broadcast international news daily to Europe as well as other parts of the world. They also can be used to listen to European broadcasting stations.

The sets are to be installed in the Embassies and Legations of the following countries:

Belgium, Denmark, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, the Netherlands, Rumania, Turkey and Yugoslavia.

Censorship is not stringent in all those countries, it was explained, but since most of them are small, extreme care is taken in the news they print concerning their powerful neighbors.

The State Department, in cooperation with the Navy, already has a far-flung system of sending news to its important diplomatic missions. In a dozen principal cities in Europe, Asia, Africa and South America, the Navy has set up highly selective short-wave receiving sets manned by enlisted radiomen.

Nightly they receive a bulletin sent out by the Navy. It is written by officials of the State Department on the basis of the day's news.

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LAWYER GETS PERMIT FOR FIFTH D.C. STATION

The National Capital will soon have five broadcasting stations. Lawrence J. Heller, an attorney, was this week granted a construction permit to operate on 1310 kilocycles with 250-watt power, and a 50-watt amplifier or "booster" station.

Mr. Heller said he hopes to have the station on the air within six months, and that he plans to finance it himself. The cost, he estimated, will be more than \$50,000.

Location of studio and transmitters for the projected station remain to be decided, with approval of the FCC, Mr. Heller said. The main transmitter will be in downtown Northwest Washington, and the booster station on Wisconsin Avenue near River Road Northwest.

The new station would bring to five the total of Washington's commercial radio stations. In operation now are WMAL and WRC, of the National Broadcasting Company; WJSV of the Columbia Broadcasting System, and WOL of the Mutual Broadcasting System.

Mr. Heller said that his station "will operate on a commercial basis", but will devote considerable time to civic local programs, and to the development of latent local talent. Musical programs by local orchestras, and productions by Washington dramatic groups were listed by Mr. Heller as projects for the new station.

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## FCC CONTINUES STUDY OF TELEVISION PROBLEMS

Confronted with many serious problems involved in encouraging the development of television, the Federal Communications Commission is proceeding slowly while awaiting further reports from the industry.

Chairman James L. Fly indicated this week that the Commission will not promulgate new regulations without considerable discussion and study of their effects on the industry. He said that another inspection of television laboratories and stations in the East may be made by an FCC technical staff before a final decision is reached.

Meanwhile, the Chairman has notified leading radio manufacturers that the FCC will not at this time appoint a special committee representing the industry to study transmission standards in an effort to reach an unanimous recommendation.

The Radio Manufacturers' Association also is restudying its previous proposals, it is understood, and is making new examinations of recent developments. FCC officials have indicated that if the RMA Engineering Committee obtains the united support of the industry in a new report that Chairman Fly will not appoint an independent group.

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## FCC STUDYING BROADCASTS OF RACING NEWS

The Federal Communications Commission was reported this week to be investigating the broadcasting of racing news although it is uncertain what the Commission can do to curb it.

The FCC investigators were said to be interested in finding out whether stations which receive the racing news by wire are distributing it by other means than broadcasting.

The latest move of the Commission is another step in the efforts of certain Pennsylvania officials to use the Federal agency to police the wires and the air to keep such information from being transmitted to the public, it was said. The contention is that the wires used are interstate and that the radio waves are interstate, and as the State is powerless to act, it has sought the aid of the FCC. However, the FCC sometime ago refused aid in stopping the use of the land wires for transmission of such information on the ground that it was not a violation of a Federal statute.

There is said to be decided objection within the FCC to going into racing news problems continually, because there is no prohibition against it. It was pointed out that the information comes from tracks within States where racing is legal.

The Communications Act does not prohibit the broadcasting of racing information, but it was said that consideration is being given to the latest complaint because of allegations that in addition to broadcasting the information, the stations are transmitting it direct to clients using it for illegal purposes.

Just what the FCC can do if its investigation shows this to be true is a matter, it was indicated, which will have to be given to the Legal Department for further study.

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BARTON CITES THREAT TO FREEDOM OF RADIO, PRESS

Charges that some members of the Federal Trade Commission and the Department of Agriculture are threatening the freedom of radio and the press by destroying national advertising were made in Chicago Thursday by Representative Barton (R.), of New York.

Mr. Barton, who is an executive of a New York advertising agency, told the Union League Club the House had inadvertently appropriated \$88,829 to the FTC for an investigation of national advertising practices. The item is in a Supply Bill pending in the Senate, he said.

"There are men in the Federal Trade Commission and the Department of Agriculture, who hate national advertising, who want to destroy national advertising", he said. "They want to destroy it because national advertising supports the free American press, and the free American radio.

"And these New Dealers will not be satisfied until they clamp down their bureaucratic controls over the press and radio. If they can destroy national advertising they know that they will end the independence of the press and radio.

"This is the hidden danger in a seemingly harmless proposal. The press of the country generally has opposed the spend-thrift extravagance of the New Deal. And the inner circle of the New Deal never forgives or forgets."

Mr. Barton said that he did not accuse the Federal Trade Commissioners themselves of being "anti-advertising or anti-business" nor did he consider that the Secretary of Agriculture was "anti-business".

"But I do say", he added, "that the New Dealers have loaded the staff of the Federal Trade Commission with men who are definitely anti-advertising and anti-business. I do say that D. E. Montgomery, who has the title of Consumers Counsel of the AAA in the Department of Agriculture, is anti-advertising, and that he and certain elements in the Federal Trade Commission have jointed together to provoke this attack."

To answer some of the attacks on the appropriation, the FTC has issued the following statement:

"From inquiries to the Commission and articles appearing in certain periodicals, there appears to be misconception concerning the character and scope of the Commission's proposed inquiry into the 'Methods and Costs of Distribution'.

"The purpose of the inquiry is to ascertain and assemble pertinent facts concerning the whole subject of distribution in a number of industries. This will involve examining different methods of distribution and, necessarily, the more important items of costs. Some industries will be included in which expenditures for advertising no doubt, will be unsubstantial; in others the advertising costs may be substantial. There is no purpose or intention of singling out advertising any more than any other item of the cost of distribution and no more emphasis will be placed on advertising costs in this inquiry than was done in such recent inquiries as Agricultural Income, Farm Implements and Motor Vehicles.

"In the numerous general inquiries conducted by the Commission and in the many thousands of cases in which it has made investigations and taken corrective action, the Commission has never made any declaration or taken any position against advertising as such. Furthermore, no such action is contemplated. Its action with respect to this subject has been confined to the elimination of false and misleading advertising under the Federal Trade Commission Act, and of unlawful advertising allowances under the Robinson-Patman Act. Even under the latter act no attempt has been made to prevent the granting of such allowances provided that when offered they were made available on proportionally equal terms to all customers."

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#### PALEY TO BE HONORED FOR BROADCASTING WORK

Election of William S. Paley, President of Columbia Broadcasting System, as an honorary member of the Veteran Wireless Operators' Association, is to be announced at the Association's 15th annual dinner next Wednesday evening, Feb. 21, in the Hotel Astor, New York City. This honor is being bestowed on Mr. Paley "for his contributions to broadcasting", according to William J. McGonigle, radio engineer, who is President of the Association.

At the dinner, Chief Engineers of the three major networks - E. K. Cohan of CBS, J. R. Poppele of Mutual, and O. B. Hanson of NBC - will receive the Marconi Memorial Gold Medal of Achievement for their work in the line of duty.

The 250 guests at the annual dinner also will witness presentation of the Marconi Memorial Service Award, a bronze plaque, to the entire American broadcasting industry for world leadership. The plaque will be accepted by an official of the National Association of Broadcasters.

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World Radio Market released the U. S. Bureau of Foreign and Domestic Commerce reports this week for the Philippine Islands (regulations), Kenya, and Uganda.

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Station WRUL, short-wave outlet operated by the World Wide Broadcasting Corporation, at Boston, has been granted an increase in power from 20 to 50 KW by the Federal Communications Commission.

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A national advertising and promotional campaign for the RCA Victrola console instruments was announced this week by Thomas F. Joyce, Vice President and Advertising Director. The campaign will utilize cooperative newspaper ads with dealers and distributors, large space in ten magazines, and programs on almost fifty radio stations in principal markets. Lord & Thomas handle the account.

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The largest single order for recorded programs in the history of the company, has just been shipped by the NBC Radio-Recording Division to 662 stations in the United States. The recording, entitled "Uncle Sam Calling", is an explanation of various aspects of the 1940 Census. It was produced by the Office of Education, U. S. Department of the Interior, in collaboration with the Bureau of the Census, Department of Commerce.

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Hygrade Sylvania Corp., manufacturers of electrical products at plants in Massachusetts and Pennsylvania, has reported for 1939 net profit of \$856,807, equal to \$3.52 a common share, compared with \$438,690, or \$1.48 a share, in 1938.

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Gate Taylor, formerly Advertising Manager of Broadcasting Magazine, has joined the staff of Variety as Chief of the Radio Advertising section.

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Effective Monday, February 26, Station WSAV, Savannah, Ga., will join the National Broadcasting Company as its 184th affiliate, giving NBC the largest number of affiliated stations in the history of the company, according to William S. Hedges, NBC Vice-President in Charge of the Stations Department. WSAV is licensed to WSAV Inc., and operates full time on 100 watts power on a frequency of 1310 kc.

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## THREE TO FIVE YEAR LICENSE EXTENSION PROPOSED

An extension of broadcasting station licenses from three to five years and many other important amendments to the Communications Act were proposed in a bill introduced in the House last Friday afternoon by Representative J. William Ditter, Republican, of Pennsylvania "in order to preserve and protect liberty of expression in radio communication". The bill was instigated by the National Committee to Uphold Constitutional Government, of which Frank Gannett, New York publisher and Republican presidential candidate is Honorary Chairman. Former Representative Samuel Pettengill, Democrat of Indiana, is Chairman of the group and Dr. Edward A. Rumely, noted publicist of New York, is Secretary.

