

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**

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No. 694

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February 2, 1934.

## HARBORD MENTIONED AMONG PRESIDENTIAL CANDIDATES

Although the next Presidential campaign is a long way off, numerous names of possible Republican candidates have been mentioned following the Kansas speech of Ogden Mills, among them being that of Gen. James G. Harbord, Chairman of the Radio Corporation of America. One school of thought was that if Mr. Mills were himself a candidate that he had tipped his hand too early, that he might thus become a common target and as a result a dark horse might walk away with the nomination. Other observers seemed to believe that it was a wise thing for Mills to speak out in plenty of time in order to serve notice on others not to run against him.

However that may be, the Mills' speech caused attention to be focused on possible Republican candidates and among those spoken of were Representative Wadsworth, of New York, Representative Bert Snell, of New York, Senator McNary, of Oregon, former Senator Walter E. Edge, former Secretary Patrick J. Hurley, and General Harbord.

The mention of the General is, of course, of special interest to the radio industry where no doubt he would receive strong support. It will be recalled that General Harbord has previously been considered for the Presidency and at the last Republican convention was formally nominated for Vice-President, receiving 161 votes on the first ballot, but gave way to Vice-President Curtis in order to make the renomination of the latter unanimous.

General Harbord was born in 1866, and at the time of the next Presidential election will be 70 years old. Although at the moment a resident of New York, he is a native son of Illinois. He enlisted in the Army as a private, was Chief of Staff to General Pershing in France, and commanded the Marine Brigade at Chateau Thierry.

General Harbord has always been an outspoken Republican, was President of the National Republican Club in New York, and campaigned vigorously for Mayor Fiorella H. La Guardia of New York. The last named effort, coupled with the rapide rise of LaGuardia, and already the mantion of his name as a possibility for the Republican Vice-Presidential candidate has brought forth the suggestion of a ticket headed by Harbord and LaGuardia.

If General Harbord could be considered as from his native heath of Illinois instead of New York, the combination would be satisfactory from a geographical standpoint. General Harbord is conservative, and is regular politically. LaGuardia is a Progressive and without any distinct political affiliations. Such a ticket as this would be calculated to carry the soldier vote as Major LaGuardia likewise is a veteran of the World War.

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## DECLARES ADMINISTRATION USES RADIO FOR PROPAGANDA

Representative McFadden, of Pennsylvania, Republican, accusing the Administration of using the radio for its own purposes, called attention of the House to the fact that a resolution he introduced in the last Congress to investigate radio broadcasting is still alive.

"No attention will be paid to it unless it has Presidential approval. Will the Administration get Presidential approval of this?" the Pennsylvania Representative asked. "No member of this House who reads his mail can say that there is no public demand for a radio investigation. You all know there is, and you all know that the radio situation should be dealt with by Congress and that without delay."

Representative McFadden declared that censorship, propaganda and censorship are practiced by the Administration in the name of emergency.

"Particularly is this true of radio", Representative McFadden declared. "Sometime ago the Columbia Broadcasting Co. announced its intention to furnish to its listeners a daily news service. The company employed several Washington newspapermen and established a news bureau which has paid particular attention to proceedings in both Houses of Congress. It has been their custom to broadcast this news at a certain hour each evening. Last Saturday evening (Jan. 27), Mr. Farley, who in his one person combines the functions of the Warwick and the Sancho Panza of this administration, appeared at a political rally in Boston, Mass. He desired that his remarks on that occasion be put upon the air. The Columbia Broadcasting Co. canceled its news service for the evening, gave its local news-gathering employees a holiday, and gave the news period to Mr. Farley for his remarks. Either they valued their news service too little or the words of Mr. Farley too much. A news service that has to make way for propaganda is not an independent news service, nor can its professed 'news' be given any serious consideration."

Mr. McFadden referred to Herbert L. Pettey, Secretary of the Radio Commission being assigned by Postmaster General Farley to secure free time for the Democratic National Committee and to "revise and censor" speeches of the Committeemen. Also to the allegation of Alderman Richard L. Saunders of Rochester, N. Y. that he had been ruled off the air for criticism of Farley.

"The newspaper is bound by what it says and makes no effort to avoid that responsibility", Mr. McFadden went on.

"Radio, on the other hand, is limited to the spoken word, heard but once and nowhere upon record. Many times I have sought to obtain from radio stations transcripts of statements that have been made to their listeners through their facilities. Sometimes I have been successful in securing such transcripts.

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More often I have not been so successful - and the latter instances often occurred in cases where the reported accounts of what had been said implied a legal responsibility on the part of the radio station.

"Radio is a sort of mechanical back-fence gossip, utilizing the poisoned word, the slighting accent, the sarcastic tone and all those shades of meaning which are so much more available in appealing to the ear than in appealing to the eye. Added to its greater versatility of expression, it has the additional advantage of being able to avoid responsibility for what it says. It now seeks to have itself accepted on a par with newspapers as a medium for the dissemination of public information.

"Withal it takes its news responsibilities so lightly that it is willing to discard them to win the pleasure of anyone who holds a position of political power."

Representative McFadden is the Republican who attempted to have President Hoover impeached and as a result was punished by the House Republicans by depriving him of his Committee assignments and refusing to recognize him on the floor.

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#### GOVERNMENT MISSES IT A MILE ON RADIO TAX ESTIMATE

If the Treasury is as far off in its other income tax calculations as it was in the matter of radio, the Administration is liable to come out at the little end of the horn. The Treasury estimated that at least \$11,000,000 annually would be received from the 5% radio tax but the total radio and phonograph taxes collected in 1933 were but \$2,596,612.

Paul B. Klugh and Bond Geddes of the Radio Manufacturers' Association, however, protested against any increase in the radio tax which in the new tax bill reported to the House remains the same.

This tax indicated that radio sales had increased 45½ percent in December, and one-third in 1933. Collections for December were \$570,629 as against \$392,204 for the similar month of 1932. Excise tax collections on mechanical refrigerators last December totaled \$127,186, against \$103,344 in December, 1932.

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## COMMISSION PASSES THE BUCK RE HARD LIQUOR ADVERTISING

As predicted here two weeks ago, the Federal Radio Commission has failed to take a definite stand with regard to the advertising of hard liquor. Their advice to stations who are carrying or expect to carry this class of advertising is in effect "Let your conscience be your guide."

The Commission has issued the following statement:

"The Federal Radio Commission calls renewed attention to broadcasters and advertisers to that Section of the Radio Act of 1927 which provides that stations are licensed only when their operation will serve public interest, convenience and necessity, and asks the intelligent cooperation of both groups in so far as liquor advertising is concerned.

"Although the 18th Amendment to the Constitution of the United States has been repealed by the 21st and so far as the Federal Government is concerned there is no liquor prohibition, it is well known that millions of listeners throughout the United States do not use intoxicating liquors and many children of both users and non-users are part of the listening public. The Commission asks the broadcasters and advertisers to bear this in mind.

"The Commission will designate for hearing the renewal applications of all stations unmindful of the foregoing and they will be required to make a showing that their continued operation will serve public interest, convenience and necessity."

Having thus expressed themselves, the Commission will evidently wait for complaints from listeners, if any, and then act upon the complaints when the license of the station in question comes up for consideration.

The liquor question has been before the Commission ever since the repeal of the 18th Amendment, and in the meantime they have refused to advise stations as to whether or not they would be permitted to broadcast hard liquor advertising. Evidently the decision of Station WOR, in Newark, to carry a distillery advertisement spurred the Commission into action. This program the Commission was told would be prefaced by the following announcement:

"Those listening in from dry States may now tune out this station, for the next program is not intended to offer alcoholic beverages for sale or delivery in any State or community wherein the advertising, sale or use thereof is unlawful."

It is believed whatever action, if any, is taken against WOR by the Commission will depend upon whether or not there are sufficient complaints from listeners to justify such a course.

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## COMMENDS PLAIN LANGUAGE OF PRESIDENT'S BROADCASTS

In approaching the individual with the spiritual message, the Church might learn a lesson from President Roosevelt's talks over the radio, Joseph H. Appel, of John Wanamaker's, New York, writes in his new book, "Man Proposes" (Fleming H. Revell Company, New York).

"The President talks in plain, simple language to each individual listening in, and thus leads the masses to concerted action", Mr. Appel continues. "Each individual feels that he is receiving a personal message of helpfulness.

"And what is President Roosevelt's theme? It is expressed in one word: happiness. He is trying to make the people happy through a new social and economic order."

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## RADIO SHIP OPERATORS TAKE EXCEPTION TO COOKS' HIGHER PAY

Union radio operators demanded as high as \$200 a month at the hearing of the revised Shipping Code. A stipulation of \$75 a month had been provided for in the Code. At a previous Code hearing the radio operators pointed to the fact that a ship's cook was allowed \$100 a month and that certainly a radio operator's services on a ship were worth more than that of a cook.

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## NBC WASHINGTON EXECUTIVE LOSES MOTHER AND FATHER

Within a little over a month, Kenneth H. Berkeley, NBC Manager in Washington of Stations WRC and WMAL, has had the misfortune to lose both his mother and father. The latter, Charles H. Berkeley, died in Washington of a heart attack December 23rd. His widow, Mrs. Aimee Louise Berkeley, passed away January 31st.

Mrs. Berkeley, who was a native of the District of Columbia, was 55 years old and had lived in Washington all her life. Surviving, in addition to Kenneth H. Berkeley, is another son, Byron H. Berkeley, of St. Louis. Mrs. Berkeley was buried beside her husband in Congressional Cemetery, February 2nd in Washington.

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## BROADCASTERS' CODE MEETING POSTPONED

A meeting of the Broadcasting Industry Code Authority which was to have been held in New York, January 31st, has been postponed until Wednesday and Thursday, February 7 and 8.

This will have to do with the status of radio performers and to determine whether they should be included in the wage and labor provisions of the Code. The meeting will mark the first official appearance of Eddie Dowling, comedian, recently appointed as a governmental member of the Code Authority. Frank Gillmore, President of the Actors' Equity Association, will attend

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## PRESIDENTIAL BIRTHDAY SUMMONS DON'T SAVE DOHERTY

That even a President's birthday can't stop the process servers was demonstrated as Henry L. Doherty was served with papers in three suits by a Deputy Marshal just before he stepped to a microphone to introduce President Roosevelt to his nationwide radio audience.

Doherty, National Chairman of the President's birthday party celebration, was named defendant in suits filed last July in District Supreme Court. A Deputy Marshal, who had been unable to secure service earlier, served the papers on Doherty in the Shoreham Hotel, Washington, shortly before he descended to the ball room for the celebration.

The suits, aggregating about \$18,000 were filed in behalf of the local manager and employees of Doherty's Cities Service Securities Company.

Also Doherty encountered legal difficulties in New York. After his attorneys had argued for another adjournment of trial on the ground that their client was suffering from arthritis in Florida, counsel for the plaintiff presented an affidavit purporting to show that Mr. Doherty had broadcast an appeal in behalf of President Roosevelt's birthday observance over a New York radio station the Sunday before the birthday.

The action was brought by Kenyon B. Conger, of Irvington-on-Hudson for \$138,750 alleged to be due him for services in connection with the management of Mr. Doherty's Manhattan real estate. Mr. Conger said he was listening to a broadcast over Station WABC when he heard Mr. Doherty. He telephoned the radio station and complimented the officials on the clear reproduction of the Chairman's voice, whereupon the officials informed him that he had been listening to Mr. Doherty broadcasting from New York.

In his plea in behalf of the adjournment, Watson B. Robinson, attorney for Mr. Doherty, stated in affidavits that his client had suffered seriously from arthritis and that "it would be a detriment to the public" if Mr. Doherty had to abandon his work in Florida in connection with the President's birthday party to go to New York to testify.

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## ROOSEVELT CONTEMPLATES BROADCASTING SURVEY

Although the scope has not as yet been determined, it has been learned that President Roosevelt has now called upon Secretary Roper for a study of the broadcasting situation along the lines of the Communications survey just completed by the Interdepartmental Committee. It is assumed that additional broadcasting legislation will be based upon the survey. There is hardly any probability, however, that such legislation will be formulated during this session of Congress.

At the most, it is not believed the present Congress will do more than to create a Communications Commission. If the session is to last only a month or so longer, as predicted by Speaker Rainey, it might not even do that.

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## TELEPHONE, TELEGRAPH AND RADIO OFFICE ALL IN ONE -- MAYBE

One of the possibilities of Communication Commission regulation will be the combining of the telephone and telegraph service to a much greater extent than it is now used, whereby telephone exchanges in all small towns will become in effect telegraph pick-up and delivery offices for both the radio and the wire and cable systems, Senator Dill told the American Section of the International Committee on Radio.

"If we are to have mergers in the communication services, they should be mergers that will maintain competition", Senator Dill continued. "The merger of the international radio services as against a merger of cables is far less objectionable than the merger proposed by the majority of the Communications Committee. If it be said, as some do say, that this would result in junking the cables, my reply is that the proposal for a complete merger becomes simply a plan to salvage the cables at public expense. Any merger of domestic wire telegraph service now must necessarily be separated from the cables, else the international radio communications service will be without a pick-up and delivery service for its messages throughout the country. All of these complications only emphasize the need of first creating a Communications Commission and having it study these merger problems, before legislating on the subject."

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: BUSINESS LETTER NOTES :

Mrs. Anne Morrow Lindbergh has been awarded the Hubbard gold medal by the National Geographic Society for her brilliant accomplishments as radio operator, aerial navigator and co-pilot. It is the first time the medal has been awarded to a woman.

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Although television transmission is "ready to come out", receiving apparatus still is too expensive for mass distribution, Charles A. Wall of the National Broadcasting Company Treasurer's office said in New York.

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Weather Bureau officials in Washington have announced that they hope to abandon the use of 13,000 miles of leased wires and use radio instead for carrying weather reports.

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The NRA hearing on the Electrical Manufacturing Code, which includes radio, is now scheduled to be held in Washington Thursday, February 8. Fair trade practices and labor provisions will be discussed.

The public hearing of the Radio Wholesalers' Code has as yet not been set.

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A bill levying a five percent State tax in Kentucky on radio sales under \$100 and two per cent above, last week caused Bond Geddes, of the Radio Manufacturers' Association to get out the old tomahawk. Also the proposal of Massachusetts to license all sets used in automobiles.

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A confidential note to editors by George Durno, of the McClure Newspaper Syndicate says: "The Food & Drug Administration is willing to recede from the food quality standard clause in the new Copeland or Tugwell Bill unless there is a definite movement in favor of it. This represents their only voluntary trading point. Otherwise every effort will be made to enact the measure as it stands. Those who have worked hardest to draft it understand the President is standing squarely behind the bill and at the proper time will give it his official blessing."

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Col. Thad H. Brown, of the Federal Radio Commission, and Dr. C. B. Jolliffe, Chief Engineer of the Commission, will be the guests of Station WCAE, Pittsburgh, at the dedication of the new transmitting equipment and will be heard briefly over the WEA network at 11 p.m. EST Saturday, Feb. 10.



## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(Feb. 2, 1934)

WRAM, Wilmington Radio Association, Inc., Wilmington, N. C., C.P. to move station from Wilmington to Durham, N. C., make changes in equipment and change frequency from 1370 to 1500 kc.; KLCN, Charles Leo Lintzenich, Blytheville, Ark., license covering local move of station, installation of new equipment and changing power from 50 to 100 watts, 1290 kc., daytime; WPFB, Otis Perry Eure, Hattiesburg, Miss., modification of license to reduce hours of operation from unlimited to specified.

Also, State of Ohio, Dept. of Highways, Division of State Highway Patrol: Portable in Ohio, special experimental C.P., frequency 1682 kc., 50 watts; near Columbus, Ohio, C.P. for State Police service, 1682 kc., 500 watts; Inhabitants of the City of Plainfield, N. J., C.P., general experimental, frequencies 30100, 33100, 37100, 40100, 86000-400000, 401000 kc. and above, 25 watts; Same - Portable and Mobile on Police cars, 5 C.P.s same as above, except power 4.5 watts; City of Durham - Police Dept., Durham, N. C., C.P., general experimental 30100, 33100, 37100, 40100 kc., 15 watts; WPGO, Town of Huntington, Huntington, N. Y., C.P. for police service, frequency 2414 kc., 25 watts; KGPZ, City of Wichita, Kans., C.P. to move police station to building adjoining present location; Superior Pine Products Co., Fargo, Ga., C.P. special emergency service; 2726 kc., 50 watts; KGN, Coos Bay Wireless Telegraph Co., North Bend, Oregon, C.P. to install new equipment, increase power from 250 to 500 watts, and move locally; Henry B. Dupont, Wilmington, Del., C.P. 278 kc., 15 watts.

Also, Mackay Radio & Telegraph Co., Palo Alto, Cal.: KWC, C.P. for additional transmitter, additional frequency 13015; increase in power from 5 to 50 KW, and add Tokyo, Japan, as a point of communication; KWJ, Same, except frequency 7737.5; KRB, Federal-State Marketing Service, Salinas, Cal., C.P. to move station locally; WPGL, City of Binghamton, N. Y., license for police service, 2442 kc., 150 watts; WPGN, City of South Bend, Ind., same except frequency 2470 kc., 100 watts; WPGH, City of Albany, N. Y., same, except frequency 2414 kc., 100 watts; KGHG, City of Las Vegas, Nev., same, except frequency 2470 kc., 50 watts; W9XAC, City of Paducah, Ky., license, frequency 33100 kc., 15 watts for general experimental service; KIIG, Department of Water & Power City of Los Angeles, Cal., Silver Lake Camp, license, frequency 3190 kc., 30 watts, special emergency service; W8XS, Westinghouse Electric & Manufacturing Co., near Saxonburg, Pa., modification of C.P. extending completion date to April 18, 1934; W9XX, City of Wichita, Kans., Depat. of Police, and W9XY, Same, Portable & Mobile, modification of C.P. extending commencement date to March 15, 1934 and completion date to July 1, 1934; WMEI, Board of Levee Commissioners of New Orleans Levee Dist., New Orleans, La., modification of C.P. extending commencement date from 6/16/33 to 12/4/33 and extending completion date from 12/16/33 to 2/16/34.