"This bill", according to Representative Ditter, "consists of a series of amendments designed, so far as possible, to protect broadcasting against any encroachment on liberty of expression, including freedom of speech and of the press guaranteed by the First Amendment to our Constitution and freedom from censorship generally. It is unnecessary that I point out how vitally important it is that the public be afforded this protection. Broadcasting rivals the press as an agency of mass-communication. Freedom of expression is the cornerstone of democracy. Government control of what is printed or said is the antithesis of democracy and is a characteristic of autocracy and totalitarianism.

"Notwithstanding the express intent of Congress, the Commission has found an Achilles' heel in the law. The vulnerable spot is the broad statutory standard of 'public interest, convenience or necessity' which is the criterion applied to the granting or denying of applications. The Commission has construed this formula as giving it power to censor programs by the back-door method. Taking advantage of the procedural provisions in the Act, they have limited licenses to the short period of six months, recently increased to one year (although the law permits a period of three years), and have regulated programs through actions on renewal applications. The theory is that this Commission has power to deny a renewal application and put a station out of existence if the station has been broadcasting programs which do not meet the standard of 'public interest, convenience or necessity', whatever that means, depending on a whim of the majority of the Commission at any particular moment. I say the Commission. Fortunately, there is a minority which still understands fundamental American principle. Obviously, this is a far more dangerous form of censorship than if the Commission would promulgate standards in advance, which it concedes it does not have power to do. The present method is just plain ex post facto censorship and is too powerful a weapon to be entrusted to any such agency.

"Everyone recognizes, of course, that there are legitimate limitations on freedom of speech. These are for Congress to decide, however, and not for a bureaucratic board in Washington. In the Communications Act as it now stands, we have expressly forbidden several kinds of utterances, such as obscene, indecent

or profane language in Sec. 326 and lottery information in Sec. 317. Violation of either of these provisions is subject to heavy criminal penalties by way of fine and imprisonment after appropriate proceedings in the courts. This is the way such matters should be handled. There may be other types of utterances, which ought to be, and can constitutionally, be forbidden. If this be the case, let us learn about them and enact legislation accordingly. But we certainly never intended to delegate to this Commission the power to impose their judgment as to what are good programs and what are bad programs on the American people. The Commission was established primarily to deal with a technical problem in order to prevent interference, assure an orderly and efficient use of the ether, and effect a fair, efficient and equitable distribution of broadcast facilities over the country. From all I can find out, it is to these primary duties they pay the least attention while they fritter away their time on forbidden and, I believe, unconstitutional fields of activity.

"Time after time during recent years, an effort has been made to bring about an investigation of this Commission. For one reason or another, these attempts have failed. Pending the time when a successful attempt is made, I urge that this, the most precious of our liberties, be made absolutely secure. No useful purpose would be served by attempting to recite at length the usurpations of power by this Commission in this field during recent years. Congress has been made thoroughly familiar with them."

The law also, Representative Ditter believes, gives altogether too much power to the President to reach the same result as the Federal Communications Commission. He may put a station out of existence or severely cripple it by simply assigning its frequency to a government station without any statement of reasons or hearing. Also, he may do about anything he chooses with a station, even including taking it over and letting a government department operate it, by simply declaring that there exists a "national emergency or in order to preserve the neutrality of the United States".

In seeking to cure the defects in the existing law, the following are specific provisions of the bill which Congressman Ditter has introduced.

Section 1 inserts a clear statement of the purpose of Congress to secure liberty of expression for radio so there may be no doubt in the matter.

Section 2 places a limitation on the power of the President to assign a frequency used by a privately-owned station, to a government station, by requiring that either an equally desirable frequency be given to the privately-owned station or that there be a hearing.

Section 3 prescribes a minimum license period of three years for broadcasting stations, with a maximum of five years, and eliminates a clause which might otherwise be susceptible of

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an interpretation giving the Commission power to consider program service on renewal applications.

Section 4 removes an ambiguity in the hearing provisions of the Act under which the Commission is now claiming the power to take action adversely affecting existing stations without giving their owners any right to be heard.

Section 5 eliminates an unduly harsh section of the provisions governing revocation of license so as to make it clear that the hearing is to be held before and not after the order of revocation.

Section 6 is the most important provision of this bill. It states in language which I hope is too clear to be misunderstood that the Commission is not to refuse renewal applications or take any other action against licensees on the ground that a station's programs do not meet the Commission's ideas of what constitutes "public interest, convenience or necessity". Mr. Ditter believes Section 6 to be the basic provision of his bill which would amend Section 326 of the Communications Act. "The only leeway left to the Federal Communications Commission is in the case where a licensee has been finally adjudged guilty by a Federal court of one or more violations of specific provisions of the Act (such as the prohibitions against obscenity and lottery information) and then only where the offense is of so serious or repeated a nature as to show clearly that the licensee or applicant is not qualified in character to operate a station. We do not put newspapers out of business because of occasional infractions of laws against lotteries, obscenity, defamation, or any other improper utterances. We punish the persons responsible by fines, imprisonments or damages. Why should any other principle apply to radio station licensees. . . . A bureau in Washington should not have the arbitrary power to try such matters or to appraise their seriousness. This can best be done in the district and the court where the licensee lives. To give the power to a board in Washington means simply that it has an additional weapon with which to persecute those whom it dislikes while not molesting those who have its favor."

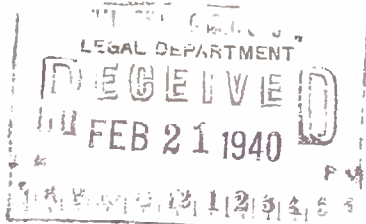
Section 7 limits the power of the President to take over stations to cases of imperative military need during actual war or a state of insurrection equivalent to war.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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February 20, 1940

## FCC STUDIES COMPLAINTS ON INTERFERENCE

The Federal Communications Commission gets many complaints about local interference to broadcast reception and its engineers spend a great deal of time studying remedies although, in most instances, the FCC is powerless to act.

The Commission has no authority to investigate, or require, the elimination of interference caused by diathermy and other electrical apparatus, ignition systems of automobiles, electrical signs and other contributing agents, an FCC statement points out. A number of States and municipalities have enacted ordinances to meet this problem. In connection with interference caused by power systems, some of the power companies maintain investigating departments which cooperate with individuals in an effort to remedy interference conditions. Complainants can generally, and should be ready to, furnish detailed information as to the type of interference experienced, which in all probability will be of value in locating the cause.

Low power radio frequency devices, used for control purposes, are under the jurisdiction of the Commission, although licenses under certain circumstances are not required.

The general problem of interference has been approached by the Commission from the point of view that the public as a whole will be best served through cooperation in the industry. Efforts in this direction have been centralized in a coordinating committee of the American Standards Association, with headquarters in New York, which affords representation to all those interested in the reduction of electrical noise. Among organizations represented are the American Transit Association, ASA Telephone Group, Association of American Railroads, Bureau of Standards, Canadian Department of Marine, Edison Electric Institute, Federal Communications Commission, Institute of Radio Engineers, Institute of Radio Service Men, National Association of Broadcasters, National Electrical Manufacturers' Association, Radio Manufacturers' Association, Radio Manufacturers' Association of Canada, Society of Automotive Engineers, and the Radio Club of America.

The States of Maine and Washington, and the Territory of Hawaii, have had statutes on the interference problem for years, two of them since 1921. Los Angeles passed a controlling ordinance in 1931. Other municipalities having kindred regulations are Crescent City and Santa Ana, Calif.; Bloomington and Franklin, Ind.; Storm Lake, Iowa; Atchison, Kans.; Bunkie, La.; Bay City, Two Harbors, Iron River, and Munroe, Mich.; Minneapolis and St. Paul, Minn.; Lincoln, Nebr.; Boonville, N.Y.; Dumright, Okla.; Marshfield, Roseburg, and Portland, Ore.; Waynesboro, Va.; Spokane,

Wash.; Antigo, Ashland, North Fond du Lac, Oshkosh, Stevens Point, Watertown, and Waupaca, Wis.;

Reallocation of frequency assignments under the North American Regional Broadcast Agreement is expected to eliminate the interference of high-powered stations operating in Cuba and Mexico, which are, of course, outside of the jurisdiction of the Federal Communications Commission.

Interference caused by diathermy equipment presents a problem with which the Commission has been very much concerned of late, particularly because of its supplemental effect on television programs. Among the many complaints received is a resolution adopted by some 30 police departments, pointing out that police transmitters in the emergency service are required to maintain rigid tolerance but that no similar regulations have been placed on diathermy, and requesting the Commission to declare diathermy a nuisance to police radio. In some instances, diathermy interference to radio communication is observed over distances involving thousands of miles.

While legislation clarifying the Commission's jurisdiction in this matter may be the final solution, during study of the problem every effort has been made by the Commission to alleviate the situation through the cooperative efforts of the manufacturers, the medical profession, and the radio industry. The Commission has been in close touch with the Council on Physical Therapy of the American Medical Association in this respect.

Radiation of electrical energy is not essential to the proper functioning of diathermy apparatus and can be eliminated or controlled without impairing the usefulness of the apparatus. There has never been any attempt on the part of the Commission to suppress the use of this important device; however, since the radio and medical services both involve the use of equipment in connection with the safety of life and property, and since the radiation of energy from the electro-medical apparatus can be controlled at small cost by screening the room in which such apparatus is used, it is felt that the interested parties should cooperate to the adoption of standards of good engineering practice which will permit both services to operate without mutual interference.

As for simpler types of interference, the FCC said:

When operating a receiving set in the immediate vicinity of a broadcast station, cross-talk interference will be experienced if the receiver does not have at least two pre-selector tuned circuits between the antenna and the grid of the first detector tube. Further, it must be properly shielded to prevent strong unwanted signals from entering the set except through the antenna.

An average set should be capable of receiving a desired station 50 kilocycles removed, even if operated within a few blocks of a broadcast station. The performance of many receiving sets encountering cross-talk interference may be improved materially

both for selectivity and sensitivity if properly aligned and tubes checked and replaced if found defective. Some receivers which are not capable of separating the desired from the undesired station 20 or more kilocycles removed may be improved materially by employing the simple "wave trap", obtainable at most radio stores.

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### MEXICO MAKES NO RESERVATIONS IN SIGNING TREATY

The Department of State has advised the Federal Communications Commission that no reservations have been made by Mexico in approving the North American Regional Broadcasting Agreement as published in the "Diario Oficial" of February 15. It was expected that Cuba, as the depository government, would be notified at once.

The North American Regional Broadcasting Agreement was signed at Habana, Cuba, at the conclusion of the First Inter-American Radio Conference on December 13, 1937. It was signed by representatives of Canada, Cuba, the Dominican Republic, Haiti, Mexico, and the United States.

The agreement was not to become effective until ratified by Canada, Cuba, Mexico, and the United States. The ratification by Mexico is the last required to make the agreement valid, and permits starting the necessary engineering measures to carry out its provisions.

As previously predicted by the Commission, the assignment of some 730 standard broadcast stations may be affected by reallocation. However, it is not possible to determine definitely any individual assignments until the entire plan is worked out with respect to stations in all the countries which are parties to the agreement. A shift in any one assignment may affect materially the entire plan. Accordingly, all assignments must be worked out in relation to the entire pattern and can be announced only concurrently. The Commission will give due notice to all licensees when the general plan is determined.

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A total of 260 radio stations have signed license agreements totalling subscriptions of \$1,159,467.50 to join Broadcast Music, Inc., the National Association of Broadcasters announces. An additional 115 stations have indicated approval of the plan, it was said, but have not signed agreements.

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## PRESIDENT'S POWERS CURBED IN DITTER BILL

Strict limitation on the powers of the President over radio stations in times of national emergency are provided in the bill introduced last week by Representative Ditter (R.), of Pennsylvania, to amend the Communications Act.

Explaining provisions of the measure, which would extend station licensing periods from three to five years and otherwise liberalize the Act, Representative Ditter pointed out that Section 7 of his bill seeks to limit the power of the President to take over radio stations to instances of military need in actual wartime or insurrection.

This provision is one of several attacks on the emergency powers of the President that have been made by the National Committee to Uphold Constitutional Government, which drafted the Ditter bill. The Committee is headed by Frank Gannett, New York publisher as Honorary Vice Chairman, and Republican presidential candidate. Dr. Edward A. Rumely, of New York City, is Secretary.

"Very broad and, I believe, excessive powers are reposed in the President of the United States, in time both of peace and war, to take actions adversely affecting radio stations and even putting them out of existence", Representative Ditter explained.

"In time of peace he may accomplish this by proceeding under Section 305(a) of the Act to grant a station's frequency to some Government station without cause or hearing. Section 2 of this bill proposes to correct this by requiring either that the privately owned station be given an equally desirable assignment or that there be a hearing.

"Section 606(c) of the present law confers unlimited powers on the President to close stations, to remove their equipment, or to authorize the use or control of stations, by any department of the Government upon a bare proclamation not only that there exists war or a threat of war, but even (a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States.' We have now become familiar with the broad meaning of which the word 'emergency' is susceptible. Even in time of war, it seems to me it should be for Congress and not the President to determine whether we are to sacrifice one of our two principal agencies for mass communication. Nevertheless, yielding somewhat to those whose judgment may be better than mine as to possible sudden military needs, I have confined my proposed amendment to this section to a situation short of war or insurrection which is the equivalent of war. Otherwise, I propose that it be made perfectly clear that the section is not to be used as an excuse for exercising censorship or for closing or taking over broadcast stations. Even in time of war or insurrection, my bill limits the closing down or taking over to imperative military need."

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## EDUCATIONAL USE OF RADIO SURVEYED

The Federal Radio Education Committee, with the cooperation of the U. S. Office of Education, is endeavoring to learn through surveys how community leaders in education and radio cooperatively use radio to raise the level of mass understanding of common problems.

John W. Studebaker, U. S. Commissioner of Education and Chairman of the Federal Radio Education Committee, this week called attention to a study of 63 local radio forum and discussion programs that have been broadcast over 47 stations in 34 communities throughout the United States.

"It is my conviction that one of radio's greatest opportunities for constructive service lies in the field of public affairs education", said Commissioner Studebaker. "We still have many answers to find to the question whether, as a people, we can develop enough intellectual capacity to solve our problems democratically; that is, through the intelligent participation of the rank and file of our citizens. The answer depends in large part on the zeal and ingenuity with which station managers and educational leaders cooperatively attack the problem of mass education in public affairs via radio."

Dr. Paul M. Sheats, Assistant Professor of Education, University of Wisconsin, who conducted the survey, found that most of the forums on the air have been initiated by radio stations, private and public colleges and universities, boards of education, citizens' committees, Y.M.C.A.s, churches, service groups, and newspapers. His report reveals how radio forums are launched, how programs are planned, the development of program technique, audience relations, and listener response.

"Station managers who have thought seriously about their public service responsibility in regard to treatment of current controversial issues are favorable to the forum as a pattern for their programs in this field", says Dr. Sheats. "Few station managers, however, will embark on a series of public forums or public affairs discussions unless they can depend on a large amount of outside assistance and volunteer local leadership willing to accept responsibility for impartial, careful and skillful management of the broadcast. The trend", he points out, "may be toward the employment of full-time educational directors on the regular staffs of radio stations." Station managers and program directors generally prefer to have forums managed by a non-partisan citizens' committee which represents the various political, economic, and social interest groups in the community, the survey indicated.

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The Federal Radio Education Committee report emphasizes that leadership is being offered by national educational, agricultural, church, and service organizations to promote public affairs education, that public interest has been aroused, and that the radio industry has an opportunity to capitalize upon this cooperation and interest by producing significant and effective educational programs.

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### FCC REVISING REPORT ON GREAT LAKES

Faced with the task of digesting a complicated, two-volume report, the Federal Communications Commission has obtained from Congress an extension of time for reporting on what form of radio transmission, voice or code, should be used by distressed vessels operating on inland waterways.

The report, replete with intricate tables, was handed the Commission a few days before it was to have been forwarded to Congress. With the extension of time, the report, Commission officials said, was sent back to the staff for rewriting and briefing.

When it comes back it is expected to furnish the basis for a lengthy discussion on the merits of use of voice radio in times of distress at sea. The report recommended that voice radio be required exclusively on ships of the Great Lakes and that the use of code radio or code be made optional in sending distress calls on ships plying the Chesapeake Bay and other inland waters.

Further controversy may be stirred, before the Committees of Congress, if not before the Commission, when they consider the report over the proposal to provide voice radio exclusively on ships plying the Great Lakes. Labor leaders already have protested against the recommendation because they say voice installations will cut down on employment on ships. Voice sets would be operated by license operators, but not of the same grade and experience as those required to be aboard ships which carry code sets.

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Watson Lee has joined the Columbia Broadcasting System Network sales organization. Mr. Lee was for a number of years Eastern Advertising Manager of Woman's Home Companion and had previously been connected with The Blackman Company and J. Walter Thompson.

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WSAL TO APPEAL REVOCATION OF LICENSE

Continued operation of Station WSAL for at least 20 days despite an order revoking the Salisbury (Md.) station's license has been assured by the Federal Communications Commission.

Attorneys said that during that period, set aside to permit application for a rehearing of the license revocation order, the station could operate as usual.

In event the Commission should refuse to reconsider its order, they said WSAL could appeal to the Circuit Court of Appeals in the District of Columbia. Ordinarily, attorneys said, that Court would order a stay of the Commission's order pending a decision on the appeal.

Two companies are ready to step in with radio service at Salisbury, served for over a year by WSAL. They are the Delmarva Broadcasting Co., and Peninsula Broadcasting Co., both of which filed applications for authority to take over the service while revocation proceedings were pending against WSAL.

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LARGEST RADIO WEATHER SET-UP IS TESTED

Radio operators this week were testing a new weather reporting service which will be the largest unit of its kind in the world. The weather reports will be transmitted from LaGuardia Field, New York, after being gathered by two new stations at Sayville, L.I., and Barnegat, N. J.

When complete the new radio set-up will be the largest weather reporting service of its kind in the world, according to the New York Times, giving four-tape weather data ten hours a day. The completion of the service is contingent on the leasing of additional space.

United Air Lines has announced that it would install a new 5,000-watt radio transmitter in its new hangar at the field, to be completed by March 1. The transmitter will have two-way voice range with airplanes of the line 500 miles away.

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An unusual tribute will be tendered the transmitter engineering staff of Station WOR tomorrow (Wednesday) by the Western Electric Co., builders of the 50,000-watt WOR installation. F. R. Lack, representing Western Electric, will present a trophy to the station's Carteret, N.J., technical personnel in recognition of its record of broadcasting 8221 hours last year without a single program technical failure. The trophy, a handsome plaque, will be accepted by J. R. Poppele, Chief Engineer of WOR.

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## STATIONS TOTAL 817 ON FEBRUARY 1ST

The Federal Communications Commission issued operating licenses to eight stations, granted seven permits for the construction of new stations, and deleted four stations during the month of January, 1940.

There were 769 stations operating and 48 construction permits outstanding on February 1st as compared with 727 and 39 a year ago.

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## BRITISH FEAR U.S. MAY TAKE TELEVISION LEAD

S. Sagall, Managing Director of Scophony, Ltd., has prepared a memorandum containing proposals for the relaying of television programs over the telephone wires, according to The Electrical Review, British publication.