Also, Aeronautical Radio, Inc.: KQX, Kern Co. Airport, Bakersfield, Cal., C.P. to move locally within Kern Co. Airport; New, Great Falls, Mont., C.P., frequencies 2906, 3072.5, 3088, 5672.5, 5692.5 kc., 50 watts power; New, Glendive Airport, Glendive, Mont., C.P. frequencies (a) 2854, 3005 kc., unlimited, 5377.5 kc. day only; (b) 2640, 2644 kc., 50 watts; WAEH, Milwaukee, Wis., C.P. for replacement of equipment; also granted aviation aero. license, frequencies 2854, 3005, unlimited, 5377.5 kc. day only, 50 watts power, and granted Aviation pt. to pt. license, frequencies 2640, 2644 kc., power, 50 watts; WAED, Harrisburg, Pa., license, frequencies 2906, 3072.5, 3088, 4967.5, 4987.5, 5672.5, and 5692.5 kc., 400 watts; KGSZ, Seattle, Wash., license, frequencies 2854, 3005 kc., unlimited, 5377.5 kc. day only, 400 watts; Libby Communications, Inc.; KGOT, Molokai, T. H., KHY, Mauna Loa, Hawaii, KGOS, Oahu, T. H., renewal of licenses in accordance with existing licenses; KIP, American Radio News Corp., near Redwood, Calif., modification of C.P. extending commencement date from 12/1/33 to 3/1/34 and extending completion date from 3/1/34 to 9/1/34; Laura Ingalls, NC-974-Y, aviation license, frequency 3105 kc., unlimited, 3082.5, 5692.5, 8220 kc., 10 watts; W3XAZ, The Atlantic Refining Co., "SS Van Dyke, No. 4", renewal of license in accordance with existing license.

#### Action On Examiners' Reports

WCAO, Monumental Radio Co., Baltimore, Md.,/modification of license authorizing increase in power from 200 watts to 500 watts on frequency 600 kc., sustaining Examiner Ralph L. Walker in part; WICC, Bridgeport Broadcasting Station, Inc., Bridgeport, Conn., modification of license authorizing increase in power from 250 watts night, 500 watts LS, to 500 watts, on frequency 800 kc., reversing Examiner Walker; WCAC, Conn. Agr. College, Storrs, Conn., modification of license granted authorizing increase in power from 250 watts to 500 watts, on 600 kc., and substituting the name Conn. State College, instead of Conn. Agriculture College, sustaining Examiner Walker in part; WOKO, WOKO, Inc., Albany, N. Y., granted modification of license to change frequency from 1440 to 1430 kc., and change assignment of hours from daytime and part time night sharing with WHEC, to unlimited time, reversing Examiner R. L. Walker; WHEC, WHEC, Inc., Rochester, N. Y., granted modification of license to change frequency from 1440 to 1430 kc., and change hours of operation from daytime and part time night sharing with WOKO, to unlimited, reversing Examiner Walker.

Also, WCAH, Commercial Radio Service Co., Columbus, Ohio, granted modification of license to increase the daytime power of station from 500 watts to 1 KW and change hours of operation from daytime and part time night, sharing with WHP, to unlimited time, on present frequency - 1430 kc., reversing Examiner Walker; WHP, WHP, Inc., Harrisburg, Pa., granted modification of license to change hours of operation from specified hours day, sharing with WCAH at night, to unlimited time on present frequency - 1430 kc., sustaining Examiner Walker in part; WFEA, New Hampshire Broadcasting Co., Manchester, N. H., denied license to operate on 1430 kc., with 500 watts power, unlimited time, reversing Examiner Walker.

Also, Charles W. Phelan, Tr. as Casco Bay Broadcasting Co., Portland, Me., denied application for C.P. for new station to operate on 1340 kc. with 500 watts power, sustaining former Examiner Ellis A. Yost; Portland Maine Publishing Co., Portland, Maine, denied application for C.P. for a new station to operate on 1340 kc., 500 watts power, sustaining Examiner Yost; WQDM, A. J. St. Antoine & E. J. Regan, St. Albans, Vt., dismissed application for C.P. to increase power from 100 watts to 1 KW, and change frequency from 1370 to 1340 kc., sustaining Examiner Yost; WFEA, New Hampshire Broadcasting Co., Manchester, N. H., granted modification of C.P. to change frequency from 1430 to 1340 kc. on an experimental basis "subject to the condition that the applicant shall not permit the signal intensity without attenuation of Station WFEA radiated in the direction of station WSPD, to be greater than 62.5 millivolts per meter at a distance of 1 mile from transmitter of "WFEA", Examiner Yost reversed; WRDO, WRDO, Inc., Augusta, Maine, denied C.P. to move Station WRDO from Augusta to Portland, Maine, sustaining Examiner Yost.

#### Miscellaneous

The Commission today reconsidered its decision rendered January 16, 1934, in the case of Peoria Broadcasting Co., Station WMBD (Ex. Rep. 493), and Illinois Broadcasting Corp., Station WTAD; by the terms of this decision the Peoria Broadcasting Co. was granted full-time, and the Illinois Broadcasting Corp.'s station was ordered deleted, to take effect 20 days from date of decision.

The action of the Commission today in reconsidering this case, remanded it to the Examiner to take additional testimony and make recommendations based upon any additional testimony that may be presented.

KIEM, Harold H. Hanseth, Eureka, Cal., application for modification of license to increase hours of operation from daytime to unlimited 1210 kc., 100 watts (facilities of KFWI) which was denied as in cases of default on December 8, 1933, was restored to the hearing docket; Northern Broadcasting Co., Inc., Laconia, N. H., application for new station to operate on 1310 kc., 100 watts, daytime only (facilities of former WKAV), taken from hearing docket and granted; George Webb, Newport, R. I., application for new station re-designated for hearing, to be heard on bill of particulars dated December 5, 1933.

#### Action On Cases Heard By Commission En Banc

WEEA, Aeronautical Radio, Inc., Atlanta, Ga., and KGPTG, Eastern Air Transport, Inc., Atlanta, Ga., record in these cases closed and applicants afforded opportunity to file necessary applications to comply with modified rules and regulations which permit the transmission of public correspondence between ground stations at airports and airplanes in flight, subject to proper requirements and restrictions.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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**CONFIDENTIAL—Not for Publication**

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February 6, 1934.

## RADIO-PRESS PLAN STARTS MARCH 1

News furnished and selected by newspapers and press associations may be broadcast by radio twice a day in five-minute morning and evening periods, under a cooperative plan adopted by press and radio representatives and announced in New York Jan. 31. The new plan is to go into effect March 1.

Under the plan both Columbia Broadcasting System and National Broadcasting Company will withdraw from the news-gathering field, and radio commentators on current events will confine their remarks to background material and will no longer broadcast spot news.

The stipulated agreement that the Columbia and National companies would get out of the news-gathering business, which was in the original proposal, is not mentioned in the new plan, although coincident with the announcement this week it was stated that both broadcasters "have announced that in accordance with their previously expressed intention they have decided to withdraw from the news-gathering field."

The other change is in connection with broadcasting of news by newspaper-owned stations. The original plan carried this stipulation:

"The newspapers and the broadcasters will cooperate to limit the broadcasting of news by newspaper-owned stations and independently owned stations on a basis comparable to the schedule set up above for radio chains."

In the new plan this situation is covered in these words:

"A part of this program is to secure the broadcasting of news by newspaper-owned stations and independently-owned stations on a basis comparable to the foregoing schedule. The press associations will inform their clients or members concerning the broadcasting of news from press association reports as set forth in the foregoing schedule."

James W. Barrett, former City Editor of the New York American, has been designated as the head of the Bureau through which the press associations will clear the news items for broadcasting purposes.

Commenting upon what it calls the new deal in radio news, the Editor and Publisher says:

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"The ten-point agreement to end unfair radio news competition will go into force on March 1. The agreement has now been confirmed, with some minor, legalistic alterations.

"This is a new deal. We believe it will work. The radio broadcasting chains agree to suspend their independent news collection services, though for legal reasons mention of this is dropped from the agreement. A committee headed by Edwin S. Friendly business manager of the New York Sun, will set up a newspaper-controlled bureau to receive press association reports and cooperate with radio.

"This, to Editor & Publisher, seems to offer a real control, from which valuable benefits will accrue to radio, press and public policy. We do not regret our years of crusading for control of news on the air and we salute the committee that has brought about a working agreement which is remarkable for give-and-take liberality."

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#### JOINT MEETING U.R.S.I. AND I.R.E. IN APRIL

A joint meeting of the American Section of the International Scientific Radio Union and the Institute of Radio Engineers is to be held April 27th at the National Academy of Sciences in Washington, D. C. It is expected that this meeting will become an important annual event.

The session will last but one day during which time there will be presentations of papers on the more fundamental aspects of radio problems.

The Washington arrangements committee is composed of J. H. Dellinger, of the Bureau of Standards; F. P. Guthrie, of the Radio Corporation of America; R. B. Owens, Naval Research Laboratory, and Dr. L. P. Wheeler, consulting engineer.

The President of the American Section of the U.R.S.I. (whose initials are backwards but stand for International Scientific Radio Union) is Prof. A. E. Kennelly, of Boston. Dr. C. M. Jansky, of Washington, is head of the I.R.A.

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## STATIONS TO RECEIVE THEIR BLUE EAGLES

The Code Authority for the Radio Broadcasting Industry will begin shortly the distribution of "Code Blue Eagles" for stations complying with the Broadcasters' Code.

The Code Blue Eagle was finally hatched last week and regulations governing its use have been approved by General Johnson. Distribution will be made by Code Authorities and each industry under permanent codes will have its own insignia.

"Each insignia, in addition to identifying the Code under which it is issued, will bear the registration number of the firm, corporation or individual entitled to display it". General Johnson explained. "They will be distributed by Code Authorities to subscribers, under regulations to be made public in a few days."

The letters "NRA" in blue appear between the outstretched wings of the new Code Eagle and under its talons the words "Code - Trade or Industry Registration Number), 1934". In smaller type are also the words "Property of the United States - not for sale", and the patent design number. Counterfeiting or mutilation of the Blue Eagle is illegal.

The old Blue Eagle will designate only those who are still operating under the President's Reemployment Agreement in the future.

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## ROCKEFELLER DENIES LURING TENANTS INTO RADIO CITY

A general denial has been entered by John D. Rockefeller in the \$10,000,000 suit alleging that tenants had been lured into Radio City buildings by improper methods. The defendants are alleged to have conspired to control the large territory in which the Rockefeller buildings are situated and to be competing unfairly with other buildings. It is alleged that they coerced tenants in other buildings by paying them to ignore existing leases, and that they assumed the leases of these tenants. The defendants are alleged to be taking these tenants at less than proper rates.

The defendants are alleged to have induced Congress to pass an act authorizing Rockefeller Center to operate bonded warehouses in the area between Fifth and Sixth Avenues and Forty-eighth and Fifty-first Streets for a display of foreign goods until they are sold or returned to the place of export, and that this act was passed as the result of representations that it would aid in the importation of articles solely for the purpose of exhibition.

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2/6/34

## BROADCASTING SURVEY MAY DETERMINE FATE OF RADIO COMMISSION

There seems to be an impression in Washington, although it will probably not be set forth officially, that the real object of the survey which Secretary of Commerce Roper will make for President Roosevelt is to determine whether broadcasting is so distinct a business that it should continue separately under the Federal Radio Commission, or whether it should be lumped in with the new Communications Commission and the Federal Radio Commission done away with entirely. It is believed the broadcasting survey will endorse the American system of broadcasting and then proceed to consider the proper way of handling it.

The personnel of the Committee which will make the survey has not yet been decided upon but Secretary Roper is expected to throw more light on the entire subject at an early date. There is expected to be an entirely different line-up than on the Communications Committee.

In the meantime, Senator Dill is going ahead with the writing of his Communications Bill. While the President has carefully refrained from any stipulations with regard to the bill, a great deal of pressure has been exerted upon the Administration to have such a measure enacted.

If Congress should close down at an early date, as suggested by Speaker Rainey, which Washington observers seem to doubt, it is believed a simple bill may be passed setting up a Communications Commission with the rest of the details to be worked out later.

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## CAPT. HOOPER TRANSFERRED TO NAVY WAR PLANS DIVISION

In the course of the regular naval transfers, which require the rotation of all Navy officers so that they may become familiar with the different duties, Capt. S. C. Hooper, Director of Naval Communications, has been transferred to the Navy War Plans division. Captain Hooper, who is a pioneer in the radio field, will be succeeded by Capt. James Otto Richardson, recently designated to be a Rear Admiral, and now stationed at the War College. Captain Richardson is 56 years old and formerly commanded the U.S.S. Augusta. His last shore duty was as detail officer at the Bureau of Navigation.

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2/6/34

## DUTCH RADIO EXPORTS HOLD UP

Exports of radio sets and radio equipment from the Netherlands in 1933 were maintained at practically the same level as the preceding year, according to advices from Commercial Attache Jesse F. Van Wickel, The Hague.

Total shipments during the past calendar year had a value of 38,715,000 florins as compared with 38,436,000 florins in 1932, and 48,559,000 florins in 1931.

Exports of metal filament incandescent lamps in 1933 amounted to 8,515,000 florins compared with 7,476,000 florins in 1932, and 13,302,000 florins in 1931. A florin was about 40 cents at the last quotation.

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## RADIO-POLICE UNITY ASKED FOR POLICE

A proposal for a nation-wide short-wave radio broadcasting system linking an air police patrol with police cars to prevent crime and apprehend criminals will be laid before the Department of Justice in Washington by United States Marshal John J. Murphy, of Boston.

His plan would create a service combining national State and municipal police and investigation units.

Citing the bank hold-up and murder at Needham, Mass., recently, as an example of the crime with which his plan would cope, Marshal Murphy said:

"Once at the scene of the hold-up, the plane would cruise in ever-widening circles, covering all roads a thousand times faster than a police land car, and, once the air observers had spotted the suspicious car, the rest would be easy.

"Radio messages from the plane to police on the ground would keep them informed of the fugitive car's exact whereabouts and, with all police stations linked with the national system, the work of bottling up the fleeing bandits could be quickly accomplished."

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## MILWAUKEE NEWSPAPER TO TRY OUT FACSIMILE BROADCASTS

The Milwaukee Journal's experimental facsimile broadcasts which start Feb. 21 are quite separate from WTMJ, the regular Milwaukee Journal station. The facsimile transmitter is designated W9XAG.

The Journal points out that the listener requires a receiving set capable of picking up signals of 1,652 kilocycles and, in place of the usual loudspeaker, a radio pen to travel across a tape of paper. These facsimile receivers are not available as yet on the open market and the Journal doubts if they will be very soon. John V. L. Hogan, New York City engineer, invented the type of facsimile used by the Journal.

In answer to the possibility of sponsorship, the Milwaukee Journal through Walter J. Damm, broadcast leader, explains that doubt exists that facsimile is capable of presenting a highly perfected regular program schedule. The broadcasts will primarily interest the scientifically-minded for the time being and, while programs of interest to such persons are contemplated, the Journal has no present expectations of achieving anything but knowledge and experience in a new development.

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## EGYPT TO TRY MASS EDUCATION BY RADIO

Mass education by means of radio is to be attempted by the Egyptian Government. This project, it is pointed out, has been under consideration for some time by the Ministry of Education and the Ministry of Communications.

The large illiterate population of farmers scattered in villages throughout the country lends itself admirably to oral instruction, the importance of which in matters of agriculture and hygiene is considerable.

According to present plans, a four-year program is to be instituted to cost between \$400,000 and \$500,000, at the end of which 2,000 villages in Egypt of over 2,000 inhabitants will be equipped for receptions from the Government Broadcasting stations.

It is expected, the report states, that Government broadcasting in connection with the new project will begin sometime in February but the date may be postponed until the necessary funds are obtainable. Approximately 500 radio sets will be purchased each year during the life of the plan. Local representatives for American manufacturers, it is pointed out, are making plans to obtain a share of this business.

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: BUSINESS LETTER NOTES :  
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Powel Crowley has gone to the rescue of Cincinnati's losing National League baseball team, which is badly in need of funds. Mr. Crosley will head a syndicate which will finance the venture next season.

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Walter Dealey, founder of Station WFAA, 50,000 watt power, at Dallas, Tex., died last week of heart failure. He was only 43 years old.

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A feature of Columbia's new broadcasting theatre, which was opened in New York last week, is the glass enclosed control room in one of the boxes, so that spectators may view the broadcasting as enacted on the stage.

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Although WLS in Chicago was said to desire to break away from NBC at the conclusion of this year's contract, figuring it could make more money on its own, according to a New York dispatch the station over-looked a 60-day cancellation notice clause at the end of this year's contract and thus will have to go along with NBC for another 12 months.

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A daily radio talk on all stations, in which New York City will inform housewives what foods will be abundant and at low price, is planned by Mayor LaGuardia. With the elimination of racketeering from the city's markets, he said, he believed the cost of food could be reduced from 5 to 10 per cent even before the establishment of his system of strategically located terminal markets.

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BELIEVES WITHOUT WHITE HOUSE HELP FOOD BILL WILL FAIL

The following is the latest comment on the proposed new Food, Drug and Cosmetics Bill by George Durno, of the McClure Newspaper Syndicate:

"A powerful lobby is tearing the measure to ribbons bit by bit. Unless the White House takes a hand a feeble bill will be reported out of committee and probably will never reach a final vote.