"He thinks that such a system could be operated on an inclusive rental basis at a charge of 5s. per week to subscribers", the article stated. "This country has held the lead in television so far, but the total cessation of the service will, he fears, allow the leadership to pass to the United States, where development is being actively pursued. The memorandum also refers to the possibility of introducing television into cinemas."

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## PARKS SERVICE DEVELOPS TWO-WAY RADIO

Development of a mobile radio antenna by National Park Service engineers which makes possible long distance two-way communication from motorized Park Service field equipment has been reported to the Interior Department.

Heretofore, reliable two-way radio communication from the ordinary Park Service patrol car has been limited to a few miles. By use of a development of the base loaded type antenna, communication between points more than 100 miles apart has been attained, using the frequencies between 2,500 and 3,500 kilocycles. With an older base boaded antenna and the tuned loop, satisfactory short-distance communication has been maintained in the field, but with the newer equipment, approximately sixteen times the efficiency of the old loaded base type has been achieved, and much more than over the turned loop type. The new method is of great importance to the National Park Service in its annual battles with forest fires.

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PHILCO CLAIMS THREE TELEVISION DEVELOPMENTS

Three new achievements in television research, described as "important steps forward in solving television's fundamental problems" were announced in Philadelphia last week by William H. Grimditch, Vice-President in Charge of the Philco Radio & Television Corporation's engineering laboratories.

The announcement was made at a special showing in Philadelphia attended by radio and science news writers from New York, Philadelphia, and Washington.

The three Philco advances as described by Mr. Grimditch are:

1. Better television picture -- Television reception of a 605-line picture instead of the present 441-lines. This gives an increase of 30 percent in picture detail. The new 605-line picture has 24 frames per second in accordance with standard motion picture practice.
2. Plug-In Television -- Television reception based on vertical wave transmission permitting built-in vertical loop antennas.
3. Discrimination against noise -- Use of the built-in loop antenna to reduce diathermy and noise interference, one of television's most vexing problems.

"To the public", Mr. Grimditch said, "these advances will mean a better television receiver at lower cost.

"Although these achievements are important steps forward toward making television as reliable as present-day radio broadcasting", Mr. Grimditch added, "one big problem yet to be solved is a better, simpler, stronger, and more reliable synchronizing system to prevent picture slippage before television becomes practical."

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RADIO MAY GET STOCK EXCHANGE ADVERTISING

Broadcasting stations may soon get a new sponsor to the tune of \$800,000 a year, according to Louis M. Schneider, financial columnist, writing in the current Editor & Publisher. It is the New York Stock Exchange.

"As originally planned," he wrote, "the advertisements were to have been placed in some 400 newspapers and in about 300 towns and cities. Now that the idea has been revived, there is an even chance of its going to the radio chains."

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## STOCKHOLDER SEEKS \$270,000,000 IN RCA SUIT

An action for recovery of more than \$270,000,000 was filed in Federal Court in New York City on Monday against the Radio Corporation of America, Westinghouse Electric & Manufacturing Co., General Electric Co. and 24 officers and Directors of the three concerns, according to the Associated Press.

J. Webster Manning, holder of 1,000 shares of R.C.A. common stock, filed the complaint, a derivative stockholders' suit, basing it on two alleged causes of action.

The first cause charged that from 1919, the year of RCA's organization, until 1936, General Electric and Westinghouse controlled RCA voting stock and, as a result, the policies and the Directors of RCA, Mr. Manning asked for an accounting of 6,500,000 shares of RCA common stock, worth \$40 a share, which, it was alleged, RCA gave to General Electric and Westinghouse in 1932 in return for certain rights to manufacture, sell and distribute radio apparatus controlled by General Electric and Westinghouse.

These agreements, the complaint charged, were illegal because the Government then was investigating the radio industry and the assets and rights turned over to RCA were worthless.

The complaint also charged that ratification by RCA stockholders was obtained by fraudulent means and misleading information.

The second cause of action dealt with the lending to Radio-Keith-Orpheum Corp. of \$11,600,000 for a 10-year, 6 per cent debenture issue in November, 1931. RCA directors at that time, the complaint continued, knew that R-K-O was about to go into bankruptcy. The issue was an unsecured, secondary obligation, subject to a prior issue of \$6,000,000, secured by all of R-K-O's assets, the complaint said.

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## BAN ON RADIOS IN TAXICABS PROPOSED IN N.Y.C.

The banishment of radios from all New York City taxicabs on the ground that fragments of swing music, playlets and news are a general nuisance and of no particular interest to the cab-riding public, will be asked of the Police Department by the Broadway Association when the next licensing period, April 1, 1940, comes around, according to the New York Times.

H. Frederick Bright, Managing Director of the Association said his organization's petition and collection of protests had not been presented yet to Commissioner Valentine, but that it would be as soon as the two largest cab operating companies, Parmelee and Terminal, had completed a survey of the drivers' reactions to the proposal.

2/20/40

Conflicting views were obtained from various cab operators, as well as a note of protest from a spokesman for the taxi-cab division of the Transport Workers Union.

"The Association is absolutely right", said Nathan Levine, President of Bell Transportation Company, which operates 400 radio-equipped cabs. "As a matter of fact, I signed the petition myself. Cabs with radios are a hazard to the public, as they take the driver's mind off the road. It was the worst thing that ever happened to the taxi business. The accident ratio went up immediately after the radios were installed. And the passenger doesn't care about them - they're usually in the cab too short a time to hear a broadcast, and static usually interferes."

A woman president of another company, Mrs. Frances Cohen, head of Mural Transportation Company, which has 103 radio-equipped cabs, took an opposing view.

"Yes, it's a nuisance and a headache to the owners, and we'd save a lot of money by doing away with them, but we find the public likes radios, wants them and demands them, and we'd prefer to keep them", Mrs. Cohen said. "Then it's a source of great comfort to the drivers. It's really the only diversion they have. It's also educating for them to hear the news of the day."

The Union spokesman took the same view, declaring that cab radios were "an aid and comfort to the men, who have long waits between calls - and calls are very few these days."

Mr. Bright listed six reasons for the ban, to be proposed to Mr. Valentine. They are:

"Taxi radios are an accident hazard in that they detract the driver's attention from driving.

"They are of small interest to passengers, who hear through them only a fraction of a radio program.

"They create unnecessary noise and are particularly disturbing at night.

"Their use during major sporting events, etc., while cabs are parked at curbs, causes crowds to gather thereby blocking sidewalk movement and creating opportunities for pickpockets to ply their trade.

"They merely serve to amuse the driver while the cab is not in service.

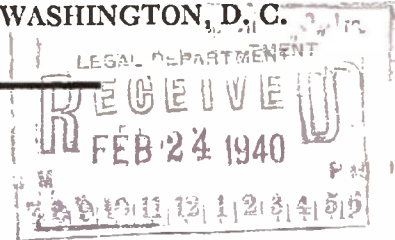
"They upkeep and maintenance is an unnecessary expense on an overburdened industry."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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No. 1211

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## WEST'S ONLY TELEVISION STATION GOING ON MOUNTAIN

Like Mohamet, the Don Lee Broadcasting System, which operates the only television station in the West, will shortly go to a mountain in order to double its range, according to Lewis Allen Weiss, Vice President and General Manager.

Station W6XAO, of Los Angeles, has been on the air since December 31, 1931, and is at present operating on a nine-hour-week schedule, three hours of which is provided by live talent.

The station, which is owned by Thomas S. Lee, will be moved shortly to a 1,700-foot mountain overlooking Hollywood. Officials of the station predict that the range of W6XAO will be increased thereby from 30 to 60 miles and cover the entire population of Southern California.

The Los Angeles station has televised more than 6,000 hours of entertainment in its nine-year history in over 2,500 separate programs. These include 448 newsreels, 64 features, and 69 shorts. One of its most outstanding broadcasts was the televising of the Tournament of Roses parade on January 1st of this year. A "looker" more than 40 miles away was able to read the names of the floats on the screen of her receiver.

W6XAO has televised goldfish, "muggs" of men wanted in New York on criminal offenses, automobile tires, sacks of flour, jewelry, fashions, automobile parts, stamps, photographs, sculpture pieces, college professors, and Reginald Denny.

Name stars who have appeared on television programs recently include Edith Fellows; Clarence Muse; Max Reinhardt and his players who now have a regular Thursday night television schedule; Morton Downey; Bobby Breen; Brewster Twins and Tay Garnett; Sally Rand; Betty Jane Rhodes and Maxine Gray, film and radio starlets; Fritz Leiber; and Fuzzy Knight.

W6XAO operates on 45.25 megacycles for picture and on 49.75 megacycles for the sound. Broadcasts are on 441 lines, consisting of thirty sixty-frame interlaced United States standard television images.

There are several hundred television receivers in Los Angeles County. Many brands are offered for sale in the downtown stores. These include RCA, General Electric, Gilfillan, Dumont, and Stromberg-Carlson. Prices range from \$200 to \$650. Gilfillan, a local concern, recently produced a set for \$395.

2/23/40

Behind locked doors nine years ago, Harry R. Lubcke, Mr. Lee's Director of Television, began experiments that kept the Pacific Coast in the forefront of the television field.

Following are some of the Don Lee Television patents perfected by Mr. Lubcke:

1. Methods of television transmission by electronic means: In particular relates to television scanning devices using vacuum tubes.
2. Television synchronization methods and apparatus. Concerns both transmitter and receiver to transmitter in particular.
3. Television system: Concerns television synchronization and use of special electrical wave-shapes at the receiver.
4. Cathode Ray tube: Concerns structure and operation of cathode ray tube for television reception.
5. Relaxation oscillator: has to do with a new kind of oscillator for television scanning, transmitter or receiver. Utilizes vacuum tubes only.
6. Television equipment. Has to do with synchronization at the transmitter.
7. Television apparatus: Optical arrangements for television transmission. (Lenses, light beams, etc.)
8. Television receiver: Concerns equipment for a television receiver. (Resistors, condensers, coils)
9. Television Receiver: Concerns circuits for a television receiver.

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Lowell Thomas, pioneer radio news commentator, became the first sponsored radio performer to combine television with his regular radio broadcasts, when his evening program, heard over the Blue Network of the National Broadcasting Company, also was seen over NBC's television station, W2XBS, in New York City, last Wednesday.

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## 1939 RADIO EXPORTS SHOWED SLIGHT LOSS

Total exports of American radio in 1939 were \$22,179,871, a slight decrease, of 4 percent, from the 1938 radio exports of \$23,100,060 and despite a sharp upturn in radio shipments during the last half of 1939 with the European war in progress, according to a compilation by the Radio Manufacturers' Association. Radio exports last December were the largest for any month in 1939, topping the virtually continuous increase in exports during the last six months.

The 1939 record of American radio exports showed increases in the number of receiving sets and tubes sold abroad but decreases in their dollar value. The most severe losses in foreign radio trade were in parts, speakers, and other accessories. The 1939 increase in units of receivers exported was 23.5 percent while the dollar value decreased approximately 1 percent. There was a 1 percent increase in the number of tubes exported in 1939 but a decrease of approximately 1 percent in their dollar value. Exports of parts decreased 12.7 percent last year, while the dollar value of speakers decreased 15.5 percent despite an increase in the number of speakers of 10.6 percent, and the value of other radio accessories exported decreased 31.1 percent. There was an increase of 4.5 percent in exports of transmitting apparatus.

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## RADIO LIQUOR AD BILL GETS ANTI-LYNCHING TAIL

The Johnson Bill to prohibit the advertising of alcoholic beverages by radio was blocked for the time being at least this week when Senator Clark (D.), of Missouri, informed the Senate that he intends to offer the highly controversial anti-lynching bill as an amendment when the radio measure is called up.

Senator Clark, who comes from a State famous for its beer, has thus effectively tied up the ban on radio advertising of alcoholic beverages until the anti-lynching bill is disposed of.

The Johnson Bill, reported by the Senate Interstate Commerce Committee, is on the Senate calendar. The chances are now that it will remain there until the end of the session.

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## CONGRESS, PEEVED AT ACHESON REPORT, TO PUSH BILL

Publicity given a preliminary report of the Attorney General's Committee on Administrative Procedure, which among other things criticizes Congressmen for lobbying at the Federal Communications Commission, has so nettled anti-administration members of Congress that they are more determined than ever to enact legislation curbing the powers of Federal agencies, such as the FCC.

Senator King (D.), of Utah, will make another attempt next week, he said, to obtain Senate consideration of the Logan Bill, which Administration leaders have tried to hold up until the Justice Department report is completed. A similar bill is awaiting action in the House.

Representative Ditter (R.), of Pennsylvania, called attention to phases of the report last week in proposing amendments to broaden the Communications Act.

"Administrative justice will not acquire the stature of its judicial counterparts until it is as immune from lobbying as most courts are popularly thought to be", the Committee said.

If the FCC is to avoid the imputation that it is subject to pressure, the Committee declared, "it must pursue a definitely courageous course". It added:

"Unlike a court, the Commission cannot punish for contempt one who diminishes confidence in its objectivity by seeking privately to sway its judgment of a pending matter.

"But, on the other hand, it can, like a court, protect itself by a dignified and unwavering rejection of communications and arguments whose mere reception, even though their contents later be ignored, involves a lowering of prestige."

So long as the popular impression exists that Commission decisions are the result of backstage lobbying, the Committee said, "there will be persistent efforts to subject the Commission or its individual members to political pressures."

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## BROADCAST LICENSE MODIFICATION ORDER CONFIRMED

No radio broadcast station having requested hearing or protested the action in any way, the Federal Communications Commission has made effective, as of March 1, 1940, its order of January 29th last directing that all outstanding broadcast licenses expiring after August 1, 1940, be modified to expire on that date as a preliminary to frequency reallocations under the North American Regional Broadcasting Agreement.

The time for filing objection expired February 15th. Accordingly, modified licenses will be issued as listed in the order of January 29th.

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## UNIVERSITY TC BROADCAST FOR MOUNTAIN FOLK

The University of Kentucky plans to bring mountain people radio programs of cultural and education value by reason of action of the Federal Communications Commission this week in granting a construction permit for a new non-commercial educational broadcast station to operate from Beattyville, Ky., on 41900 kilocycles, 100 watts power, unlimited time.

Program service of value to both schools and adults is contemplated by the University of Kentucky. Operation will be two hours daily -- from noon to 2 o'clock -- Mondays through Fridays, and as emergencies and special events warrant. The period from noon to 1 o'clock will be devoted to adult interests, and the remaining period will be intended for the county schools, but will be patterned to appeal to adults as well. Programs will be of a civic, educational, agricultural, and entertaining nature.

The applicant plans to equip the between 50 and 60 mountain schools in Lee County with receivers. The University will bear the cost of the transmitter and receivers, will retain ownership of the equipment, and will supervise the operation through the Lee County Board of Education. The Board, for its part, will pay operating expenses including the salary of a supervisor who will promote the use of the service by communities and schools adjacent to the area.

In 1933 the University of Kentucky established a system of remote listening centers where people could hear educational radio programs of standard broadcast stations. On the basis of results, the University feels that there is need for establishment of a system by which localized education and information, both for school children and adults, should be provided for in each of the mountain communities.

This makes only three institutions which have taken advantage of the 25 amplitude modulated channels (41020 to 41980 kilocycles) set aside for non-commercial educational broadcast purposes. The others availing themselves of these frequencies are WBOE, operated by the Cleveland, Ohio, Board of Education, and WNYE, by the New York City Board of Education.

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## VESSEL ORDERED SOLD FOR RADIO VIOLATION

The Federal Communications Commission has been notified that the United States Admiralty Court, Norfolk, Va., has ordered the barkentine-rigged vessel MARSALA sold to satisfy a \$5,500 penalty incurred when it cruised 11 days outside of port without radiotelegraph transmitting equipment as required by the Communications Act.

The violation occurred November 16 to 26, 1938. It was made known when the vessel ran into a storm off the Virginia capes and lack of radio facilities imperiled students and crew. On March 27, 1939, the Commission notified the owner, the American Nautical Academy, Nautical Training School for Merchant Marine Officers, Washington, D. C., of the forfeiture. The school, on April 8, filed application for mitigation, but the Commission after full consideration denied the request and advised that the forfeiture was payable immediately. Payment was not forthcoming, so the matter of collection was referred to the Department of Justice.

On September 18 proceedings were instituted by the United States District Attorney for the Eastern District of Virginia, and on February 19 the case was heard by the Admiralty Court.

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HOOPER, PALEY, ENGINEERS ARE HONORED

Rear Admiral Stanford C. Hooper of the United States Navy, for his work in developing the Navy's radio system to a status second to none in the years preceding the World War, was awarded the Veteran Wireless Operators' Association's medal of merit Wednesday night at the Hotel Astor in New York City.

The Marconi memorial medal of valor was awarded posthumously to Pappas Theodorou of the Greek freighter, "Kyllene", who, after the ship had been split in two by an explosion, succeeded, at the loss of his life, in getting assistance that saved the men on both halves of the vessel.

The Chief Engineers of the three major broadcasting networks - O. B. Hanson, of National; J. R. Poppele, of Mutual, and E. K. Cohan, of Columbia - were given the Association's medal of achievement for their work in the line of duty.

William S. Paley, President of the Columbia Broadcasting System, was elected an honorary member of the V.W.O.A., "for his contributions to broadcasting".

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U.S. SENT MOST PROGRAMS TO BBC IN 1939

The exchange of broadcast programs between countries all over the world has grown considerably in the last few years and, as far as the British Broadcasting Corporation is concerned, this international sharing of radio talent set up a new record in 1939.

Despite the outbreak of war, listeners in Britain were able to hear during the year no fewer than 530 relays from abroad, compared with 433 in 1938 and 255 in 1937.

By line, by public radiotelephone service, and by direct reception at the BBC's receiving station, these transmissions brought outside broadcasts and studio performances from Canada and the U. S. A., Australia, India, South Africa, and other places as far apart as Moscow and Honolulu, as well as from the majority of European countries. Five programs were picked up from ships at sea.

Ten cities and towns of Canada provided twenty-two programs. South Africa was tapped for twenty-four transmissions, and Egypt for no fewer than forty-one. There were 146 relays from the United States, eighty-three being picked up by the BBC listening post, and the remainder by the British Post Office radiotelephone service.

France, with ninety-nine programs, provided most of the relays from Europe. Italy and Switzerland each supplied forty.

Although these programs involved great distances and, for line relays, the use of repeater stations, technical successes numbered 92.9 percent of the total, compared with 92.4 percent, the previous year, and 87.7 percent, in 1937.

The majority of the re-transmissions were completely successful. Only 7.1 percent were distorted or otherwise so spoilt as to warrant cancellation.

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TELEVISION RELAY SUCCESSFUL, SAYS DR. BAKER

Successful television relay, with which engineers have struggled for years, was declared an actuality Thursday night by Dr. W. R. G. Baker, General Electric Company's Television and Radio Manager in Schenectady, according to the Associated Press.

This problem generally is blamed with delaying widespread inauguration of television. Theoretically it limited television to the visual horizon.

High in the Helderberg mountains, near Schenectady, a television station has picked up and rebroadcast programs put on the air from atop the Empire State Building in New York City.