"The first few bites that the pain-and-pain lobby took were anticipated by the Food and Drug Administration, which seems to be standing alone in the fight for the bill. All legislation is a matter of compromise. But those bites have only served to increase the lobby's appetite.

"In the original Tugwell bill it was provided that drugs and foodstuffs must have an itemization of their contents printed on the label. As re-written by Senator Copeland - who will steer the bill if it ever gets out of committee - the provision affecting drugs was eliminated. This was done on the complaint that patented formulas would be revealed to chiseling competitors.

"The latest bulletin from the battlefield indicates that foodstuffs also are going to be exempted. Here again a lobbyist is responsible - this time representing a concern that puts up a concoction of cocoa, dried milk and sugar which is supposed to induce sleep."

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#### GROUP BROADCASTERS, INC., TO BEGIN THIS WEEK

Spot broadcasting's first combine, organized for the purpose of putting the independent station operator in a position to compete directly with NBC and Columbia, makes its bow this week, according to Variety. "Included in the project to date are some 20 stations located in the largest cities that make up the basic territory east of Chicago and St. Louis. Incorporators of the proposition are calling it Group Broadcasters, Inc., and meet this week in New York to elect officers and a Board of Directors", the theatrical magazine goes on.

"Creator of the group selling idea as applied to major outlets spread out over the basic territory is Scott Howe Bowen, one of the pioneers in the station representative field. As head man and stockholder in Group Broadcasters, Inc., Bowen will cease to represent or place business upon any local stations which are in competition with the members of the G. B. enterprise.

"Though for the start advertisers will have some 20 stations available to pick from under the G. B. plan, they will be permitted to limit their group buys to 10 stations.

"Included among the outlets that have allied themselves with Group Broadcasters are WOR, Newark, which will take care of Greater New York area; the Yankee network, which takes in New England; WLW and WSAI, Cincinnati; WGR, and WKBW, Buffalo; KMBC, Kansas City; WHK, Cleveland; KWK, St. Louis, and CKLW, Detroit."

Scott Howe Bowen is claiming to broadcasters that in the past six years the Bowen organization has placed around \$10,000,000 in advertising with radio stations.

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## DIRECT CURRENT AMPLIFIER FOR RADIOMETERS

Since the invention of the electron tube, some 18 years ago, numerous arrangements of electric circuits have been described for amplifying small electric currents; for example, from thermopiles and photoelectric cells. But few of these proposals have survived, and none have come into general use for making precise radiometric measurements. This is owing to the instability of the electronic circuit used and to the lack of provision for electrically standardizing the amplifier - a necessary procedure since there are no reliable sources of ultraviolet for standardizing the combined radiometer and amplifier.

Recently, considerable time has been devoted by the U. S. Standards Bureau's radiometry section to assembling various combinations of screen-grid electron tubes and resistances to give the desired amplification, and testing their reproducibility from day to day. The materials employed (microammeter, screen-grid amplifier tubes, resistances, dry batteries, and photoelectric cells) are readily obtainable in commerce. The assembly is compact in form and easily transported - weight about 27 pounds.

During the past month the performance of the device has been studied intensively both in the field and in the laboratory.

It was found that, after a preliminary operation for 5 to 10 minutes to attain temperature equilibrium in the amplifier tubes, there is no fluctuation in the zero scale reading of the microammeter either (a) when testing the amplification sensitivity of the instrument, or (b) when making measurements of ultraviolet intensities of the sun and of artificial sources.

The indicator response scale reading was found to be linear within the accuracy of the microammeter used. Owing to the selective wave-length response of the photoelectric cell, this device like all selective radiometers, must be calibrated in absolute value by means of the standard balanced thermopile (differential actinometer) and filter radiometer.

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## WHEN LIFE IS SIMPLE

A hotel owner in Mechanicsville, Vt. has furnished a new reason for not advertising over the radio.

He explained to his wife, Variety testifies, that "radio advertising will bring people to the hotel, and if people come it will mean more work for both of us."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(Feb. 6, 1934)

WTAG, Worcester Telegraph Publishing Co., Worcester, Mass., C.P. to move transmitter locally in Worcester; WJBO, Baton Rouge Broadcasting Co., Inc., Baton Rouge, La., modification of C.P. to move transmitter locally in Baton Rouge, and to extend commencement date from 2/2/34 to 30 days after the granting of this application and extend completion date from 5/31/34 to 120 days after granting of this application; WENC, Americus Broadcast Corp., Albany, Ga., modification of C.P. for approval of transmitter site and extension of commencement date from 1/5/34 to 30 days after granting of this application (March 6) and extension of completion date from 4/5/34 to 60 days after granting of this application (May 6, 1934); WICC, The Bridgeport Broadcasting Station, Inc., Bridgeport, Conn., modification of license for direct measurement of antenna input, to determine power; WBSQ, Broadcasting Service Organization, Inc., Needham, Mass., authority to operate from 2 to 4 A.M. EST, Feb. 18, 1934, in order to broadcast DX program; Stations WRAX-WPEN and WWJ with less than recommended mileage separation, have consented to the requested operation.

Also, KGCX, H. E. Krebsbach, Wolf Point, Mont., special temporary authorization to operate from 9 P.M. to 10 P.M. Mountain Standard Time, Feb. 12, 1934, in order to broadcast the complete proceedings of the Wolf Point Commercial Club banquet; WMEX, The Northern Corp., Chelsea, Mass., modification of C.P. for approval of transmitter site authorized to be determined by construction permit  $4\frac{1}{2}$  miles from center of Boston, Chelsea, Mass.; WGST, Georgia School of Technology, Atlanta, Ga., authority to operate with power of 250 watts daytime for a period of approximately 10 days on account of construction work authorized by C.P.; WBNS, The Commercial Radio Service Co., Columbus, O., modification of license to change name to WBNS, Inc.; also C.P. to move transmitter to  $\frac{1}{2}$  mile south of Route 40 and  $\frac{1}{4}$  mile east of James Rd., Truro Township, Ohio.

Also, WEL, RCA Communications, Inc., Rocky Point, N.Y., C.P. for fixed public pt. to pt. teleg. to add power amplifiers to existing transmitter #45, 8950 kc., 80 kw., emission: A1, A2 and spec; Broadcasters of Penna., Portable, C.P. for gen. exp. station for 31100, 34600, 37600, 40600 kc., Power: 5 watts, Emission: A1, A2 and A3; City of Lake Forest (Police Dept.,) Mobile 4 new C.P.s (gen. exp.) for 34600, 41000 kc., 5 watts, Emission: A3; W2XZ, Bell Telephone Labs., Inc., Portable used principally in Monmouth County, N. J., license to cover C.P. (Gen. Exp.) for 1614, 2398, 3492.5, 4797.5, 6425, 8655, 12862.5, 17310, 23100, 25700, 26000, 27100, 30100, 31100, 31600, 33100, 34600, 35600, 37100, 37600, 38600, 40100, 40600, 41000, 86000-400000, 401000 and above, power: 1 KW, Emission: A1, A3 and special, for period ending June 1, 1934; KIIK, Northern Commercial Co., Circle, Alaska, license to cover C.P. (fixed public pt. to pt. telephone)

for 2994, 3190 kc., 50 watts. Emission: A3, points of comm.: Fairbanks, Anchorage and similar stations in vicinity; Same for KIIN; W10XBU, Lehigh Valley R.R. Co., Also W10XBV, portable mobile (for use on trains), modification of C.P. (gen. exp.) for extension of commencement date from 8/25/33 to 2/1/34 and extension of completion date from 1/8/34 to 5/1/34; Charles F. McDonough, NC-5212 (New York), license (aviation-aircraft) for 333, 500, 3105, 5520, 8280, 12420, 100 watts; Emission: A1; KFX, Libby Communications, Inc., Honolulu, Hawaii, renewal of license (public coastal), Coastal Harbor, in accordance with existing license; Aeronautical Radio, Inc.: at Greenville, S. C., C.P. (aviation-Aero.) for 2922, 2946, 2986, 4122.5, 5652.5 kc., 15 watts, Emission: A1, A2, A3; WQDQ, New Orleans, La., C.P. (Aviation-Aero. pt. to pt.) for installing replacement transmitter, Westinghouse Elec. Type C-1, frequencies: 2612, 2636, 3467.5, 4640 kc., unlimited; 6540, 6560, 8015 kc., day only; power: 250 w.; Emission: A1; WMEU, license to cover C.P. (Aviation-Aero.), for 2930, 6615 kc., 400 watts; Emission: A1, A2, A3.

Also, Mackay Radio & Teleg. Co., Inc.: 2 miles east of Chalmette, La., modification of C.P. (fixed public pt. to pt. Teleg.) to change location to Near Atlanta, Ga. (exact location undetermined as yet but subject to approval of FRC); change frequencies from 4675, 2535, 7745, 9290, 10820 kc., to 4655, 7670, 8980 kc., change points of communication from New York and Chicago to New York only and extend commencement date from 3/2/33 to date this application is granted and extend completion date from 5/2/34 to 4 months from date of granting of application; WMEC, modification of C.P. (fixed public pt. to pt. teleg.) to change points of communication on transmitter #2 from Sayville, San Francisco and New Orleans, to New York and Kansas City and change frequencies from 4650, 4655, 5230, 5240, 5980, 7760, 8970, 8990, 10170 kc. to 7760, 4660 kc., also extended commencement date from 3/21/33 to date of this application is granted and extension of completion date from 5/2/34 to 4 months from date of granting this application; Same, 2 mil NW of St. John, Ind., same except location to near Kansas City, Mo; and change frequencies to 5980, 7662.5, 8980, 10820 kc. and for transmitter #3.

#### Ratification of Acts Of Commissioners

WFOI, Radiomarine Corp. of America, Washington, D. C., temp. authorization granted not exceeding 60 days pending receipt and action on formal application to operate 1 KW spark aboard vessel "Point Brava", range 375 to 500 kc., 3rd class service (date of action 1/30/34); WODE, Radiomarine Corp. of America, "Orion", Washington, D. C., granted 1st and 3rd class public ship license (date of action Feb. 1, 1934); WFDL, Radiomarine Corp. of America, "American Merchant", Washington, D. C. granted 1st class public ship license (date of action 1/31/34);

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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No. 696

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## GOVERNMENT TO STRIKE BACK AT MEXICAN BORDER BROADCASTERS

Having failed at the North American Conference in Mexico City to put the kibosh on the objectionable broadcasting of American outlaws across the Mexican border, the Government is now moving through other channels to rectify the situation. To this end Senator Dill, Chairman of the Interstate Commerce Committee has introduced the following bill in the Senate amending the radio law, to prevent setting up of studios in the United States which are connected with radio stations in foreign countries that broadcast back into this country:

"No person, firm, company, or corporation shall be permitted to locate, use, or maintain a radio broadcast studio or other place or apparatus from which or whereby sound waves are converted into electrical energy, or mechanical or physical reproduction of sound waves produced, and caused to be transmitted or delivered to a radio station in a foreign country for the purpose of being broadcast from any radio station there having a power output of sufficient intensity and/or being so located geographically that its emissions may be received consistently in the United States, without first obtaining a permit from the Federal Radio Commission upon proper application therefor.

"Such application shall contain such information as the Commission may by regulation prescribe, and the granting or refusal thereof shall be subject to the requirements of Section 11 of the Radio Act of 1927 with respect to applications for station licenses or renewal or modification thereof, and the license or permission so granted shall be revocable for false statements in the application so required or when the Commission, after hearings, shall find its continuation no longer in the public interest."

Senator Dill in this amendment is obviously aiming at Dr. J. R. Brinkley, goat gland specialist, who is operating Station XER at Villa Acuna, Mexico, by remote control from across the border at Del Rio, Texas. Also at Norman T. Baker, who, if he is not already doing so, is reported soon to begin operating Station XENT at Neuva Laredo, Mexico, from Neuva Laredo, Texas. Brinkley and Baker, as is well known, formerly operated stations in Kansas and Iowa respectively which were both closed down because of objectionable medical broadcasts. For a time Brinkley operated his Mexican station from Milford, Kansas, where his old station was located, but later moved to Del Rio.

Brinkley's power at XER though listed at 500,000 watts is said to be 80,000 watts which would still make it almost twice as powerful as any station in the United States excepting WLW at Cincinnati, which is now experimenting with 500,000 watts. Baker's power is listed at 150,000.

Another governmental move in the direction of Brinkley and Baker was James W. Baldwin, executive officer of the Broadcasters' Code, requesting the Code Authority to consider whether or not a code provision could be enacted to operate against remote control studios in the United States of foreign stations broadcasting to this country.

In doing this Mr. Baldwin also aimed at Station CKLW at Windsor, Canada, across the border from Detroit. He explained because of the difference in the wage scales and other factors, CKLW was able to broadcast advertising, at a profit, at a considerably lower rate than the Detroit and other nearby stations. Baldwin said he proposed to confer with the American Association of Advertising Agencies with regard to withholding advertising contracts from these objectionable border stations.

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#### LUCERNE RADIO PLAN BLANKETS RUSSIA

Writing for the McClure Newspaper Syndicate, of New York, James McMullin adds the following confidential (not-for-publication) note to editors:

"New York learns that the Soviets are all het up over the Lucerne radio plan. The new wave lengths granted to Russia cut off most of the foreign reception of her propaganda broadcasts. The Reds - who have been sending their stuff out in eight languages - threaten to leave the International Radio Union and work out their own wavelengths as they please. Their Moscow transmitter of 1200 kilowatts is the most powerful in the world and they won't stand for a muzzle on it."

Dr. August Hund, American radio engineer and Russian by birth, returning from Russia about a year ago, reported the Russians were operating a 500 kilowatt station. If the Russians have stepped it up to 1200 kilowatts or erected a new station of that power, they have evidently done it since then.

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#### STANDARD OIL QUILTS BABE RUTH CONTEST

The Government quashed its suit for an injunction against the Standard Oil Company of New Jersey when the latter agreed to withdraw its "Babe" Ruth radio contests. Secretary Ickes, oil administrator, alleged that "Babe" Ruth promising boys a trip to the Spring training camp of the Yankees and offering other inducements violated provisions of the Oil Code prohibiting the giving of prizes and premiums.

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## WOR DISTILLERY BROADCASTS BRING NO COMPLAINTS TO DATE

Up to this writing, a week after the initial broadcasting of programs by Station WOR, Newark, advertising a gin distillery, it was said that no complaints had been received by the Federal Radio Commission. The station itself, which invited listeners in dry states to tune out, reported that "there were no repercussions" on the part of listeners.

The recent warning of the Federal Radio Commission that those stations which advertise liquor - presumably hard liquor, though their statement simply says "liquor" - may have to justify this action when their station license renewal comes up, hasn't set very well with the broadcasters.

"It is an implied threat which may mean anything or nothing", one of them said. "The Commission's warning is really worse than a regulation because if a regulation had been promulgated, the stations would at least know where they stand.

"To begin with, the Commission is vague in its use of the word 'liquor'. They probably mean 'hard liquor' but from their statement, it could be beer as well. There is no curb on newspaper liquor advertising, excepting in dry states. Why should the Commission crack down on the broadcasters?

"Insofar as children are concerned, radio is in a position to put on its hard liquor broadcasts after the children are in bed. The broadcasters are certainly not going to advertise pure rye in the morning with the corn flakes. Since the repeal of the 18th Amendment, leading hotels have begun to advertise over the radio and they mention that choice wines will be served with meals. Does that make the station violate the Commission's warning?

"A certain state recently issued a regulation against the advertising of beer and wine. However, such advertising came in through the network from outside brewers and wine growers and the state could not prevent it because it had no jurisdiction over what came in from outside the state. The state brewers made a protest that they were victims of discrimination with the result that the state regulation against beer and wine was rescinded."

Commenting upon the Radio Commission's liquor ukase, David Lawrence says:

"The problem of whether the Government in one division shall urge the collection of liquor taxes and in another shall refuse facilities to lawful industries or merchants is not really half as important as the question of whether Government bureaus can control discussion or the transmission of sales materials, whether by radio or by printed publications or by circular letters.

2/9/34

"One of the difficulties in making a test of the new policy is that when a radio station is called on to defend its request for a renewal of a license, the Commission asks the station to show how its continued operation 'will serve the public interest, convenience and necessity.' Thus the Commission is not obligated to give its particular reason for withholding a license; but the announcement of policy just made unquestionably will furnish defending stations with a cause for court action if they are refused licenses because they permit over the air announcements which are accepted by the Post Office Department for circulation in the mails. It might furnish some day the first test of the principle of Federal censorship."

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B U L L E T I N

Richard Patterson, Vice-President of the National Broadcasting Company, said to have made a personal visit to Washington and to have sounded the Radio Commission out on the subject, is reported on excellent authority to have served notice on the Commission that NBC stations would carry liquor advertising. If this is true, it is the exact opposite of the policy of Columbia which sometime ago announced that it would not broadcast hard liquor advertising.

Station WMCA, New York, was reported as notifying the Radio Commission that it proposed to mention wine in connection with the advertising of a New York hotel. It was prophesied that as a result of the Commission not being more specific in its liquor advertising warning that rather than cause stations to hold off on hard liquor advertising, there would now be a general rush to get on the bandwagon and that soon stations all over the country would be advertising liquor the same as anything else.

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## LOOK UPON HEARINGS AS ANTI-RADIO SOUNDING BOARD

There will be public hearings in connection with the survey of broadcasting to be made by Secretary of Commerce Roper's committee. The survey, which is expected to be in full swing by February 22nd, is being made at the request of President Roosevelt and the recommendations of the committee may be incorporated into legislation now being framed by Congress.