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 ::: TRADE NOTES :::  
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Radio sales by Canadian producers in the first three quarters of 1939 again set a new high record, reports the Canadian Pacific Railroad. Production for this period was likewise the highest on record. The nine months of 1939 saw an increase in sales of nearly 50 percent over 1938 and were 33 percent above the previous record established in 1937.

The number of radio receivers sold by producers in the first nine months of 1939 was 232,416, as compared with 156,412 in the same portion of 1938. The previous record was 174,714 sets in the first three quarters of 1937.

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A three day display of television was presented in Altoona, Pa. this week by the William F. Gable Co., department store, through the auspices of KDKA. A battery of four receivers, camera, etc., were installed under the supervision of KDKA's Chief Westinghouse Engineer, Joe Baudino, and five shows daily were presented by Announcer Ed Schaugency, master of ceremonies. Talent was provided by Altoona Station WFBG, which is owned and operated by the Gable concern.

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Federal collections of the 5 percent radio excise tax in January 1940 were \$678,062.77, an increase of 17.7 percent above the January, 1939, radio taxes of \$576,143.59. The January collections largely covered manufacturers' sales in the preceding month of December. Excise taxes on mechanical refrigerators collected last January totaled \$340,958, compared with \$282,380.09 in January, 1939.

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The adjusted monthly index of newspaper advertising in the current Printer's Ink, shows a decline of 12.9 percent for January from December, but an increase of 2.7 percent over January, 1939. The January index of radio advertising registers an increase of 2.4 percent for January over December, and a 19.2 percent rise over January, 1939.

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Station WOR, New York, celebrated its eighteenth birthday while the nation was observing Washington's birthday this week. The first broadcast was made from the roof of L. Bamberger's store in Newark, N. J., with a 500-watt transmitter.

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3, 20, 1935

## GENE BUCK HELD IN BROADCASTERS' DISPUTE

Gene Buck, President of the American Society of Composers, Authors and Publishers, was arrested at a resort hotel Thursday in Phoenix, Arizona, on a Montana warrant charging attempted extortion, according to the Associated Press.

His arrest is the outgrowth of a dispute at Missoula, Mont., over a demand by ASCAP that certain radio stations pay fees for the use of music which the organization claims to own or control.

Mr. Buck, who was released under \$10,000 bond, said after a telephone conversation with his attorneys in Los Angeles, that he would fight extradition.

At Missoula, Governor Roy Ayers of Montana said he would conduct a hearing today (Friday) to determine whether to issue a requisition for extradition.

In addition to the attempted extortion charge, a felony, Mr. Buck also is accused of attempting to obtain money under false pretenses and conspiracy to extort, both misdemeanors, the A.P. stated.

In Missoula, County Attorney Edward T. Dussault said the telegraphic warrant against Mr. Buck was the same as that issued for him and other ASCAP officers which authorities in New York declined to serve.

"The charge against Buck and others in ASCAP is based on a request they sent to Montana radio stations, theatres, particularly in Missoula, and others by registered mail that their licenses to play music owned by ASCAP would be revoked unless specified payments of money were made", Mr. Dussault asserted. "We claim that ASCAP does not own 95 percent of the music they claim they own or control by assignment."

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### SEVEN MORE MANUFACTURERS TO ISSUE "F.M." SETS

With about seven more radio manufacturers preparing to turn out frequency modulation sets in addition to the three already on the market, the volume of national and local advertising on these types of receivers is expected to be fairly substantial by the middle of the Summer. At that time, according to Frequency Modulation Broadcasters, Inc., the present total of twelve experimental stations will be increased to more than 100, the New York Times reports.

Complete sets now on the market include those of General Electric, Stromberg-Carlson and Radio Engineering Laboratories. The sets start at \$69.50 for attachment models to present consoles and kits, of which two are on the market at \$40. Zenith, Stewart-Warner, Pilot and Scott are among the companies which soon will introduce new sets, the Times said.

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## G.E. TO CHANGE N.Y. WORLD'S FAIR EXHIBIT

Construction work on extensive changes in the General Electric Exhibit at the New York World's Fair for 1940 is under way, H. H. Barnes, Jr., Commercial Vice President, has announced.

"The changes in the General Electric Exhibit for 1940", Mr. Barnes said, "are aimed principally to take care of the traffic jams which we encountered in certain parts of our building on busy days last year, and to provide enough new entertainment to enable us to invite some of the 8,000,000 people who visited us last year to come back again.

"Space for viewing our television demonstrations proved to be entirely inadequate for the demand in 1939, and we are doubling the available space and number of television receivers. Another feature which was more popular than we had anticipated was the 'Magic Kitchen'. We are going to build a small theatre which will accommodate a greater number of people more comfortably. The Appliance Division is also working on several other new demonstrations, and this part of our exhibit will be altered completely."

A spectacular addition to General Electric's "man-made lightning" display in Steinmetz Hall is being developed by Dr. K. B. McEachron, Director of the G-E high-voltage laboratory in Pittsfield, Mass.

W. A. Gluesing, Director of the original "House of Magic" show at Chicago's Century of Progress and of the 1939 New York World's Fair Show, is also preparing new features for the 1940 edition of the "House of Magic".

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## FINCH FACSIMILE AIDS BRITISH ADMIRALS

The British Navy is reported to be using a new device that enables Admirals, Captains of ships and strategists ashore to "see" beyond the horizon, according to a London correspondent of the New York Times. This important naval adjunct is radio facsimile, which is revolutionizing reconnaissance preliminary to successful action. The device is said to be the invention of W.G.H. Finch, a former United States naval officer who was born in Britain.

When television was invented the British Navy experimented with it, but Lord Chatfield admitted recently that it was impracticable because of the tons of equipment needed. The new secret weapon of the British Navy, said to be almost as good as television, requires only a twenty-five pound transmitter, which can be carried in an airplane.

The device does not send moving photographs, but is capable of sending maps and sketches of the disposition of enemy ships. Drawings five inches square may be transmitted considerable distances. It is possible, according to reliable information, to transmit pictures and maps with complete secrecy.

The Germans are said to have used radio facsimile in planes and tanks with some success during their invasion of Poland, but the transmitter used by the British is said to be superior. Even if the receiver fell into the hands of the enemy, there would be no danger of their being able to pick up broadcasts of pictorial military information, it is declared.

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### ARTISTS AND BROADCASTERS CLASH AT ALBANY

Representatives of the National Association of Performing Artists and the American Federation of Musicians clashed with Sidney M. Kaye of the National Association of Broadcasters at a hearing before the New York Senate and Assembly Codes Committees Wednesday at Albany over the provisions of the pending Perry bill which would make it a larceny for radio stations to record, use or sell any broadcast without first obtaining written permission from the performers engaging in the program.

The musicians and performers charged that in "numerous cases" radio stations and recording studios were illegally making records of broadcasts and reusing them without knowledge of the performers or without paying them for it.

They contended that they were entitled to such additional pay, and cited cases where nation-wide radio broadcasts had been made into records by recording companies who struck out all mention of the name of the program and then resold the broadcast to "fly-by-night" stations which used the music for other advertising purposes.

Mr. Kaye, on the other hand, held that he approved the principle behind the bill, but asserted that as written it would be impossible for the radio companies to continue to broadcast.

He held that the provision requiring consent of all performers would mean that any radio station broadcasting a football game, a parade or convention would be liable to larceny under the terms of the bill if the written consent of every one present was not obtained.

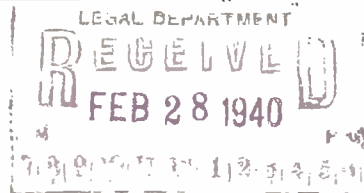
On the advice of Senator Mahoney, who presided at the hearing, both sides agreed to meet and work out a "comoromise bill".

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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No. 1212

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February 27, 1940

## RADIO COMPANIES DISLIKE MERGER PROPOSAL

The proposal of the Federal Communications Commission that all American radiotelegraph and cable companies be consolidated appeared headed for trouble in Congress this week as radio communications concerns indicated their opposition.

Due to the expected early adjournment of the present Congress and the controversial character of the FCC plan, observers doubted that it will be enacted into law at this time.

The FCC submitted the proposal to the Senate Interstate Commerce Committee on Saturday as a supplementary report submitted in connection with a study of the telegraph industry made at the request of a Senate sub-committee.

The recommendation that all cable and radio communications companies engaged in international traffic out of the United States be merged was made by Chairman James L. Fly and three other members of the Commission - Messrs. Payne, Walker and Thompson.

Three other members - Commissioners Craven, Brown and Case - submitted minority views, which while concurring in some of the findings differed with the majority in the solution.

The minority viewpoint holds that a unified international system is neither justifiable nor desirable and strongly supports the opinion of the Navy Department that national defense requires the segregation of cables and radio telegraph.

The general basis for the monopolistic recommendation of the majority is that of protecting the cables from financial destruction through the advancement of radio and the increasing use of the air mail for trans-oceanic communication. Another ground is that a monopoly would be in better position to deal with systems in foreign countries which are owned, controlled or dominated by the countries in which they operate.

"There is very little in the report of the majority to commend itself to the radiotelegraph companies", a radio company representative, who asked to remain anonymous, commented. "The proposed merger of radio and cable companies is designed, the report frankly states, to help the cables and not the radio. The report makes clear that the radiotelegraph companies are in a strong financial condition, that the percentage of the total traffic handled by radio is increasing, and that the radio companies could reduce the rates and still make money. Nevertheless in order to protect the cables, the report apparently proposes that the older form of communication be saddled upon the newer and that radio be forced to carry the cables.

"Much is said in the report about the disadvantage the present radio companies have in dealing with foreign monopolies, since foreign radio monopoly can play the competing American radio companies against each other to their disadvantage. However, this could be corrected by having a single radiotelegraph company, as proposed by the minority, without bringing the cables into the radio company. No valid argument is advanced as to how an American radiotelegraph monopoly would be helped in its bargaining by being saddled with the cables also. In fact the minority of the Commission properly points out that this might hinder rather than help a possible unified American radiotelegraph company.

"The majority report speaks vaguely of the value of the cables as a 'national defense feature' but does not set forth convincingly any real service which could be rendered by the cables which cannot be duplicated more economically by radiotelegraphy. The majority report exaggerates the supposed ease with which radiotelegrams can be 'intercepted'. This is a common argument of the cables and it seems to have been adopted by the majority without careful analysis. No mention is made of multiplex equipment, printer circuits and other modern radio developments which have brought a high degree of secrecy to radio communication. Even so simple a precaution as the use of codes has for many years given adequate secrecy to radio communication as the steady increase in the use of radio for Government and commercial messages bears witness.

"Emphasis is laid on the importance of eliminating alien officers or employees from American communication companies without bringing out that it is the cable companies and not the radio companies that are open to criticism on this score. Radio companies for years past have been forbidden to have any alien officers or directors and no radio operator can secure an operator's license from the FCC without being an American citizen.

"The belief expressed by the minority that if radio and cables were merged, the cables would seek to hold back radio progress is passed off by the majority with the statement that this would not be 'good business' and hence need not be feared. However it is a well-known fact that in Italy the Italian cable company has placed many obstacles in the way of the Italian radio company since they were merged some years ago, and similarly in France, while both Radio France and The French Cable Company are under Government supervision, the Government frequently seems to favor the cable company at the expense of radio.

"While stressing the fact that the law should be changed to allow radio and cable companies to merge, the report does not explain how one corporation was permitted to acquire both radiotelegraph and cable subsidiaries under the present law nor does the report discuss the possibility that this has led to most of the 'bargaining difficulties' which it is now sought to correct by changing the law. For example, the report cites a specific example of a Japanese radio contract more favorable to Japan

than to the United States, without any mention whatever of the fact that the radio company initiating the contract on less favorable terms to the U.S.A. was controlled by a company whose major investments were in wire lines and hence might have been willing for its small radio subsidiary deliberately to make a bad bargain in order to injure a strong radio competitor and thus further the interests of its cable investments."

The majority report says the competitive situation in the international field is complicated by the fact that American carriers are forced to make arrangements with foreign countries for the handling of international communications. These arrangements in the past, it was added, seldom have been to the advantage of the American carriers, due to the fact that the foreign governments conduct their negotiations through a monopoly. In only a few countries, it was pointed out, are American carriers permitted to compete among themselves for traffic on foreign shores.

The Commission said that there is serious doubt whether the cable carriers can continue for long in the face of vigorous competition by the financially secure radio carriers and ever-growing radio telephone and air mail services. Under a unified system, it was asserted, it may be expected that rates will tend to be based more largely on costs in the radio field than telegraph.

From the standpoint of national defense, the more important elements to be considered, the report reads, are the adequacy of a unified system in scope and service, the maintenance of all possible alternative cable and radio routes, the elimination of foreign influence and ownership, the undivided loyalty of employees and managerial interests and a sound financial structure.

In addition to Western Union, major international cable carriers are All American Cables & Radio, Inc.; Commercial Cable Co., the French Telegraph Co., and Commercial Pacific Co. In 1938 these five companies had revenues of \$16,613,263 from international operations, the report said.

Major radiotelegraph companies, in addition to R.C.A. Communications, are Globe Wireless, Ltd.; Mackay Radio and Telegraph Co. (California), Mackay Radio and Telegraph Co. (Delaware), Press Wireless, Inc.; Tropical Radio Telegraph Co., and United States-Liberia Radio Corp. The Commission said their revenues totaled \$23,436,404 in 1938.

The report said that the Western Union Telegraph Co. handles the most business of the cable carriers in the international field and R.C.A. Communications, Inc., handles a slight majority of the business in the radiotelegraph field. Practically all business originating in, terminating in and transiting the United States is handled by 12 cable and radiotelegraph carriers.

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## NAB SETS CONVENTION; APPROVES PLANS

The convention of the National Association of Broadcasters has been scheduled for August 4, 5, 6, 7 in San Francisco. The Board of Directors fixed these dates at its meeting last week after it was determined that the political conventions probably would be out of the way by August 1 at the latest.

Within a few weeks, the NAB will ask all Eastern and Midwestern members whether they would be interested in an all-expense tour from Chicago, that would include a circle trip through the principal scenic areas of the West. If sufficient interest is shown, such a tour will be arranged for members and their families.

Howard Lane, KFBK, Sacramento, will be in charge of arrangements for activities outside the convention.

The progress of Broadcast Music, Inc., and pending legislation were discussed at the Board's two day meeting. Neville Miller's report on Broadcast Music, Inc., was approved. The Legislative Committee, headed by John A. Kennedy, WCHS, met with the Board to discuss the Johnson (D-Colo.) bill to ban radio advertisement of alcoholic beverages; the new Ditter (R-Penna.) radio bill, copyright, and other legislation.

Among important plans approved by the Board were the following:

The development of a unit plan for the measurement of radio advertising and various classifications thereof in local markets. Since the Board abandoned the measurement of radio advertising in terms of dollar volume, the industry has been in need of some uniform measuring method. In the past few months a new unit plan has been under development by the NAB Research Department and the Bureau of Radio Advertising. With the Board's approval, this will be brought to completion and will be presented to the Board for final consideration at its next meeting.

A national survey of children's programs, jointly sponsored by the NAB and the newly formed Radio Council on Children's Programs. Representatives of the Council will visit stations, advertisers, program builders and women's groups in 44 States in the next eight months. Information uncovered will be made available to stations, sponsors and program building agencies.

A coordinated industry-wide effort to inform the listening public of improvements to be expected in the switch-over of stations called for in the reallocations to be made this year in conformity with the Havana Treaty. As soon as definite instructions are received from the Commission, headquarters will proceed with its plans to assist in an orderly switch-over which will prevent listener confusion and loss of audience.

The development of consumer-relations program in co-operation with representative industries and business groups.

The development of an institutional campaign during the presidential election year, around the theme "Listen Before You Vote".

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GRAVEN "IMPRESSED" AFTER LONE TELEVISION TOUR

Commissioner T.A.M. Craven returned to Washington Tuesday "tremendously impressed" with recent developments in television broadcasting after a lone week-end tour of eastern laboratories and stations.

Recent refinements and developments have given new incentive to the new television industry, Commissioner Craven believes, and will hasten Federal Communications Commission action on pending proposals for rules.

The Commissioner inspected RCA Laboratories in Camden, Philco's plant at Philadelphia, and the Dumont Laboratories in New York. He also conferred with officials of the National Broadcasting Company and the Columbia Broadcasting System who are working on the studio technique problems of television broadcasting.

Commander Craven said he saw television broadcasting from both ends, the studio and the experimental receivers in New York homes.

The next stage of television development, Commissioner Craven believes, will be one of construction of more transmitting stations. The FCC, however, is not likely to freeze standards of television transmission at this time, he indicated, although it probably will take action shortly on rules proposed by his committee.

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"WJSV WEEK" TO MARK INCREASE IN POWER

By a proclamation of the District Commissioners, the week of March 4-9 will be called "WJSV Week" in celebration of the radio stations' boost from 10,000 watts to 50,000 watts.

Highlight will be Thursday, March 7, when the station's manager, A. D. Willard, Jr., will throw a switch at the National Press Club and put the new \$300,000 transmitter at Wheaton, Md. in operation.

The Earle Theater is presenting a "CBS Radio Show" March 1-7 in celebration of the event with well-known Columbia entertainers performing. The Washington Post will carry a rotogravure section devoted to the history of the station in next Sunday's edition.

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## "F.M." BROADCASTING COMPARED WITH "BLINKERS"

Frequency modulation broadcasting, which is the subject of a hearing by the Federal Communications Commission on March 18th, is similar to the blinker light system used on vessels at sea for signalling purposes, according to Dr. Orestes H. Caldwell, editor of Radio Today.

Speaking over Station WGY, Schenectady, this week, he said, in part:

"Frequency modulation differs basically from ordinary broadcasting or 'amplitude modulation'. In present broadcasting by amplitude modulation the radio carrier wave is being continually turned on and off by the voice, its amplitude is modulated from instant to instant. On the contrary, in frequency modulation the outpouring of radio carrier waves continues uniform, but their frequency is changed or modulated by the voice. If, therefore, the listener's AM radio receiver is set to a fixed frequency, the carrier-wave volume as received by an FM set, will appear to swing up and down, as the carrier wave swings into and out of tune with the set.

"An analogy can be found in signalling by light. In the blinker-light system used on ships, the lights are turned on and off to produce the visible signals. This corresponds to present amplitude-modulation broadcasting. On the other hand, an analogy to frequency-modulation broadcasting would be a light source glowing continuously, but changing in color from moment to moment - that is changing in frequency. If such a light source was viewed by an observer through, say, red glasses, he would see the light only at the moment it glowed red. Hence he would see pulses or signals of light. Although this analogy is only partial it outlines in a simplified form perhaps best understood by the layman, the way that the FM radio set gets its signals."

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PRIVATE RADIO SERVICE HELD NOT IN PUBLIC INTEREST

The Federal Communications Commission is receiving an increasing number of requests for authorizations permitting the use of radio for communications between offices and automobiles. While such service would be a private convenience, it has not been shown to be in the public interest to grant such restricted facilities, according to an FCC statement.

There have been many requests for such service on behalf of business concerns and individuals, but in no case within the continental United States has a station of this class been authorized except for emergency radio communications involving the safety of life and property, in which cases the facilities are required to be available to general public for emergency communication.

The limitations on the number of frequencies available for assignment to important and necessary services in which public welfare is directly concerned has prevented the allocation of frequencies to a service purely private in character, it was said. Applications for all types of radio communication services must meet the statutory requirements of "public interest, convenience or necessity".