"These hearings will not bring any great joy to broadcasters", one of their representatives remarked. "They will simply serve as a sounding-board for everyone who wants to make a squawk against radio. It will bring out the Armstrong Perrys, antagonists in the educational group, of the present system of radio, members of women's economy clubs and all the other nuts and bugs.

"We are not afraid of the results but radio is apparently subject to that kind of criticism more than any other industry. The position of radio at this hearing is analagous to that of a man everybody knows to be honest but about which an invitation goes forth that anybody who has anything to say against him may be heard. This gives his enemies a chance to say he is dishonest and after they keep saying it for about six weeks, the friends of the man, despite his known honesty, begin to say maybe he is dishonest."

The Committee which will make the broadcasting survey for the President will be a small one according to present indications, maybe only 3 or 4 members. Herbert Pettey, Secretary of the Federal Radio Commission, will likely serve as the Committee's secretary. Because of the interest of the State Department in radio, Dr. Irvin Stuart of that department may also be a member. Because of the educational uses to which radio is being put someone also from the U. S. Office of Education will probably be asked to act in an advisory capacity to the Committee.

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## PRESIDENT ORDERS FOOD AND DRUG BILL PRESSED

In a conference at the White House with Senator Copeland of New York and Dr. Rex G. Tugwell, Assistant Secretary of Agriculture, President Roosevelt approved a revised Pure Food and Drug Bill, which under the President's orders will probably be pressed at once. It is expected that a Presidential message may be forthcoming on this.

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## BROADCAST ADVERTISING GAINS; INDIVIDUAL STATIONS DROP

The National Association of Broadcasters reports that broadcast advertising in December amounted to \$6,152,615.00 and marked a gain of 2.8% over the volume of the previous month. National network volume increased 7.5% over the previous month, while the revenue from the sale of time over regional networks rose 9.2%. Individual station advertising volume alone decreased, revenues in this field having declined 3.9% as against November,

The drop in individual station business is probably due to two factors: (1) The absorption of an increasing proportion of the profitable broadcasting hours by network programs on the larger stations, this trend having been in progress for several months; (2) What seems to be a slight seasonal decline on the part of radio advertising over the smaller stations. In the latter case, the trend in advertising volume seems to parallel that of the newspaper field. However, it is impossible to say whether the entire decline in small station revenue has been due to this factor or whether part of it has been caused by unsettled retail business in some sections of the country.

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## NEW YORK CATHOLIC STATION FAILS TO GET WPG'S CHANNEL

The Federal Radio Commission has denied the application of Station WLWL, Society of St. Paul the Apostle, New York, for unlimited time on 1100 kilocycles which channel it now shares with Station WPG at Atlantic City. Commissioners Starbuck and Hanley dissented.

If the application of WLWL had been granted, it would have forced WPG off the air unless other facilities could have been found for the Atlantic City station.

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## WIRELESS BY WIRE

The radio program probably makes the greater part of its journey over telephone wires. Over 35,000 miles of Bell System circuits are used in radio hook-ups.

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## PRESIDENT APPROVES COMMUNICATIONS BILL PLAN

Senator Dill and Representative Rayburn, who are drafting the Communications Commission Bill, conferred with President Roosevelt this (Friday) afternoon. When leaving the White House, Senator Dill said that the President approved the plan submitted to him but Dill did not reveal the details.

It was learned at the White House later that the President would next be shown a copy of the Bill and until then would probably not have any comment to make upon it.

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## NEW COMMISSION VOTE SYSTEM PROTESTS AGAINST POLITICIANS

Because politicians and lawyers frequenting the Federal Radio Commission kept themselves so well informed - through leaks - of what was going on, the Commission has been obliged to change its system of announcing decisions in important cases. Heretofore the Commission would act in a matter but before making their vote public, would wait until the Legal Division had prepared the opinion. This would sometimes take two or three days.

In the meantime, word would get out that the Commission had voted and before the writing of the opinion could be completed, the politicians through their Senators, Representatives and others would bring such pressure upon the Commissioners that they frequently brought about a reconsideration, causing the Commissioners to reverse themselves.

Under the new system the Commission announces its decisions immediately and gives its reasons later. Another new stunt at the Radio Commission is voluntarily divulging how the Commissioners voted in important cases. Heretofore, it has sometimes taken a newspaper man with the ability of Sherlock Holmes to find out how the Commissioners voted.

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## BRITAIN USES 6-M. MICRO-RAY

A radio system in which the waves are concentrated into a narrow beam for reception by a station to which it is directed has been put into cross-channel service by the British Government, the Associated Press reports. Utilizing a wave length of only  $17\frac{1}{2}$  centimeters, the system is similar to the direct micro-ray system, developed and now being experimented with by Guglielmo Marconi. It is being used by the Air Ministry as a civil aircraft aid between Lympne airdrome, in County Kent, and St. Inglevert, France. The beam is only six inches wide when leaving the transmitter, but reaches a width of one mile on the other side.

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## IS AIR TALENT OR PRODUCT ON TOP?

Curious to test a hunch that many admittedly popular programs are not, because of faulty showmanship, sufficiently identifying the sponsor with the program, Variety has set out to gather some evidence on the subject through a questionnaire.

Questionnaires are personally distributed (not mailed) in all cities. Results will be tabulated and published in Variety weekly. The survey will take in 15 cities.

The first city to be tabulated is Hartford, Conn., from which 85 replies were received, as follows:

	Sponsor Correctly Named	Sponsor Not Known
Eddie Cantor	78	6
Amos 'n' Andy	77	7
Maxwell Show Boat	69	16
Rudy Vallee	66	18
Ed Wynn	63	18
Myrt & Marge	62	21
Burns & Allen	53	30
'Rise of Goldbergs'	45	38
March of Time	36	28
Jessica Dragonette	33	45
Jack Benny	29	55
Metropolitan Opera	24	50
Wayne King Orchestra	23	61
Harry Horlick	22	63
Bing Crosby	18	59
Will Rogers	16	62
Joe Penner	15	69
Casa Loma Orchestra	13	72
Olsen & Johnson	12	71
Paul Whiteman	10	73
Phil Baker	7	74

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## RADIO IN EDUCATION COUNCIL SEEKS TO REVIVE LOCAL GOVERNMENT

Governor Herbert H. Lehman, of New York, will open the new You and Your Government series, over a nation-wide network of the National Broadcasting Co., Tuesday evening, Feb. 13th. The new series, which is the seventh to be presented by the Committee on Civic Education by Radio of the National Advisory Council on Radio in Education and the American Political Science Association, is devoted to the general subject of Reviving Local Government.

The schedule of the new series follows, in part:

Feb. 20 - New York City Blazes the Trail, Mayor Fiorello H. LaGuardia, New York City; Feb. 27 - Financial Problems of New York City; March 6 - New York City's Business Activities;

March 20 - Ohio Forging Ahead, R. C. Atkinson, Director, The Ohio Institute; March 27 - Improving Local Government in New Jersey, Governor A. Harry Moore; April 3 - Progress in Pennsylvania; April 10 - State and Local Government in the Control of the Liquor Traffic; April 17 - From the Heart of the Depression, Mayor Frank Couzens, Detroit; April 24 - Local Government and the New Deal, Dr. William T. Foster, Consumers' Advisory Board; May 1 - Suburban Troubles; May 8 - Chicago Over the Hump; May 15 - Schools for Municipal Officials, Mayor J. Boyd Thacher, Albany, N. Y.; May 22 - News from the South, Mayor J. Fulmer Bright, Richmond, Va.; May 29 - The National Administration and Local Reorganization; - June 5 - The Schools in Local Revival, George F. Zook, United States Commissioner of Education; June 12 - The Voter and Local Government Revival; June 19 - What are the Prospects?

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#### SEES COMMUNICATIONS COMPANIES RECONCILED TO GOVERNMENT CONTROL

The New York Times predicts that the telegraph, telephone and radio companies, the Army and Navy will probably endorse the report which has been submitted by the President's Interdepartmental Committee and which recommends unification of communications under the control but not under the ownership of the Government.

"Although the report is not likely to be acted upon at once, it supplies new evidence of a trend toward the Government regulation of public necessities", the Times concludes.

"In the much-discussed unification of railroads the technical factor is the rise of the automobile and motor truck. In the case of the telephone, the telegraph, radio and broadcasting, each worthy of development on its own account, we have confusion, waste of effort and an unwieldiness which would weigh heavily on the Army and Navy in time of war. In the light of Mr. Sarnoff's lecture - and Mr. Sarnoff, as President of the Radio Corporation, presumably reflects the views of others in his field - it looks as if the companies, having vainly sought to overcome the evils of duplication by modification of the Anti-Trust Laws, are now reconciled to Government control, provided they are given a free hand in management and research and an opportunity for profitable expansion."

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A 10-page printed booklet has been issued by H. W. Forster, Information Manager of the Western Electric Company entitled, "Synchronization System for Common Frequency Broadcasting", covering the proposed synchronization of Stations WBBM and KFAB.

It is a development of Bell Telephone Laboratories, the Research Laboratories of the American Telephone and Telegraph Company and the Western Electric Company.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(Feb. 9, 1934)

WIBM, WIBM, Inc., Jackson, Mich., C.P. to move station locally and make changes in equipment; WCAE, WCAE, Inc., Pittsburgh, Pa., C.P. to move auxiliary transmitter from Pittsburgh to Baldwin Twp, Pa; WMAS, WMAS, Inc., Springfield, Mass., license covering increase in day power and changes in equipment, 1420 kc., 100 watts night, 250 watts day, unlimited time; WFAM, The South Bend Tribune, South Bend, Ind., license covering changes in equipment, 1200 kc., 100 watts, shares with WWAE; KARK, Arkansas Radio & Equipment Co., Little Rock, Ark., modification of C.P. to move transmitter locally, extend commencement date immediately after this date, and completion date to March 11, 1934; WAVE, WFIW, Inc., Louisville, Ky., modification of license to change name to WAVE, Inc.; WORC, Alfred Frank Kleindienst, Worcester, Mass., extension of special experimental authority to operate unlimited time on 1280 kc. with 500 watts, until June 1, 1934 (normally licensed 1200 kc., 100 watts, unlimited); WSAI, The Crosley Radio Corp., Cincinnati, Ohio, extension of special experimental authority to May 1, 1934, to operate with 1 KW power nighttime, 2½ KW daytime, using special directional antenna array (normally licensed 1330 kc., 500 w. night 1 KW day, unlimited); WHEB, Granite State Broadcasting Corp., Portsmouth, N. H., authority to operate from 3 to 4 A.M., EST, Feb. 15, in order to broadcast DX program; WLBC, Donald A. Burton, Muncie, Ind., modification of C.P. to extend completion date of C.P. from Feb. 10 to March 10, 1934.

Also, City of Hutchinson, Kans., C.P. for police service, frequency 2450 kc., 50 watts; W6XBK, Daily News Co., Ltd., San Francisco, Cal., C.P. for general experimental purposes, frequencies 37600 and 40600 kc., 15 watts; W8XM, City of Detroit, Police Dept., Belle Isle, Detroit, Mich., license, frequencies 30100, 33100, 37100, 40100 kc., 250 watts; W9XAS, City of Ashland, Ky., Police Dept., license, frequencies 20100, 33100, 37100, 40100 kc., 15 watts; W9XBF, City of Piedmont, Cal., Piedmont, Cal., license, frequencies 30100, 33100, 37100, 40100 kc., 15 watts; W6XBG, W6SBH, W6XBI, W6XBJ, Same, Portable & Mobile, same except 2 watts power; W5XF, City of Amarillo, Texas, license, frequency 33100 kc., 15 watts, gen. experimental service; W9XB, Village of River Forest, Ill., Police Dept., license, frequency 41000 kc., 11 watts; general experimental service; KGHS, City of Spokane, Wash., Police Dept., license, frequency 2414 kc., 100 watts, police service; KGPE, City of Santa Fe., Santa Fe., N. Mexico, license for police service, 2414 kc., 25 watts.

Also, W8XO, The Crosley Radio Corp., near Mason, Ohio, license (Spec. Exp.), 700 kc., 1 A.M. to 6 A.M. daily, with power of from 100 KW to 500 KW; W2XES, City of Englewood, N. J., modification of license to change frequencies from 34600 to 30100 kc.; WCFZ, Irving H. Buck & Howard Folsom d/b as Boys World Cruises aboard vessel "Buccaneer", modification of license to include communication with amateurs; Aeronautical Radio, Inc., Iowa City, Ia., C.P. for special experimental service 278 kc., 150 watts.

### Action On Examiners' Reports

Philip J. Wiseman, Lewiston, Maine, denied application for a new station to operate on frequency 640, 500 watts, limited time, sustaining Examiner George H. Hill; Harold Thomas, Waterbury, Conn., granted C.P. for a new station to operate on 1190 kc., 100 watts, daytime hours, sustaining Examiner Ralph L. Walker; Willard G. Demuth, denied C.P. for new station to operate on 1370 kc., 100 watts power, daytime hours, sustaining Examiner George H. Hill; Thomas R. McTammany and William H. Bates, Jr., Modesto, Cal., granted C.P. for new station to operate on 740 kc., 250 watts, power, daytime hours, reversing Examiner R. L. Walker; WMBG, Havens & Martin, Inc., Richmond, Va., denied C.P. to increase power from 100 watts to 100 watts night, 250 watts, LS, sustaining Examiner George H. Hill; WPHR, WLBG, Inc., Petersburg, Va., granted renewal of license to operate on 1200 kc., 100 watts night, 250 watts LS, unlimited time, sustaining Examiner Hill.

### Applications Denied

The following cases, heretofore designated for hearing were denied because applicants failed to enter their appearances within time allowed:

John E. McGoff, Julius Schaeffer and Francis Thurston, Newport, R. I., C.P. 1500 kc., 100 w. 9 hours per day; Henry Clay Allison, Fort Worth, Tex., C.P. 1370 kc., 100 watts, share with KFJZ (Fac. of KFJZ); WDEL, WDEL, Inc., Wilmington, Del., modification license 1120 kc., 500 watts, unlimited time; Richland Sound Systems, Mansfield, Ohio, 1310 kc., 50 watts, specified hours (Fac. of WHBD); KUOA, KUOA, Inc., Fayetteville, Ark., modification of license 1260 kc., 1 KW specified hours.

### Ratification of Acts Of Commissioners

Mackay Radio & Telegraph Co., New York City: KLKR, granted 60 day authority to operate 100 watt transmitter aboard vessel "Uvira", frequency range 375 to 500 kc.; KJBI, Granted 60 day authority to operate 100 watt transmitter aboard vessel "American Star", frequencies 375 to 500 kc.; KJJM, Same except vessel "Nelson Traveler", KWWE, cancelled authority, granted to "American Star" and granted temporary authority not exceeding 60 days to operate 100 watt transmitter aboard vessel "Sacramento"; WGDN, granted 60 day authority to operate 100 watt transmitter aboard vessel "Memory III", frequency range 375 to 500 kc., and 5510 to 16600 kc.; WBDA, Radiomarine Corp. of America, "American Banker", Washington, D. C., granted 1st class public service ship license for additional transmitter aboard "American Banker"; KIIS, Harris County Broadcast Co., Houston, Tex., authorized to use broadcast pickup station KIIS, 2150 kc., 15 watts, Feb. 9 in connection with welcome of steamship "Houston City".

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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**CONFIDENTIAL—Not for Publication**

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No. 697

*an' Andy*

February 13, 1934.

FIRM OF AMOS 'N' ANDY WINS PATENT APPEAL

Amos 'n' Andy, whose burlesques of legal difficulties are nationally famous, have been victorious in their effort to prevent a manufacturer from using what they have successfully contended is their firm name, "Amos 'n' Andy". The United States Court of Customs and Patents Appeals has affirmed the decision of the Commissioner of Patents denying Feldman & Sons the right to register the trade-mark "Amos 'n' Andy" for work shirts, which mark had been used on such merchandise for the past four years.

The appelland contended that the real name of the firm was Correll and Gosden and that "Amos 'n' Andy" were simply the characters they portrayed.

Judge Oscar E. Bland set forth in his affirmative opinion that Correll and Gosden for several years had been associated as partners in the broadcasting of "Amos 'n' Andy" episodes and had made phonograph records "which records bear the firm name of 'Amos 'n' Andy'"; that in 1928 they adopted "Amos 'n' Andy" as the name of their partnership. Judge Bland stated further "that their partnership agreement was an oral one and each partner contributed one-half of the funds required for the expense of carrying on the business; that they had first conducted their business from their residence in a hotel in Chicago; that in February, 1929, they had cards and stationery printed showing their firm name, Amos and Andy; that in September, 1929, they established offices in the Palmolive Building in Chicago, and purchased the necessary furniture and equipment, had their firm name, Amos and Andy, lettered on the door, and since that time have conducted their partnership business from that place under that name; that under said partnership agreement they had shared equally the profits which resulted from the business; that during the conduct of said business they had received a great amount of correspondence in the name of Amos and Andy and had answered the same under that name; that their personal representative, Alexander S. Robb, handled their bookings and appearances in theatres, and in so doing used the name Amos and Andy, as the firm name.

"Various exhibits, showing the use of the said firm name on cards, stationery, door lettering, talking machine records and advertisements, were submitted with the notice of opposition. Said stipulated facts show ownership in opposers of design patent granted to Louis Marx for a design patent on a toy named 'Amos 'n' Andy Fresh Air Taxicab.'

"It is appellant's first contention that his mark "Amos 'n' Andy" is printed in a distinctive manner and is therefore not barred from registration by the provisions of the disputed section.