In 1934 the Commission denied the application of a private enterprise in New York City for a radio communication system to communicate with taxicabs. Similar action was taken with respect to an application for a doctors' calling service.

More recently the Commission warned both a street railway company and a light and power system about using special emergency facilities for dispatching purposes. In doing so it pointed out that special emergency stations may be used only during an emergency "jeopardizing life, property, public safety, or for essential public service, or when such an emergency is imminent, for communications relating thereto and for other essential communications".

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#### PALEY PROPOSES TO SELL 100,000 SHARES OF CBS STOCK

A proposal by William S. Paley, President of the Columbia Broadcasting System, to sell 100,000 shares of stock in the network was disclosed this week with the filing of a registration statement with the Securities and Exchange Commission. After the proposed sale, Mr. Paley will remain the largest individual stockholder of the company, with 348,636 shares, or just more than 20 percent of the outstanding shares. At present he owns 448,636 shares, or 26 percent of the stock. The purpose of the sale, Mr. Paley announced, is to enable him to diversify part of his large personal holdings in this one company.

The registration statement says that at a recent meeting of the Board of Directors, Mr. Paley entered into a new contract to continue as president of the company for a new five-year term commencing on January 1, 1941. He has headed the organization since a year after its formation in 1927.

A total of 20,000 Class A and 80,000 Class B shares, of which 950,799 and 758,924 respectively are outstanding, is in the offering, which will be made by a banking group consisting of Harriman Ripley & Co., Lehman Brothers, Glore, Forgan & Co., and W. E. Hutton & Co. It is expected that the offering price will be at the market.

Net income of the company in 1939 was \$5,001,529, or \$2.93 a share, against \$3,541,741, or \$2.07 a share, in 1938, it was announced.

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## MUSICIANS RUSH TO AID BUCK AFTER ARREST

Gene Buck, President of the American Society of Composers, Authors, and Publishers, apparently is winning considerable public support in his latest row with the broadcasters while awaiting an extradition hearing at Phoenix, Ariz., on March 5th.

His bond was reduced from \$10,000 to \$750 and the music faculty of the University of Arizona rushed to his defense following his arrest on a telegraphic warrant from Montana charging him with attempting to collect money under false pretenses in connection with the ASCAP's policy of collecting fees for the broadcasting of music copyrighted by its members.

Meanwhile, several prominent Arizonians offered their aid in any fight Mr. Buck wishes to make against extradition. Oscar Colcaire of the University of Arizona Music Faculty telegraphed:

"We have telegraphed the Governor of Arizona protesting against your extradition and asking for an opportunity to appear in your behalf. You have our wholehearted support in your fight for the American composer."

County Attorney Edward T. Dussault of Missoula, Montana, said charges against Mr. Buck and other ASCAP officials are based on their request by registered mail that radio stations, theaters and others pay certain sums to ASCAP or face revocation of licenses to play music owned by ASCAP.

"It's a case of the law being used for selfish interests", Mr. Buck responded. "Montana has not paid an author or composer in the United States for three years. It is unwilling to pay for music, the raw material which keeps the radio microphones operating."

The warrant served on Mr. Buck in Arizona is the same as one which New York City authorities recently refused to take action on.

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The Capital Broadcasting Co., of Washington, D.C., has amended its original application for a new radio broadcasting station by asking for a frequency of 1,420 kilocycles. This company, which is headed by Stanley Horner, several weeks ago filed an application for the new station on a frequency of 1310 kilocycles. However, the Federal Communications Commission has since granted an application of Lawrence J. Heller for a station on the 1310 kilocycle frequency, which automatically eliminated the Capital Broadcasting Company's request.

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2/27/40

::: TRADE NOTES :::  
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National and local spot sales on WEAJ and WJZ for January and February, 1940, ran 68 percent ahead of the same period in 1939, Maurice M. Boyd, Sales Manager of the division, has announced. At the same time, Mr. Boyd revealed that during 1939 national and local spot business increased 28 percent over the previous year.

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Mrs. Hannah J. Walker, mother of Commissioner Paul A. Walker of the Federal Communications Commission, died last week as a result of burns, according to an Associated Press dispatch from Washington, Pa. She received the injuries last Wednesday when her clothing caught fire. She was 81 years old. Commissioner Walker left last Thursday for the West Coast, where he had been assigned to conduct a series of hearings involving controversies over telephone rates in that section.

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Offering the most complete weather information in the metropolitan area, WOR launched last week a new series of early morning programs, 7 to 7:03 A.M., EST, Mondays through Saturdays, from the headquarters of the U. S. Weather Bureau in downtown New York. With Dr. James H. Kimball, or one of his assistants, at the microphone, the new weather service for WOR listeners will cover in detail predictions for New York, New Jersey, Pennsylvania, Connecticut and adjacent regions.

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The Columbia Broadcasting System has intensified its agricultural news coverage through the formation of a unique "farm news network", covering the entire country, according to Leon Levine, CBS Assistant Director of Education. The newly-formed network functions as a press association for radio farm news, with agricultural reporters planted in each of the nation's key farming centers. Their news-gathering will broaden the coverage and scope of the Columbia Country Journal, heard each Saturday over CBS at 12:00-12:30 P.M. The series originates at Station KMOX and features Charley Stookey, CBS Director of Agricultural Activities and director of the new network.

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Expanding its radio program, the New York City Board of Education will conduct the record number of 178 classroom broadcasts this term, according to Miss Regina C. M. Burke, Associate Superintendent of Schools in charge of radio. Started experimentally a year ago, the school broadcast is now an important part of the classroom work. However, Miss Burke declared that no definite decision had been made as to its future. A committee of educators is now studying the question, and until all factors have been carefully analyzed the Board will make no long-range decision.

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PETITIONS BACK PROPOSED BAN ON RADIOS IN TAXICABS

Backing the Broadway Association's campaign to eliminate taxicab radios, a petition signed by forty-two taxi companies, operating 5,197 cabs in New York, was delivered to the Police Department Saturday by H. Frederick Bright, Managing Director of the Association. In addition, Mr. Bright presented a number of letters from organizations and private citizens concurring in the Association's stand that taxicab radios are a nuisance, an accident hazard and create unnecessary noise.

Radios were installed in cabs by permission of the Police Commissioner in October, 1933, at which time it was the opinion that radios would be a convenience to patrons and stimulate business.

Some operators are about to bring out new model cabs to replace the present equipment and they do not favor installation of radios, except as a driver appeal.

Police Commissioner Valentine has instructed Fourth Deputy Commissioner O'Leary to confer with representatives of the operators, cab drivers and the public, according to the Broadway Association. The question will be decided before April 1, 1940, at which time the hack license period expires.

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MBS SHAREHOLDERS RATIFY NETWORK EXPANSION PLANS

Members and shareholders of the Mutual Broadcasting System, meeting at the Drake Hotel last week ratified members' contracts, and accepted shareholders' agreements and discussed plans for the further development of the network by the Board of Directors and the newly formed operating board.

Attending the meetings, which were presided over by W. E. Macfarlane, President of Mutual, were: W. E. Macfarlane, E. M. Antrim and Edward W. Wood, Jr., of WGN, Chicago; Theodore C. Streibert of WOR, Newark; Lewis Allen Weiss, Don Lee Broadcasting System; John Shepard, III, Colonial Group; H. K. Carpenter of the United Broadcasting Company of Cleveland and Columbus, Ohio; J. E. Campeau of CKLW, Windsor-Detroit; Hulbert Taft, Jr., of WKRC, Cincinnati, and Fred Weber, General Manager of Mutual.

Edward W. Wood, Jr., Sales Manager of WGN Chicago, was appointed Sales Manager for the Mutual network, a post previously unfilled, and will take over Mutual sales within a short time. Mr. Wood will make his headquarters in New York. He has been a member of WGN's sales staff for eight years. He sold local time in Chicago for a year before opening a sales office for the station in New York, which post he held for two years. Five years ago he was named Sales Manager of WGN.

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## GRISWOLD, V.P. OF I. T. &amp; T., DIES

Col. A. H. Griswold, Vice President and Director of the International Telephone and Telegraph Corporation, died last Saturday at the New York Hospital at the age of 60 after a brief illness.

Colonel Griswold had been a leader in the communications industry. He was Director of Telephone and Telegraph Services of the A.E.F. in the World War, and was cited by General John J. Pershing for "exceptionally meritorious" service. He was a former Executive Vice President of the Postal Telegraph and Cable Corporation, and had played an important part in forming the American Telephone and Telegraph Company's radio policies during the early Nineteen Twenties.

Colonel Griswold had been in charge of the I. T. & T. telephone and radio operating subsidiaries providing telephone service in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Puerto Rico, Rumania and Shanghai, and was director of many other associated companies.

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## TELEPHONE TOTAL REACHES 20,800,000

An all-time peak of about 20,800,000 telephones were in operation at the end of 1939, the Commerce Department reported today. In an analysis of the communications industry, which will appear in the annual review edition of the Survey of Current Business, a Department of Commerce publication, March 1, it is reported that the last year saw an increase of about 846,500 telephone stations over those in operation in 1938.

Operating revenues of 90 major communication carriers for the first ten months of 1939 amounted to \$1,012,700,000, as compared with \$962,000,000 for a similar period in 1938. Net operating revenues for ten months of 1939 showed a 12 percent increase over the \$301,000,000 figure set in the first ten months of 1938.

In the telegraph industry, improvement in general economic conditions during the last year brought about a marked reduction in the net deficit which has been characteristic of the industry in recent years. Operating revenues of the three telegraph carriers reporting to the Federal Communications Commission were \$96,690,000 in the first ten months of 1939, an increase of 4 percent over the first ten months of 1938.

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