He argues that by reason of the elision, 'n', between the words 'Amos' and 'Andy', which is a substitution for the word 'and', it presents a different appearance and sound from the term 'Amos and Andy', and is to be regarded as printing the term in a distinctive manner within the meaning of the statute.

"It is further contended by appellant that 'Amos 'n' Andy' or 'Amos and Andy' is not the name of a firm within the meaning of the act, and that all of appellees' exhibits and statements show that 'Amos and Andy' or 'Amos 'n' Andy' are not the names of a firm, but constitute merely an advertisement of dramatic performances, and that the design patent in evidence shows conclusively that the term 'Amos 'n' Andy' is not used as the name of a firm, but that it there, as elsewhere, assumes the nature of a trademark. It is pointed out, however, that the term is not a trademark term for the purposes of this case, since it is conceded that the opposers have never used the term in connection with the sale of merchandise."

Appellant then proceeds to discuss the fact that the business in which the term "Amos and Andy" has been used is not the same or a similar business as that in which appellant is engaged, and that the articles in connection with which the term is used are not of the same description.

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#### JAMES BARRETT HEADS RADIO-PRESS BUREAU

James W. Barrett, former city editor of the New York World and of the New York American, has been appointed editorial head of the central news bureau which will select the press association news to be given to radio broadcasters for two five-minute daily broadcasts as stipulated in the agreement between publishers and broadcasters announced last week.

The cooperative plan between the press and radio becomes effective March 1, and preliminary work on the organization of the bureau is going forward.

The committee organizing the bureau consists of Mr. Friendly, Chairman; Hugh Baillie, United Press; Lloyd Stratton, Associated Press; Joseph V. Connolly, International News Service; Frank B. Mason, National Broadcasting Co., and Paul White, Columbia Broadcasting System.

Station WOR, Newark, N. J., announced that as an independent broadcaster it would adhere to the new rules.

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## GREATLY CHANGED LABOR PROVISIONS IN MANUFACTURERS' CODE

Virtually a new, or substitute, code for the Electrical and Radio Manufacturing Industry, under which radio manufacturers operate, was submitted to the NRA at Washington.

Many witnesses, voicing strong attack upon and defense of the proposed code revisions were heard at a session last week by Deputy Administrator H. O. King of the NRA, attended by a number of radio industry representatives. The hearings were adjourned subject to indefinite future call. Two or probably more months may elapse before the new code, with many probable future revisions, is finally approved by the NRA and President Roosevelt. In the meantime, the existing code will continue.

The new amendments, submitted to NRA by the Board of Governors of the National Electrical Manufacturers' Association but without previous submission to or consideration of the electrical or other industries, propose a national uniform minimum wage of 40¢ per hour for males and 32½¢ per hour for females (with a Southern differential), and would eliminate the July 15, 1929, sub-minimum rate of 32¢ in the present code. In North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi and Louisiana, the newly proposed rates are 32¢ per hour for males and 27¢ for females.

A 36-hour week is provided in the new code amendments but not until the metal working and capital goods industries effect a similar maximum week for similar employees. Until the metal working and capital goods codes become uniform a 40-hour week would prevail under the proposed code.

On overtime of employees, the amendments propose a 48-hour week limited to twelve weeks annually until the metal working and capital goods codes are uniform, and a 44-hour week for any 12 weeks annually thereafter, plus a controverted provision for special overtime arrangements in supplemental codes. The present unlimited "seasonal peak" overtime clause, of the existing code, would be abolished.

The "Open price" plan of publishing prices and discounts has an amendment proposed to establish resale price maintenance by contracts with jobbers and dealers, but this and, in fact, the entire "open price" plan is under sharp attack in Washington and is expected to be materially revised if not entirely eliminated.

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## DIVISIONAL CODE RADIO WHOLESALING TRADE HEARING

Notice was given through the office of Divisional Administrator A. D. Whiteside that a public hearing will be held Saturday, February 24, in Room 2062 of the Department of Commerce Building in Washington, on divisional code for the radio branch of the wholesaling trade.

The code will establish fair practice rules and provide separate administration for the radio division subject to the labor provisions of the master code for the Wholesaling or Distributing Trade.

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## EUROPE'S WAVE SHUFFLE IS NIGHTMARE

Europe has had a grand reshuffle of wave-lengths, and slightly bewildered listeners are wondering why. Thirty-five countries took part in a conference at Lucerne. A new plan to clean up the ether was prepared, to which twenty-seven countries agreed and eight did not. Of these eight, Holland, Sweden, Finland, Lithuania, Luxemburg, and Poland quarreled with the long-wave allocations. In spite of this, the International Broadcasting Union, which has its headquarters in Brussels, determined to put the plan into operation in the fond hope that the malcontents would come into line at the last moment.

"January 15 was the first night for Europe's rearranged orchestra of 230 stations", the New York Times reports. "Brussels lifted its baton and began to conduct. The result was a maddening medley of shrieks and whistles beside which Stravinsky's 'Fire Bird' is sweet music. In the long-wave band some stations changed and some did not. Eiffel Tower (Paris), which should have closed down altogether, just kept on talking, violently hetrodying Daventry (England). Huizen (Holland) ignored the new plan and stuck to its old wave length; so did Warsaw. Radio Paris adopted a new wave but not that prescribed by the plan. Minsk, Russia, also obligingly provided a background for England's big station at Daventry.

"Brussels changed its role from conductor to traffic cop. Frantic orders were issued. Daventry hastily adopted another wave, but unfortunately one closer to Eiffel Tower. Meanwhile, Luxemburg, which had been banished to the medium waves, ran up the black flag in flat defiance and, seizing the long wave of 1,304 meters, began bawling away with the full force of its 200 kilowatts.

"In the medium wave-band things were better but there was plenty of confusion.

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STEPPING - BUT HOW?

Someone recently called the liquor warning as a "step in the right direction."

"What direction?" an official of the Commission, who was not in sympathy with the "warning" inquired. He said the Commission's statement was "absolutely obscure and meaningless", and that in issuing it the Commission "walked down both sides of the street."

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## DAYS OF RADIO COMMISSION SEEN TO BE NUMBERED

It seems as if they are getting ready to put the skids under the Federal Radio Commission. President Roosevelt has approved the idea of a simple bill creating a Communications Commission. If Congress is of the same opinion, the new radio regulatory body, absorbing the present Radio Commission, will be created this session. It is believed the writing of the new bill may be completed in two weeks, if not sooner, at which time it will be submitted to President Roosevelt for his approval.

Senator Dill said that the bill would contain no controversial features. In that case time would be saved as then it probably would not be necessary to hold hearings. If, however, there are controversial features such as the appeal section sponsored by Senator Dill in the omnibus radio bill which was passed by the House and Senate in the last Congress but not signed by President Hoover, the industry will call for a hearing.

"We'll see the bill before we start any shooting", said a broadcaster. "If it is simply a matter of patching together the Radio Act and those portions of the Interstate Commerce Act relating to Communications, O.K., but if portions of Dill's old bill come walking in or they try to stick in anything objectionable, you will hear from us."

Asked if he thought the rate fixing power carried over from the Interstate Commerce Act will affect broadcasting as well as communications, the above informant replied, "I think that will come later."

The new bill will have "very limited powers", according to Senator Dill but will conduct a careful survey into many situations and develop its jurisdiction later. One of the big questions to face it will be the unification of the telephone, telegraph, cable and radio communication services.

One report has it that the new Communications Commission will be composed of seven members, a Chairman and two Commissioners each representing the following groups - broadcasting, telephone and telegraph (wire and wireless), and cables.

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## CODE COMMITTEE TO ATTEND PRESIDENT'S CONFERENCE

A meeting of the Broadcasting Code Authority has been called for Saturday, March 3, preliminary to the members attending the conference of Code Authorities and Trade Associations called by President Roosevelt in Washington, Monday, March 5. The conference will consider primarily a 10 percent reduction of industries' working hours and a possible increase in wages.

The report concerning the shorter-hour proposal, if correct, would mean a reduction for a large part of American industries from an average of forty to an average of thirty-six hours. Most of the codes provide for the average forty-hour week. It would also mean an increase of 10 per cent in the hourly pay, so that the cost of the shorter work-week would not be borne by the employees.

There are industries, however, that have hours longer than the generally prevailing forty. In these the 10 per cent proposal still would be urged. For instance, if an industry is allowed to work employees forty-eight hours, it would be asked to reduce this work-week by 10 per cent. Thus, it was said, industry would further spread employment and maintain purchasing power.

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#### SHEPARD HEADS GROUP BROADCASTERS

John Shepard, III, of Boston, has been elected head of Group Broadcasters, Inc., a group of stations banded together for the purpose of selling time.

The Executive Committee is composed of Alfred A. Cormier, General Manager, WOR, Newark; Harry Howlett, WHK, Cleveland; I. R. Lounsberry, Vice-President, WGR and WKBW, Buffalo; Arthur B. Church, Vice-President, KMBC, Kansas City, and T. P. Convey, President, KWK, St. Louis.

Though 22 stations have already allied themselves with Group Broadcasters, the stock ownership and operating control of the organization remains permanently in the hands of the 10 charger outlets. All stations outside of this 10 will take the designation of associated members. Under the Group Broadcasters' plan of selling an advertiser must contract for a minimum of 10 stations out of the group to be eligible for the group rate.

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#### HEARING FOR APPLICANTS IN NEW WAVE BAND

A hearing date of April 4th has been set by the Federal Radio Commission for those applying for the newly opened wave band. They are: John V. L. Hogan, Long Island City, N.Y. (experimental broadcast) 1550 kc., 1 KW, unlimited time; to be heard by the Commission; L. M. Kenneth, Indianapolis, Ind., same as above except 1530 kc., American-Republican, Inc., Waterbury, Conn., same as for L. M. Kenneth; and Fred W. Christian, Jr., and Raleigh W. Whiston, d/b as Christian & Whiston, Norco, Cal., same as above except 1570 kc.

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: BUSINESS LETTER NOTES :  
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NBC gross time sales for January, 1934, amounted to \$2,373,923, a plus of \$504,038 over January, 1933. This is a 27% increase, marking a big acceleration of the upward curve in NBC business, according to a statement from that company, which adds:

"Furthermore, says NBC, January, 1934, is about \$50,000 better than December, 1933, which is the biggest December-January rise since 1929.

"NBC (with 87 of the 190 major network stations under its banner) secured 63% of all network revenue for the month."

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The condition of Thomas P. Littlepage, well known radio counsel, who is confined to the Emergency Hospital in Washington, is reported as improved.

Mr. Littlepage was taken to the hospital over a week ago suffering from pneumonia. He had just recovered from a broken arm sustained in a fall on the ice early this year. It is expected he will be released from the hospital next week.

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The government of Spain henceforth will prohibit all political speeches by radio, Diego Martinez-Barrios, Minister of the Interior, according to the Associated Press. "In the event that citizens want this political information", he added, "they must attend the speeches or buy newspapers."

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The NBC has just released a folder announcing the fact that seven of its network stations have been granted power increases within the past several months as follows:

WBZ (Boston) to 50,000 watts; WHAM (Rochester) to 50,000 watts; KVOO (Tulsa) to 25,000 watts; WFI and WLIT (Philadelphia) to 1,000 watts; WSAI (Cincinnati), to 1,000 watts; WTAG (Worcester) 500 watts.

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## HEARINGS ON BORDER BROADCASTERS' BILL THURSDAY

Hearings on the amendment to the Radio Act which would prevent studios to be located in this country with a station in a foreign country and broadcasting back into the United States will be held at the Capitol, Thursday morning, February 15. The first hearing will be at 10 o'clock with Representative Bland, of Virginia, and the House Merchant Marine and Radio Committee. The second hearing will be held at 10:30 o'clock by Senator Dill, of Washington, Chairman of the Senate Interstate Commerce Committee.

It will be the first hearing the House Committee has had on radio since the new crowd has been in the saddle and it is just possible they may have a few questions to ask about radio generally. Henry A. Bellows, Chairman of the Legislative Committee will represent the National Association of Broadcasters at both hearings.

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## COLUMBIA REPORTED CONSIDERING PUBLIC STOCK ISSUE

Columbia's stockholders, who at present comprise William S. Paley, Sam Paley, Herman Paley, L. D. Levy, Leon Levy and Lehman Bros., bankers, meet today (Tuesday) to put their stamp of approval on a stock issue for public consumption, "Variety" reports. "Move, which has been under consideration for several months, will entail the pooling of 25% of each one's CBS holdings. Shares represented by this pool after the network's capitalization has been boosted will be the stock released to outside investors.

"CBS Board of Directors has recommended that the old stock setup be revised, which would increase the present allotment of 75,000 shares of Class A stock to 375,000 shares, and the 75,000 shares of Class B stock to 375,000 shares.

"On the 150,000 shares of the original issue there is no par value. It is proposed to give both the Class A and Class B stocks of the converted 750,000 unit a par value of \$5. Of the original capitalization only 63,250 each of the Class A and Class B have been issued.

"The Public was informed of CBS's proposed recapitalization last week when the brokerage house of Wertheim & Co. advertised the availability of the stock, when and if issued. Balance sheet supplied to inquirers by this firm gave the CBS assets as of Dec. 1, 1932, as totaling \$2,462,134, and liabilities \$829,607. Columbia, said the statement, earned in 1932 a surplus of \$\$3,676,535 and paid \$4 a share. Surplus earnings for 1931 were \$2,502,459. There were no figures for 1933 in the Wertheim balance sheet.

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"Wertheim statement was prefaced with the notation that the firm was not making an offering, but merely creating a market for the CBS stock when and if issued. Statement also related that the stockholders' meeting today (Tuesday) will amend Columbia certificate of incorporation by increasing the present capitalization of \$2,025,000 to an authorized capitalization of \$3,750,000, of which stock aggregating \$3,162,500 in value will be issued, with this increase in capital to be effected by a transfer from the surplus.

Under this move the present stock will be convertible into five shares of the new."

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ADVERTISING  
\$1,000,000 BEER/ASSOCIATION PROPOSED

The brewing industry should expend at least \$1,000,000 a year on collective advertising to advance beer sales to the peak attained during the pre-prohibition era, according to C. D. Williams, of New York, Secretary of the United States Brewers' Association.

Attending the 58th annual convention of the organization at Atlantic City, Mr. Williams advocated the establishment of an Advisory Research Commission to formulate a comprehensive advertising program for the industry. The Association hopes to be ready to submit details to the members at the Fall meeting, probably in New York next October, he said.

He stated that the set-up would probably include newspapers, magazines, billboards and radio.

The \$1,000,000 suggested for group advertising is but a small sum to handle the tremendous job of bringing beer back to its place in the sun, Mr. Williams declared. The brewers themselves are exceeding that sum in pushing their own output.

Dr. Paul T. Cherington, of New York, consultant on distribution problems said that estimated figures for beer advertising done by individual brewers during the nine months ending with December were as follows:

Newspapers, \$3,876,000; Billboards, \$2,250,000; Magazines, \$677,800; Radio - Network - \$348,000; Radio - Spot, \$200,000; Total - \$7,351,800.

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## MACKAY RADIO ENLARGES SCOPE

The extension of the present Mackay radio system into the short-wave communication field in foreign as well as in domestic point-to-point traffic in opposition to existing companies now operating, was confirmed this week by A. Y. Tuel, Vice-President in Charge of Radio Research in the Mackay Radio and Telegraph Co., according to A. G. West, in the Editor & Publisher.

"Hitherto the Radio Corporation of America has been exclusive in this field, but since the policy of the United States Government has always encouraged competition in telegraph and cable operation with a view to improved service and lowered costs, the present plans of the Mackay system are merely in line with the best American practice", Mr. West continues.

"Sixteen new channels ranging from 4,000 KC to 16,000 KC have been requested from the Federal Radio Commission at Washington, in addition to a number of other frequencies now pending or already obtained on the short wave band by the Mackay interests. This situation, it is said, should have the almost immediate effect of creating a decrease in former rates in the near future to such cities as Shanghai, Tokio, Buenos Aires, Madrid, as has already been announced with the new circuits recently installed to Chicago, New Orleans, Seattle, Portland, Ore., San Francisco and Los Angeles.

"Construction permits have already been granted to two new stations for Atlanta and Kansas City, according to Mr. Tuel, on the domestic hook-up. These key cities, as well as the ones already mentioned above, are centers for important air transport operations, and will no doubt have interesting possibilities when air message traffic comes into its own."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

WCNW, Arthur Faske, Brooklyn, N. Y., modification of C.P. authorizing approval of transmitter site in Brooklyn, completion of construction by May 1, 1934; WHDF, The Upper Michigan Broadcasting Co., Calumet, Mich., modification of license to change specified hours of operation; WSAZ, WSAZ, Inc., Huntington, W. Va., modification of license to increase power from 500 watts to 1 KW; WHBU, Anderson Broadcasting Corp., Anderson, Ind., C.P. to rebuild station destroyed by fire, install new equipment and move transmitter and studio within building, 1210 kc., 100 watts, unlimited; WKBV, d/b as Knox Battery & Electric Co., Richmond, Ind., special temporary authority to operate from 8:30 to 10 A.M. and from 1 to 6 P.M. CST March 2 and 3; and from 1 to 6 P.M. CST on March 10; KVOA, Arizona Broadcasting Co., Inc., Tucson, Arizona, special temporary authority to operate from 3 to 6 P.M. MST, Feb. 17 and 18; KFJB, Marshall Electric Co., Inc., Marshalltown, Ia., special temporary authority to operate from 9 P.M. to 12 Midnight CST, Feb. 17.

Also, City of Chicago, Ill., Dept. of Police, C.P. (Gen. Exp.) frequencies 30100, 33100, 37100, 40100 kc., 15 watts; Ralph E. Carroll, Gainesville, Fla., C.P. (Gen. Exp.) frequencies 30100, 33100, 37100, 40100, 86000-400000 kc., 50 watts; City of Los Angeles, Cal., Dept. of Police, Mobile, C.P. (Gen. Exp.) 30100, 33100, 37100, 40100 kc., 5 watts; Same - Portable; Same, except 50 watts; Stromberg-Carlson Tel. Mfg. Co., Rochester, N. Y., C.P. (Gen. Exp.), frequencies 30100, 37100, 40100 kc., 100 watts; Same - Mobile; City of Berkeley, Cal. Dept., of Police, Portable and Mobile, 6 new C.P.s (Gen. Exp.), frequencies 30100, 33100, 37100, 40100 kc., 25 watts; Peoria Police Dept., Portable & Mobile: #9XBB W9XBC W9XBD W9XBE W9 XBF W9WBG W9WBI W9XBH W9XBJ W9XBK, licenses (gen. exp.) 30100, 33100, 37100, 40100, 86000-400000, 401000 kc. and above, 4.5 watts; W3XS, Commissioners of Lower Merion Township, Ardmore, Pa., license (Gen. Exp.) 30100, 33100, 37100 kc., 15 watts;

Also, W6XB, Earl A. Nielsen, Portable & Mobile, license (gen. exp.) frequencies 3110, 34600, 37600, 40600 kc., 3 watts, for period ending June 1, 1934; W9XBA, Peoria Police Dept., Peoria, Ill., license (Gen. Exp.), frequencies 30100, 33100, 37100, 40100, 86000-400000 kc. and above, 100 watts, for period ending June 1, 1934; Transpacific Communication Co., Ltd., Dixon, Cal., KWU KWO KWY KWX KWV, modification of license to add special authority to communicate with ships in the Pacific area at times when the apparatus and/or frequency is not required to provide pt. to pt. service.

#### Action On Examiner's Report

Leo J. Omelian, Erie, Pa., C.P. granted for new station to operate on 1420 kc., 100 watts, unlimited time, sustaining Examiner Geo. H. Hill (Commissioners Hanley and Lafount dissented).

#### Miscellaneous

WHAD, Marquette University, Milwaukee, Wis., reconsidered and set for hearing, application for consent to voluntary assignment of station license to WHAD, Inc., because of protest of Station WISN.

#### Ratifications

Action taken Feb. 9th: City and County of San Francisco Dept. of Electricity, San Francisco, C.P. granted, frequencies 30100, 33100, 37100, 40100 kc., 15 watts; Same - Portable & Mobile, granted 2 C.P.s same as above, except 2 watts, and Portable & Mobile.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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**CONFIDENTIAL—Not for Publication**

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No. 698

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February 16, 1934.

## EXPERIMENTS IF ALLOWED MAY BANISH CLEAR CHANNELS

The Federal Radio Commission, sitting en banc, heard applications for the most pretentious and ambitious plan for simultaneous operation of high-powered stations on the same channels yet attempted.

Should the applications be granted and the proposed experiments prove successful, it will likely mean the Commission will change its policy regarding clear channels and adopt the proposal of Senator C. C. Dill, Democrat of Washington, Chairman of the Interstate Commerce Committee, who has contended for years that there is an awful waste of radio facilities by the Radio Commission in assigning only one station for operation on a clear channel at nighttime.

The applications before the Commission are those of Stations KTHS, operated by Hot Springs Chamber of Commerce, Hot Springs, Ark., which asks to change its frequency from 1040 kc., sharing time with KRLD, Dallas, Texas, to 1060 kc. and to operate simultaneously with WBAL, Baltimore, on that channel from 6 A.M. to local sunset, suspending operation from local sunset to 8 P.M. Central Standard Time and then unlimited time from 8 to 12 P.M.

Station WBAL, Baltimore, asked the Commission for special experimental authorization to operate from 6 A.M. to local sunset at Hot Springs and then simultaneously with KTHS until 9 P.M. and to synchronize with WJZ, New York, on 760 kc from 9 P.M. with reduced power.

WTIC, Hartford, Conn., seeks to change its frequency from 1060 kc to 1040 kc. and to operate simultaneously with KRLD, Dallas, Texas on that channel unlimited time.

Frederick R. Huber was the chief witness for station WBAL. Asked his qualifications for running the station, Huber said blushinglly:

"Well, that is for the Commission to judge. I have been the director of the station since its establishment about 8 years ago. I have charge of its policies and am in control of its programs. As to my training and experience: For some years I have been the director of the Municipal orchestra in Baltimore, manager of the Lyric Theatre, head of one of the departments of the Peabody Conservatory of Music and the Baltimore representative of the Metropolitan Opera Company."

Mr. Huber pointed out how the granting of the application would extend the service of WBAL so as to accommodate large groups of listeners who like its programs.

It was brought out during the WBAL hearing that the operating revenue of the station in 1933 was about \$100,000 and the expenses about \$4,000, leaving a profit of \$4,000. For some years it was disclosed the station was operated at a loss, the deficit being made up by the Consolidated Gas & Electric Power Company, the parent concern, who charged it off to advertising.

Daniel A. Reed, Secretary and General Superintendent in charge of WTIC disclosed that in 1933 the station had an income of \$130,000, and that it created a deficit of \$350,000, which was taken care of by the Travelers Insurance Company, the parent company. Reed testified that the ill-starred synchronization with WEAJ, which prevailed between March, 1931, and was ended in June, 1932, when the Radio Commission refused to renew that authorization, "cost WTIC \$75,000."

Thomas Gooch, publisher of the Dallas Times-Herald, and licensee of Station KRLD testified that his station in recent years has been clearing about \$5,000 per annum. He said he was anxious to secure more time on the air so as to provide a better outlet for the Columbia Broadcasting System in that area and to add some important local programs.

Stout opposition to the proposed shifts of frequencies was registered before the Commission by Station WESG, licensed to Cornell University, now operating on 1040 kc. and by stations KWJJ, Portland, Oregon, and WJAG, Norfolk, Nebr., both of which are now operating on 1060 kilocycles.

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#### SENATOR DILL COMMENDS AMERICAN RADIO SYSTEM

Senator Dill, of Washington, who along with Representative Bland, of Virginia, is framing the new Communications Commission Bill, gives his approval to the American system of broadcasting.

"The greatest advantage of the American system of private ownership of radio facilities as against government ownership in other countries is that our system arouses private initiative and has caused American radio to keep far ahead of radio development in all other parts of the world", Senator Dill said.

"The rapid development of the art of radio communication is far more important than incidental objections to the kind of advertising or the amount of advertising in radio broadcasting, or to seeming temporary advantages of governmental monopolies of communication systems in other countries. These objections and those seeming advantages can be readily overcome when the art of radio communication has reached its fuller development."

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## EDDIE RAILS AT FREE BROADCASTS AND OTHER THINGS

Although Eddie Dowling, appointed by President Roosevelt as a government member of the Broadcasters' Code Authority didn't turn up at the Authority's meeting either day in New York, he found time to address a meeting of the Associated Motion Picture Advertisers and to declare that free admission to broadcasting studios must stop. As quoted in a New York dispatch, Dowling had embarked on a drive to end the much-complained-of practice of radio stations, whereby they admit large audiences to studios to witness broadcasting and charge them nothing for the privilege. He promised he would do everything in his power to achieve this end.

"If I had my way", said Dowling, I'd stop free shows, sponsored by radio broadcasters. That sort of thing cannot continue.

"It is not right that 2,000 people at one time should see free entertainment, taking all this business away from the box office. If a broadcast is worth seeing, it is worth paying for.

"I wish you would all help me. This is your fight as well as mine. The fight is in the open, and they have got to stop!"

Members of "Big Hearted Herbert", Dowling's latest theatrical production, were introduced to the lunchers.

Eddie took another shot at the industry in an article, "Radio Needs a Revolution" in the Forum and Century, in which he wrote:

"It is our concern to ask why radio broadcasting today should be in the hands of electrical combines. The invention of the linotype did not turn the policy and practise of journalism over to mechanics and machinery salesmen. Nor did the invention of talking pictures turn the film industry over to sound engineers or apparatus salesmen. And yet radio, already as great a factor in our national life as one of these and rapidly becoming a serious rival of the other, is and always has been dominated absolutely by the close knit industries of its technical manufacturing and production branches."

All of which is causing Eddie's fellow members on the Code Authority, several of whom have not as yet met him, to wonder how much, if any, dynamite he intends to inject into the Code sessions.

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## WOULD TIGHTEN UP ON STATION DISCRIMINATION OR CENSORSHIP

Representative McFadden, Republican, of Pennsylvania, who recently accused the Administration of using the radio for its own purposes, and who has a resolution pending for the investigation of the radio industry, has introduced an amendment to the Radio Act aimed at political and religious censorship or discrimination on the part of broadcasters.

The text of the McFadden amendment follows:

"No person, persons, company, association, or corporation owning and operating a radio broadcasting station, and receiving and broadcasting radio programs for hire, shall discriminate in the use of such station in favor of a program of speech sponsored by any person who is a legally qualified candidate for any public office, and/or by any religious, charitable, or educational company, corporation, association, or society or any other like association or society, and against or to the exclusion of another person who is a legally qualified candidate for any public office, or of another religious, charitable, or educational company, corporation, association, or society chartered or licensed under the laws of the United States, because and for the reason that such person, religious, charitable, or educational company, corporation, association, or society holds and promulgates and advocates views contrary to those expressed in programs that have been broadcast. The owner, lessee, or operator of any broadcasting station contracting for or accepting and broadcasting radio programs for one legally qualified candidate for a public office, and for one class of religious, charitable, or educational company, corporation, association or society, and refusing to contract for or to accept and broadcast for hire radio programs of speech offered for broadcast by another legally qualified candidate for a public office, or by any other religious, charitable, or educational company, corporation, association, or society within the provisions of this section, because or for the reason that such legally qualified candidate, or such religious, charitable, or educational company, corporation, association, or society holds or promulgates a contrary or different view from that which is expressed by the person or parties broadcasting programs, shall be deemed guilty of an unlawful discrimination. All persons, companies, corporations, or associations owning and operating a radio station who shall be guilty of a misdemeanor shall be punished by a fine of not less than \$500 nor more than \$5,000, and in addition thereto may be required to forfeit the license for operating such broadcasting station.

"No person, persons, company, association, society, or corporation shall by threats, or by coercion, or by misrepresentation, or any other like manner interfere with or prevent, or attempt to interfere with or prevent, the broadcasting of any radio program by any owner, lessee, or operator of any radio broadcasting station; or interfere with or attempt to interfere with, or to prevent any owner, lessee, or operator of any radio

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broadcasting station from entering into a contract with another person, persons, company, association, society, or corporation, to accept, receive, and broadcast programs of speech and music by radio. No person, persons, company, association, society, or corporation shall induce or attempt to induce any person, persons, company, association, society, or corporation to withdraw business or financial support or social intercourse from any radio broadcasting station, or the owner, lessee, or operator of any radio broadcasting station in the use and operation of such radio station or in the broadcasting of any and all programs offered to be broadcast, or which may be broadcast at any such station. Any person, persons, association, society, or corporation violating this section shall be guilty of a misdemeanor punishable by a fine of not less than \$500 nor more than \$5,000, or in the case of an individual or the responsible officials of an association or corporation, by imprisonment for a term of not less than sixty days nor more than two years, or by both such fine and imprisonment."

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#### CONGRESS GETS ANTI-LOTTERY BROADCAST BILL

A bill to prohibit the broadcasting by radio advertisements of, or information concerning, lotteries has been introduced by Representative Bland, Democrat, of Virginia, Chairman of the House Merchant Marine and Radio Committee.

Its text is as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person, firm, or corporation operating any such station shall knowingly permit the broadcasting of any advertisement of, or information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes. Any person, firm, or corporation violating any provision of this Act shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than one year, or both, for each and every day during which such offense occurs.

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## SENATE COMMITTEE APPROVES REMOTE CONTROL AMENDMENT

The Senate Interstate Commerce Committee after a short session reported favorably the amendment to the Radio Act introduced by Senator Dill to prevent setting up studios in the United States which are connected with radio stations in foreign countries that broadcast back into the United States. Although members of the House Committee on Merchant Marine and Radio expressed themselves in hearty approval of an identical amendment introduced by Representative Bland, of Virginia, they will have another meeting Friday, February 23rd, to give electrical transcription record manufacturers an opportunity to be heard. The amendment aims to prevent records being sent from this country to objectionable border stations as well as programs by wire.

Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, offered two amendments, the first of which was "That nothing in this section shall apply to the use of any studio, place or apparatus in connection with any program which is broadcast simultaneously by a foreign radio station and by any radio broadcasting station licensed by the Federal Radio Commission."

This, Mr. Bellows explained, would forestall any interruption of the network broadcasts between the United States and Canada, which are now carried on regularly and have the approval of both countries.

By way of strengthening the electrical transcription restriction, Mr. Bellows suggested having the sentence read, "or physical reproduction of sound waves designed exclusively for reproduction for radio broadcasting." As an alternative amendment to this, he proposed inserting the words, "the principal function of which is to cause such electrical energy or mechanical or physical reproduction of sound waves."

Dr. C. B. Jolliffe, Chief Engineer of the Radio Commission, declared that the bill was not directed at any legitimate broadcasting between the United States and Canada. He said it was aimed principally at the stations broadcasting into this country across the Mexican border. He cited particularly the two stations which had been closed down in this country, one operated by Dr. Brinkley, XER at Villa Acuna, and XENT at Neuva Laredo, by Norman Baker, the latter of which opened up only a few days ago. Dr. Jolliffe said the authorized power of XER was 500,000 watts and he believed the station was actually using between 75,000 and 150,000 watts. Norman Baker, with an authorization of 150,000 watts, the radio official had heard, was using approximately 50,000 watts.

Dr. Jolliffe said that all the Mexican border stations were financed by American capital and were operated for the purpose of supplying American audiences rather than Mexican audiences and carried programs which would not be carried by American

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stations because of their character. Jolliffe said of the 12 exclusive channels Mexico demanded of the United States at the Mexico City Conference, they desired to give six to the border stations. Dr. Jolliffe said that in all, there were twelve stations on the Mexican border either now operated, under construction, or expected to be constructed.

Dr. Irvin Stewart, of the Treaty Division of the State Department, declared that the influence of these border stations tended to cause friction between the two countries.

Judge Sykes testified that the so-called Mexican stations on the border were really stations owned by Americans for the purpose of broadcasting into the United States. The Judge also took pains to commend the Canadians declaring that they stood with us in all our demands at Mexico City.

Dr. Tracy Tyler of the Committee on Education by Radio was the last witness to testify declaring that they stood squarely behind the bill.

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#### RADIO COMMISSIONERSHIP APPOINTMENT IN DOUBT

Although Commissioner W. D. L. Starbuck's term expires next week (February 23rd) there has been less talk than there ordinarily would have been about his successor, if he is not to be reappointed, because of the belief that a Communications Commission may soon be created with a new deal all around. Those who argue that there is a chance of the reappointment of Commissioner Starbuck point to the fact that he apparently is in the good graces of at least one New York Senator since he was among the guests at the big dinner given by Senator and Mrs. Royal Copeland in Washington.

The general impression seems to be that Judge E. O. Sykes is apt to be appointed to the new Communications Commission. Also that Herbert L. Pettey, Secretary of the Radio Commission, who stands high with patronage dispenser Farley, may have a place on the Commission. Mr. Pettey, who is only 28 years old, has been quoted as saying that he would not care to be Commissioner. The assumption, therefore, is that he may be the secretary of the new Commission.

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## WAVE POLICING INCREASES SHANGHAI RADIO POPULARITY

The popularity of radio is increasing to a noticeable degree in Shanghai, China, according to a report from Consul Richard P. Rutrick. There are 35 broadcasting stations in Shanghai, 29 of which are Chinese, the others being foreign-owned and operated. The National Government of China exercises partial control over these stations and recently assigned a definite wave length to each. This action, relieving as it did Shanghai's congested air, greatly stimulated the sale of radio sets in the city.

Imports of receiving sets and parts into the Chinese metropolis during the ten months ended October 31, 1933, the latest available figures, had a value of \$684,173 compared with \$564,117 for the year of 1932. The improved radio business, the report states, began in 1931, in which year imports of sets and parts reached a value of \$394,700. During 1930, total imports of radio sets and parts amounted to only \$102,500.

Local firms, the report declares, are enthusiastic and optimistic regarding the future of radio in China, particularly in Shanghai. At present there are about fifty makes of radio sets on the Shanghai market, the majority being of American manufacture. Fifteen popular American sets enjoy approximately 50 per cent of total sales in this area.

It is estimated by Shanghai dealers that there are between 30 and 40 thousand radio sets in use in Shanghai, ranging from crystal sets to the latest de luxe multi-tubed models. The type of receiver which is most popular is the medium-sized unit having six to nine tubes.

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## MADRID TREATY CONSIDERATION POSTPONED

Consideration and ratification of the Madrid Radio Conference Treaty by the Senate Committee on Foreign Relations has now been set for Wednesday, February 21st.

A strong plea against the ratification by the Senate of the amateur ban in the Madrid Treaty is made by Clair Foster, #6HM, of Carmel, Calif.

"The convention of Washington in 1927 especially was dominated by commercial corporations", Mr. Foster writes in "Radio", a magazine published in San Francisco. "That is where the amateurs lost all but their tail-feathers. Before that time they had been plucked of most of their body covering. Up to that time the United States amateurs had held all of the short waves from 1500 kilocycles upwards. Their representatives, at various conferences of no legal status, had of their own accord relinquished all but a

few narrow bands. When the international convention of Washington came along the amateurs had already established their reputation as push-overs, so it was a foregone conclusion that without competent representation they would lose territory. They WERE without such representation and they DID lose three-fourths of what they had not already given away. They were not only deprived of most of their territory but their rights were invaded by incorporation in the treaty of provisions designed to limit amateur communication with other countries.

"Now the whole necessity for international radiotelegraph conventions revolves about the problem of interference. Where there is no interference of signals, there is no need for international conferences. Commercial people, however, have used the mechanism of international conventions for purposes quite outside the problems of interference. The attempt to so use them is what causes the greater part of the muddled meddling with the affairs of individual nations that encumbers the treaties. It has long irked certain American commercial interests that the 1927 treaty could not be used to stop all international exchange of third-party messages by amateur stations. So, long before the Madrid convention of 1932, plans were afoot among these commercials to put an absolute ban at Madrid on such traffic. When the United States was preparing for the Hague conference of 1929, these commercials were instrumental in getting into the proposals to the other nations this one:

"It is recommended that amateur stations be permitted to transmit, on behalf of third parties, communications which are of the same class as the amateur is permitted, by the regulations of his administration, to handle on his own behalf."

"This was, and was known to be, a wholly improper subject to propose at the Hague; for the conferences at the Hague, and, subsequently, Copenhagen, were engineering conferences limited solely to the discussion of technical problems. But the recommendation of these amateur restrictions, by reason of their submission in writing to all other nations, did in fact put those nations on notice of the attitude the United States delegation would take at the following Madrid convention which would not be limited to technical subjects. The subject, of course, was not discussed at the Hague. It was never intended that it should be. But its distribution among the other nations did serve its designed purpose at Madrid. This is an instance of making use of the mechanism of an international convention in a matter that is the sole concern of individual nations.

"The question of the source, destination and content of messages - either amateur or commercial - has no proper place in the deliberations of an international convention. Madrid did not presume, you will notice, to interfere with the primary assumption laid down in the convention itself - that each nation is free to conduct its own affairs in its own way - by specifying the character of the messages of commercial companies! If our Senate were to ratify the Madrid ban, ('Made in USA'), on the free

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international handling of third-party messages by amateur stations then our government would be meddling in the private affairs of every other country that is disposed to permit the free exchange of amateur communications.

"We amateurs will, of course, conform with even the worst of treaties when, if, as, and for so long as they shall be or become the law of our land; but now that we know who makes them, and the kind of stuff they are made of, we need not stand in respectful awe of them and raise a crop of goose-pimples every time mention is made of 'the international treaty.'"

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#### CONGRESSIONAL MEMBERS TO VISIT RADIO CITY

Several hundred House of Representative members plan to make a week-end inspection trip to New York City and West Point leaving Washington Friday, March 2, by special train and returning Sunday night.

All Representatives who go will pay their own expenses and there will be no cost to the Federal Government, which is something new in Congressional junkets. Heretofore Uncle Sam has usually paid the bill.

The tentative itinerary of the trip is as follows: Friday night, New York City, inspection trip of Radio City and National Broadcasting studios; Saturday, inspection of the Federal Reserve Bank, Stock Exchange, Cotton Exchange and immigration station; Sunday, a trip to West Point.

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#### PRINTED COPIES OF RADIO WHOLESALERS' CODE AVAILABLE

The proposed supplemental Code for the Radio Wholesaling Trade, as revised for the public hearing to be held Saturday, February 24, has been printed. Copies are for sale by the Superintendent of Documents, Washington, D. C., price 5 cents.

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: BUSINESS LETTER NOTES :  
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By way of giving a little more publicity to traffic offenders, Station WKBF, in Indianapolis, began broadcasting the hearings of the Traffic Courts for a half an hour each night beginning at 8:30 o'clock C.S.T.

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The Washington Post has taken 15 minutes of WJSV's morning Women's hour for broadcasting features of feminine interest designating the period, "Salute the Ladies". Different members of the Post staff are heard, such as the Editor of the Women's Page, Society Editor, Motion Picture Editor, and so on.

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A patent-infringement suit was filed in the Federal court in Wilmington against the Radio Corporation of America by Helen May Fessenden of Chestnut Hill, Mass., widow of Reginald A. Fessenden, electrical engineer.

The bill of complaint asserts that the corporation has infringed two patents granted to Professor Fessenden in 1927, one for wireless directive signaling, and the other for wireless transmission and reception.

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Thomas P. Littlepage, radio counsel, ill with pneumonia has so far recovered that he has been removed from the Emergency Hospital to his home in Washington.

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Daily radio talks sponsored by the New York City administration to advise housewives on how to obtain the most value for money spent on food were started this week over WOR, by Mrs. Frances F. Gannon, Deputy Commissioner of the Department of Public Markets.

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The Radio Corporation of America stated that suits have been brought under its patents and a number of patents under which it holds licenses against two of the companies associated with the International Telephone and Telegraph Co., namely, the Mackay Radio and Telegraph Co., Inc., and the Federal Telegraph Co., of Newark, N. J.

The position taken by the Radio Corporation of America is that these associated companies of the I. T. & T. are infringing patents owned by the RCA, as well as others under which RCA holds licenses. The suit against the Mackay Radio and Telegraph Co. in the U.S. District Court, Eastern District of New York, claims infringement of 6 U. S. patents relating to radio inventions used in marine, transoceanic and domestic radio communication. The suit against the Federal Telegraph Co. claims infringement of 6 U.S. patents relating to radio tubes.

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 699

*[Handwritten initials and scribbles at the bottom of the page]*

February 20, 1934.

## STINGINGLY REBUKES COMMISSION LIQUOR GESTURE

One of the worst rebukes ever given to the Federal Radio Commission was administered by Representative Emanuel Celler, Democrat, of Brooklyn, in an extension of remarks last week in denouncing the Commission's liquor procedure. Mr. Celler said, in part:

"The Radio Commission issued a warning to radio stations to observe the so-called 'properties' in broadcasting liquor advertising.

"What these proprieties are apparently are hermetically sealed within the minds of the members of the Commission. The Commission did not issue an order. It simply announced a policy by a news-release.

"To my mind, this news-release is cowardly, unwarranted, and unjustifiable. It does not state that liquor advertising is banned. On the other hand, it lays down no definite rule for broadcasters to follow. If the Commission wishes to interdict liquor advertising, it should come out in the open and courageously say so. If it rears its head in that fashion, however, it can expect a 'good sock in the jaw' - if I may be pardoned this slang.

"The Commission knows this and would not dare risk candid criticism.

"It slyly and cowardly uses a one-half way measure which I, as a Member of Congress, who have battled against prohibition for years, deeply resent. The Commission has no right to shield itself behind a news release of this character.

"The action of the Commission undoubtedly borders upon censorship. Congress gave no right of censorship to the Commission. The Commission has repeatedly denied that it seeks to exercise the right of censorship. Yet, in its carefully worded news-release, it issues a warning which is tantamount to censorship.

"Incidentally, the news release is not definite as to whether a station which has a program which is not commercially sponsored can debate the question of liquor, and permit a person to speak on the worthwhileness of wine or other alcoholic beverages. We do not know even if such a talk shall be taboo. They do not say the talk will be banned or will not be banned if it is commercially sponsored by a distiller or vintner or wholesale liquor dealer. The meaning is not clear, being susceptible of several interpretations.

"But the Commission has no right to tell the public what it shall or shall not hear on the liquor question\*\*\*\*\*If anyone does not wish to listen to a broadcast on the liquor question, it is a simple matter for the listener to turn off the program.

"The Post Office Department no longer has the right to prevent the mailing of announcements about liquor even though the mail circulates in dry States. We recently repealed a statute which forbade the circulation in the mails of newspapers and publications containing liquor advertisements.

"Congress has stated that liquor dealers may circulate their advertisements in dry States. The Radio Commission should not now have the temerity to say to these same liquor dealers, 'You cannot broadcast information concerning your alcoholic beverages, whether the station is in a wet or a dry State, for fear the broadcast may reach the ears of those in dry States.' Such a position is utterly indefensible.

"On the one hand, we have the Government getting huge taxes from alcoholic beverages; in fact the Government is encouraging huge importations of American type whisky from Canada, Mexico, and elsewhere, from which importations there is yielded to the Government \$7 a gallon, a huge amount. And on the other hand, the Radio Commission says that nothing shall be said about this liquor. Certainly it is far better to spread, as much as possible, the information about legal liquor so this Government can get much-needed revenue. Radio broadcasting helps circulate this information.

"The President made a proclamation urging the Nation to purchase lawful liquor. The bootlegger prefers to have the public know as little as possible about good brands, lawful beverages, and decent products. The less the people in dry States know about good liquor and lawful products, the better are the opportunities for the bootlegger to peddle his wares in those dry States.

"I herewith submit a letter from Henry Adams Bellows, Vice-President of Columbia Broadcasting System:

"I have given very serious consideration to your suggestion of a radio talk in opposition to the recent press release issued by the Federal Radio Commission on the subject of liquor advertising by radio. The more I think of it, the more I feel sure that the broadcast of such a talk would be misinterpreted by literally millions of listeners. No matter how careful we might be to explain why the talk was being given, a great many people would inevitably assume that we were broadcasting it as a protest of our own against the action of the Commission.

"As you know, Columbia's policy with regard to liquor advertising, which was announced by Mr. Paley 3 months ago, is very close to what the Radio Commission itself apparently had in mind. My objection to the Commission's action is that no department of the Government has any business to try to set up a government of

press releases. If the Commission had had courage enough to issue a definite order, we could have attacked in an orderly manner through the courts, but this vague business of getting out press releases containing indefinite threats seems to me thoroughly bad. With regard to this we are wholly in sympathy with your views, and I may add that we feel exactly as you do about attempts to interfere with our freedom to advertise what we regard as suitable.

"On the other hand, I feel, frankly, that we have built up a lot of goodwill by our stand on liquor advertising, a stand which we took voluntarily and without any compulsion. I am very much afraid that a broadcast of the kind you suggest would have a distinct tendency to destroy some of this goodwill. Since the Federal Radio Commission is not an elective body, I can see absolutely no good purpose to be served in criticizing it to the public, the place for such criticism being clearly on the floor of the House or Senate. I hate to turn down a suggestion which is so completely in line with my own ideas as I could undertake to endorse in advance very word you would say on such a subject, but I do feel that this matter is definitely one for discussion in Congress rather than before the public audience. The Radio Commission, as we all know, is tremendously responsive to what is said in Congress, and is very little influenced by what it hears from the public. Furthermore, I am quite sure that the result of such a talk would be that the Commission would be flooded with letters from prohibitionists praising it for its stand and thus the real point at issue, which is the attempt to govern by press releases, would be completely lost sight of.

"I hope you will agree with me that it is wiser, particularly from the standpoint of getting the Radio Commission to see that it has made a mistake, for you to make the speech you have in mind on the floor of the House rather than to the public, which is perfectly sure in part to misunderstand your motives in making the speech and our motives in broadcasting it."

"I replied to Mr. Bellows, as follows:

"I do not agree with you that broadcasting a talk would be misinterpreted by literally "millions of listeners."

"I hope you will grant me intelligence sufficient to permit me to present my views with such clarity that it would be impossible to be misunderstood by literally "millions." A statement could be made at the beginning and at the end of the address indicating that the station over which the broadcast had been given did not, in no wise, directly or indirectly, intend to protest the action of the Radio Commission.

"I am keenly disappointed with your attitude. First, because I cannot use your system for the purpose indicated. Second, because you are willing to surrender without a shot being fired. Frankly, I believe your attitude is unjustifiably weak-kneed. You do not even know your own strength. You mention the

Commission's lack of courage in their failure to issue a definite order but instead send forth a news release which contained indefinite threats. I think you lack just as much courage in failing to protest and in not allowing a protest over your system.

"I think you also show the white feather and are assuming a ridiculous policy in refusing to permit advertising broadcasts sponsored by liquor dealers and/or wine merchants. Why should not legitimate concerns be encouraged to make known their brands? Your failure to cooperate in this regard encourages the secret methods of the bootleggers. The Government is anxious to secure as much revenue as is possible from the liquor business to help reduce our deficit.

"It should receive cooperation from the radio broadcasting stations. Knowledge could be spread about liquor upon which a tax had been paid rather than have the public supplied with alcoholic beverages sold and delivered clandestinely and upon which the Government has received no tax."

"One of the members of the Radio Commission may soon have his name presented for reappointment. Notice is hereby served upon such member and other members that I shall oppose the reappointment or the appointment of anyone who subscribes to the recent press release. As above mentioned, any man who would continue to make liquor something romantic and something that can only be sold in dark corners and speak-easies - and this is what the order or press release encourages - is not qualified to sit on the Radio Commission. Anyone who, directly or indirectly, seeks to invoke censorship - and this is what the press release intends - is not fit to sit upon the Radio Commission.

"My hat goes off to Station WOR at New York. It put on a liquor advertising broadcast after the Commission's absurd news release. I admire the courage of Alfred J. McCosker, in charge of WOR."

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#### DON LEE LOSES COURT APPEAL

The District Court of Appeals has denied a stay order for the Don Lee Broadcasting Company against a decision of the Radio Commission denying construction application to the Lee Company for a new station at Redlands, Calif., granting license renewals to KTM and KELW and assignments to the Los Angeles Evening Herald, a Hearst publication.

The Court of Appeals affirmed the Commission's action in refusing to move WOQ, Unity School of Christianity, Kansas City, Mo. off the frequency 1300 which it is now sharing with KFH, of Wichita. KFH had asked for unlimited time on this frequency.

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## WE BEGS TO RE-POLOGIZE

The following has been received from James W. Baldwin, Executive officer of the Broadcasting Code Authority:

"Please allow your next News Service issue to show that the statement attributed to me in your Service of February 9 concerning Station CKLW at Windsor, Canada, is in error. I have never authorized any statement concerning any complaint against any radio station. In this connection and in fairness to Station CKLW, I quote in full a letter dated February 10th which has been received from Mr. Keith Scott, Secretary and Treasurer of the Essex Broadcasters, Inc., which is a subsidiary of Station CKLW:

"It seems desirable that you should be fully informed of the basis of operation of Radio Station CKLW, and its American subsidiary, Essex Broadcasters, Inc., who are located in Detroit, Michigan.

"We were one of the first in Detroit to sign the President's Blanket Code, and to receive our Blue Eagle. We are paying all of our employees, both in Windsor and Detroit, according to the scale set up in the code for the Radio Broadcasting Industry for a high power regional station. Besides maintaining our studios and transmitter in Windsor, we, through Essex Broadcasters, Inc., spend approximately \$10,000.00 per month in Detroit, of which salaries and wages account for almost 50%.

"We were late in filing our rate card, due to our having no notice of the date it should have been filed, or the authority to whom it should be sent, but we revised our rate card as at January 15, 1934, and forwarded a copy of it to the broadcasting code authority at Washington, D. C., but as this may not have reached the proper authority, we are enclosing herewith another copy of our present rate card.

"It is our policy to live up to the code in every particular and we have not, nor do we intend, to provide any unfair competition for local broadcasting stations."

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## MUSIC GROUP ASKS FOR ASCAP INVESTIGATION

The Music Users' Protective Association of America, through its attorney, Harray L. Katz, of Baltimore, has accused the American Society of Composers of violating the anti-trust laws, of unfair methods of competition, and with racketeering in a complaint made to the Federal Trade Commission.

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## SALTZMAN RESIGNATION IS SHIPPING BOARD MYSTERY

Several reasons were advanced as to why Gen. Charles McK. Saltzman, former Chairman of the Federal Radio Commission, resigned as Vice-President of the U. S. Shipping Board Emergency Fleet Corporation. One prediction was that it was destined to precipitate revelations concerning ocean mail subsidies as sensational as those made in connection with air mail contracts. General Saltzman's resignation is taken to mean his efforts were consistently blocked.

It is believed Coolidge and Hoover appointments, together with private shipping concerns, are responsible for the deadlock.

That this deadlock will be broken was foreshadowed recently when President Roosevelt spoke of abolishing mail contracts in favor of out-and-out subsidies. The President believes in subsidies under certain conditions and favors calling them by their right name. Friends explained, however, that General Saltzman's resignation was influenced primarily by an attractive offer he had received from a private business firm.

Still another version of the Saltzman resignation is that he may be paving the way to get on the new Communications Commission.

In addition, it was explained that General Saltzman had been disappointed at the action of Secretary Roper in appointing Henry H. Heimann as director of the recently established Shipping Board Bureau of his department which succeeded the United States Shipping Board. It had been thought by many that General Saltzman was in line for the appointment.

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## CANADA PROGRESSES WITH ITS NEW COMMERCIAL STATION

Canada is going ahead with its new point-to-point communication station, according to the McClure Newspaper Syndicate.

"Plans for a Canadian government radio station to transmit American transatlantic messages at cheaper than prevailing commercial rates are coming along nicely", a McClure dispatch reads. "The main problem still to be solved is the matter of suitable reception facilities in England."

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## SENATOR PREDICTS NEW AND LARGER RADIO NEWS SERVICE

Informing the Senate that for several weeks he has been receiving a considerable number of letters from all parts of the United States complaining that many of the radio stations of the country are about to discontinue the announcement of news, Senator Dill, of Washington, said:

"I have no desire to criticize what the Associated Press or the United Press or the other press associations or the broadcasting chains may decide to do about the news they collect, but I do have this to say about the public service to be rendered by radio. There are literally millions of people in the country who depend upon the announcement of news over the radio to get the news events of the world. In many cases at this time of the year they know what is happening in the world 2 or 3 days ahead of any time they could learn it through the newspapers.

"I venture the prediction that this order will not be carried out by all radio stations in the country so far as news service is concerned. If the press associations of the country and the broadcasting chains insist that there shall not be more than 5 minutes of news service over the radio and that only after after 9:30 o'clock in the morning and after 9 o'clock at night, I venture the prediction there will be a radio news service established in the country that will give the news collection agencies a good deal more trouble than they have ever had up to this time from radio broadcasts. The people of the country expect the radio stations to give them information. The radio stations are giving them information at this time.

"I dare to suggest to the news-gathering associations that they cannot do more to popularize their own newspapers than to allow a larger use of their services than 5 minutes twice a day after 9:30 o'clock in the morning and after 9 o'clock at night. I believe they are in position to combine with the news-gathering agencies of America and the world to give to the American people the greatest news service ever known to the human family. No suppression of this kind can long keep the people from securing the service from the radio stations which those stations are able to give. I earnestly hope they will see that it will be to their interest to satisfy the desires of the people for this information, and not attempt to shut off a great radio service in the form of news in this country."

The Associated Press, United Press and the International News Service have notified all member and client newspapers that effective March 1 the broadcasting of news from their telegraphic reports is prohibited, except in accordance with the recently promulgated program.

James W. Barrett, editor of the new Press Radio Bureau of the Publishers' National Radio Committee at 551 Fifth Avenue, New York, said that the NBC and Columbia were the only subscribers to the service thus far. He added:

"Any radio station may have access to the broadcast reports prepared by the bureau upon its request and upon its agreement to pay a proportionate share of the expenses involved, in addition to wire toll charges, collect, for transmission to the station.

"News commentators who now include spot news in their broadcasts have agreed to confine themselves after March 1 to generalization and background of general news situations."

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#### MUSICIANS COMPLAIN TO CODE AUTHORITY

Former Magistrate Charles A. Oberwager, Chairman of the Emergency Council of Unemployed Musicians, announced in New York that he had received a letter from Deputy Administrator William P. Farnsworth in which the latter had assured him that several matters brought to his attention by the delegation of unemployed musicians which visited Washington would be discussed at the next meeting of the Radio Broadcasting Code Authority.

According to Oberwager, one of these matters is the practice of broadcasting companies in hiring out studio orchestras for dances and social functions. He alleges that studios, who are allowed to employ musicians at a rate of \$90 a man for a week of 24 hours of either rehearsals or playing or both, do not always use the musician for the 24 hours and attempt to profit by sending him outside the station to play, competing with musicians who are usually employed for these occasions at the \$12 an hour rate.

Other complaints of the musicians which will be taken up at the next meeting of the Radio Code Authority will involve the use of electrical transcriptions by broadcasters and the alleged decrease in employment of musicians throughout the country because of the coast-to-coast broadcasts of name bands.

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#### AGENDA FOR RADIO PARLEY DISCUSSED

Plans for the forthcoming conference of the International Committee on Radio were discussed last week in Washington by the Executive Council of the American Section of the Committee at a meeting at the University Club. The agenda for the conference, to be held at Warsaw, Poland, April 10 to 15, was discussed.

Senator White, of Maine, was re-elected President of the Council, and William R. Vallance, of the State Department was renamed Chairman.

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## NEW GLOBE WIRELESS SERVICE ACROSS PACIFIC STARTED

Inauguration of a Transpacific radio service to land stations and ships at sea was announced by Globe Wireless, Ltd., in San Francisco Feb. 16, according to an Associated Press dispatch.

The announcement said the concern has stations at San Francisco, Seattle, Portland and Los Angeles, New York, Honolulu, Guam, Shanghai and Manila.

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## RCA SCORES AGAINST MAJESTIC DISTRIBUTORS, INC.

The Radio Corporation of America made the following statement last Saturday:

An important decision covering radio tube patents has been handed down by Judge Thomas in the United States District Court, District of Connecticut, in suits brought by the Radio Corporation of America and others against Majestic Distributors, Inc., a subsidiary of the Gribbsby-Grunow Company.

The Radio Corporation of America claimed infringement of eleven patents relating to radio tubes. These included patents owned by the Radio Corporation of America, and others under which it is licensed with the right to grant licenses to others. The Court held ten of the eleven patents to be valid and infringed by the defendant company.

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## NBC ISSUES PROGRAM POLICIES AS GUIDE

The National Broadcasting Company has mailed copies of its Program Policies to broadcast advertisers. In connection with this, Richard C. Patterson, Jr., NBC Vice-President said:

"The relationship between advertisers and the public is a matter of primary concern to all those interested in advertising. With the cooperation of leading broadcast advertisers and advertising agencies, the National Broadcasting Company has attempted to crystallize current trends of thought on this subject in a statement, bound in handy booklet form. In the future, NBC will be guided in all its presentations by the program standards and program procedures there set down."

The following excerpts taken from "NBC Program Policies" are of particular interest:

"Its (broadcast program) primary appeal should be to the listener's interest. Unpleasant or gruesome statements should be avoided as more likely to offend than to instruct or entertain."

"Tiresome repetition or too much detail should be avoided. For instance, the advertiser's street address and the like should not be reiterated to the point of annoyance."

"Statements of prices and values must be confined to specific facts. Misleading price claims or comparisons must not be used."

"....Commercial programs shall not refer to any competitor, directly or indirectly, by company name, by individual name, or by brand name - regardless of whether such reference is derogatory or laudatory."

With regard to testimonials, the advertiser or his agency must submit to the National Broadcasting Company, at least three days in advance of the broadcast, "either an indemnification signed by the advertiser or his agency, or a written release authorizing its use for advertising purposes, signed by the person making the testimonial and sworn to before a notary public, and must furnish the National Broadcasting Company a full copy thereof."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

### Applications Granted (Feb. 20, 1934)

WLAP, American Broadcasting Corp. of Kentucky, Lexington, Ky., modification of C.P. approving transmitter and studio locations, and extending commencement date from Feb. 5 to 30 days from this date and completion date to May 5, 1934; WSOC, WSOC, Inc., Charlotte, N. C., C.P. to make changes in equipment and increase daytime power from 100 to 250 watts; KIEM, Harold H. Hanseth, Eureka, Cal., modification of license to increase hours of operation from daytime to unlimited; WEAN, Shepard Broadcasting Service, Inc., Providence, R. I., extension of special experimental authority to use 250 watts experimentally at night in addition to regular power of 250 watts; WJAR, The Outlet Company, Providence, R. I., extension of special experimental authority to use 250 watts power at night in addition to regular assignment of 250 watts; WNEL, Juan Piza, San Juan, P. R., modification of C.P. to make changes in equipment and extend commencement date to 10 days after this date and completion date from April 16, 1934 to 90 days thereafter.

Also, WIBA, Badger Broadcasting Co., Madison, Wis., special temp. exp. auth. to operate with 500 watts in addition to the regular assignment of 500 watts at night, for period ending April 1, 1934; WFBM, Indianapolis Power & Light Co., Madison, Wis., special temp. exp. auth. to operate with 500 watts in addition to the regular assignment of 500 watts at night, for period ending April 1, 1934; WFBM, Indianapolis Power & Light Co., Indianapolis,

Ind., authority to operate simultaneously with Station WSBT, March 16 and 17 specified hours; WHET, d/b as Troy Broadcasting Co., Dothan, Ala., authority to operate from 7:30 p.m. to 9:30 P.M. CST, Feb. 20, 1934 for political broadcast; WSUI, State University of Iowa, Iowa City, Ia., spec. temp. auth. to operate specified time Feb. 23, 1934; WJDX, Lamar Life Insurance Co., Jackson, Miss.. C.P. to make changes in equipment and increase power from 1 KW to 1 KW night, 2½ KW day; WMBD, Peoria Broadcasting Co., Peoria, Ill., authority to rebroadcast Police Radio System for one-half hour on Sunday night, Feb. 25, 1934; KTRH, KTRH Broadcasting Co., Houston, Tex., special exp. auth. to change frequency from 1120 kc., to 630 kc. and increase power to 500 watts night, 1000 w. day - exp. to April 1; KSOO, Sioux Falls Broadcast Association, Inc., Sioux Falls, S.D., spec. temp. auth. to operate simultaneously with WRVA Feb. 13, 16, 17, 20, 22 and 27, 1934, specified hours;

Also, KWCR, Cedar Rapids Broadcast Co., Cedar Rapids, Ia., modification of C.P. approval of transmitter site authorized to be determined at 3rd Ave. and 3rd St., Cedar Rapids, Ia.; KGDY, Voice of South Dakota, Huron, S. D., special temp. auth. to operate specified hours Feb. 16, 17, 24 and March 2 and 3, 1934; WCHS, WOBU, Inc., Charleston, W. Va., extension of special temp. auth. to operate with 250 watts additional nighttime power for period beginning 3 A.M. EST, March 1, 1934 and ending in no event later than 3 A.M. EST., Sept. 1, 1934; WTAG, Worcester Telegraph Publishing Co., Inc., Worcester, Mass., same as for WCHS.

#### Action On Examiner's Report

Wyoming Broadcasting Co., Cheyenne, Wyo. (New) denied application for C.P. for new station to operate on 780 kc., 500 watts night, 1 KW LS, sustaining Examiner George H. Hill, order entered effective Feb. 27, 1934.

#### Miscellaneous

WDEL, WDEL, Inc. Wilmington, Del., application for modification of license requesting increase in power from 250 to 500 watts night, on 1120 kc., restored to hearing docket; KICK, Red Oak Radio Corp., Carter Lake, Ia., suspended grant to move station from Carter Lake to Davenport, Ia., make change in equipment and frequency, and change call letters to WOC, also authorization for voluntary assignment of license to Palmer School of Chiropractic, because of protests of stations KSO, Des Moines, and WHBF, Rock Island, Ill., applications set for hearing; WJJD, WJJD, Inc., Chicago, Ill., suspended grant of authority made Jan. 16, 1934, to move studio from Mooseheart, Ill., to 201 N. Wells St., Chicago because of protests of WGN, WENR, WMAQ and WCFL. All Chicago stations; application set for hearing.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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**CONFIDENTIAL—Not for Publication**

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No. 700



## BORDER BAN NOT TO INTERFERE WITH LEGITIMATE BROADCASTS

It is not the intention to jeopardize the international broadcasts between the United States and Canada in the proposed amendment of the Radio Act being considered by Congress which would prevent programs being sent from studios in this country to be broadcast back into the United States. Certain persons, notably Dr. J. R. Brinkley, formerly of Station KFKB, Milford, Kans., and Norman Baker, formerly of KTNT, Muscatine, Ia., who have been forbidden to operate broadcasting stations in the United States have set up stations XER, at Villa Acuna, and XENT, at Neuva Laredo in Mexico and are operating studios on the American side of the line.

The bill, which has been favorably reported by the Senate, will, the Committee report sets forth, "give the Commission power to stop such outlaw broadcasting.

"The bill will not interfere in any way with exchange of programs between the United States and foreign countries because the Commission is authorized to grant permits to those who desire to operate legally and in the interests of the public.

"The committee has recommended adoption of the following amendment:

"'Provided, That nothing in this section shall apply to the use of any studio, place or apparatus in connection with any program which is broadcast simultaneously by a foreign radio station and by any radio broadcasting station licensed by the Federal Radio Commission.'

"The purpose of this amendment is to make unnecessary the granting of permits where a station, licensed by the Commission, broadcasts a program simultaneously with a foreign radio station."

This amendment was suggested to Senator Dill by Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, who feared that the bill as originally written might be construed in such a way as to disturb the exchange of programs between this country and Canada. Mr. Bellows was said to have especially had in mind Station CKLW, at Windsor, Canada, just across the border from Detroit and which has studios in Detroit.

Critics of the Bellows amendment argued that in the case of the Mexican stations having studios in this country, they might get around it by getting a small station licensed by the Radio Commission - some little 100 watt - to broadcast their programs. The answer to this advanced by the proponents of the Bellows

amendment is that the Radio Commission could find a way to deal with this station when it came up for its license renewal.

One of the stations which XER at Villa Acuna interferes with is WSB at Atlanta, Ga., owned by the Atlanta Journal. Former Senator John S. Cohen, President and Editor of the Journal, has written to Representative Robert Ramspeck, of Georgia, as follows:

"The purposes of the bill are manifestly so fair that it seems to me it should meet with no opposition. What its effect will be I cannot foretell.

"We are the innocent victims of this lack of cooperation between Mexico and the United States. We have, as you know, been interested in radio for more than twelve years, and have recently erected our newest transmitter of 50,000 watts, the largest permitted under the radio regulations of this country. We also have a clear channel so far as the United States is concerned, but as Dr. Brinkley operates his border station on a wave length very near ours, it causes us great annoyance and probably great loss. I hope some way can be found to remedy the situation. This is certainly a step in that direction."

WSB, Atlanta, is within 5 kilocycles of the frequency of XER, the Brinkley station which is on 735 kilocycles. It is not the only newspaper station with which XER interferes. Although WGN, owned by the Chicago Tribune, is separated by 15 kilocycles, it is reported as being bothered by the border channel which, as is the case with most Mexican frequencies, "wobbles."

WIBW, Senator Arthur Capper's station at Topeka is but 5 kilocycles removed from XEPN, at Piedros Negros. WFAA-WBAP, operated by the Dallas News and the Fort Worth Star-Telegram is 10 kilocycles from XEBC, at Agua Calientes and 5 from WHAS of the Louisville Courier Journal.

Adding to the complications is the fact that our frequencies end in 10 kilocycles and the Mexican in 5. In the United States, stations are separated by a minimum of 10 kilocycles so these Mexican channels within 5 kilocycles of ours play havoc.

Mexico at the North American Conference first demanded 20 clear channels of us, but said later they would be satisfied with 12. As to their needs in this, they said it was a matter for Mexico to decide and not for the United States to say. They would not divulge their program nor would they tell where they wanted to locate the stations. They looked upon the air just as they did the freedom of the seas. The Mexicans felt that they had just as much right to use the spectrum as the United States.

Judge E. O. Sykes, who headed the American delegation, answered this by saying that the United States was already there and was not going to leave until Mexico could show that it really needed the channels. As to the freedom of the seas argument, he said that if a ship was in one place, another ship couldn't come

2/23/34

along and push it out and get into that same place until the other ship vacated the position. Just so the United States, Judge Sykes said, already on a frequency, was not going to get off or deprive the people on that frequency of broadcasting until they knew the exact needs of Mexico.

It developed that of the 12 exclusive channels demanded by Mexico, they wanted six for border stations, of which 2 would go to Dr. Brinkley and Baker respectively, despite the fact they had been closed down in the United States.

The move of James W. Baldwin, executive officer of the Broadcasters' Code, requesting the Code Authority to consider whether or not a Code provision could be enacted to operate against the Mexican stations brought the following letter to General Johnson from Herbert Feis, Economic Advisor of the State Department:

"The Department is of the opinion that the reason why such adjuncts of Mexican stations located in the United States for the profit and commercial gain of the station owners should not be subject to the same regulations as similar adjuncts of American stations."

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#### MADRID TREATY CONSIDERATION AGAIN POSTPONED

Consideration of the Madrid Radio Conference Treaty by the Senate Committee on Foreign Relations has once more been set forward. No date for the next meeting has been named.

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#### GRIGSBY-GRUNOW IN BANKRUPTCY

The Grigsby-Grunow Company, of Chicago, once one of the country's largest manufacturers of radio receiving sets, was placed in bankruptcy this week by Federal Judge Barnes, who named Frank McKey as receiver in bankruptcy, according to a dispatch to the New York Times. The company's book value, according to the bankruptcy petition, is \$14,000,000, while its liabilities are \$6,000,000.

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## NEW RADIO COMMISSION APPOINTMENT HAS THEM ALL GUESSING

The appointment of Representative Anning S. Prall, a Democrat, of Staten Island, New York, as a member of the Federal Radio Commission to succeed W. D. L. Starbuck, apparently came as a surprise even to Mr. Prall himself. His name had not been mentioned. John F. Killeen of the Bronx, Farley's campaign assistant was supposed to have had the inside track.

As far as could be learned, Mr. Prall has no radio qualifications excepting, as someone facetiously remarked, "probably he owns a radio set".

NBC and Columbia were reported to have worked for the re-appointment of Starbuck. The naming of Prall by President Roosevelt was said to have been as complete a surprise to the networks as it was to most everyone else.

The appointment was a personal selection of the President. It was said that the two are political friends of long standing. One version was that Mr. Prall was facing a contest in his election next Fall and though the future of the Radio Commission is uncertain, the appointment would at least save his face if a defeat were ahead of him.

If political reasons were not the principal factors in the appointment it seems certain that Mr. Prall would not resign his \$10,000 (minus the pay cut) seat in Congress to accept a Commission position at the same salary if the President had not assured him of its continuance.

Which leads up to the question - "Is Mr. Prall slated for a place on the new Communications Commission?" One report was that Mr. Prall would not resign his seat in Congress until he saw what was going to happen to the Radio Commission.

Prall, a resident of West New Brighton, was born on Staten Island, Sept. 17, 1870. He was educated in the public schools and was Vice-President of Cosgrove & Company, New York. He was appointed a member of the New York City Board of Education January 1, 1918, and was three times elected its President. He was appointed a Commissioner of Taxes and assessment from New York City in 1922. He was elected to Congress in 1924, and has been there ever since.

Someone remarked that Prall having been an educator, it looked as if maybe Armstrong Perry and the Committee on Radio in Education, who have been severe critics of the Radio Commission, might have had something to do with the appointment. Prall's term is for six years.

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## BROADCASTING SURVEY FAILS TO GET UNDER WAY

There is apparently some hitch in the survey of the broadcasting industry which was to have been made at the direction of President Roosevelt by a committee headed by Secretary of Commerce Roper. Secretary Roper said it was felt by some in Congress that the survey should not be made until after the Communications Commission had been created. The original idea was to make the survey for the information of those who had the task of drafting the Communications Commission bill.

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## TIP THAT CANADA IS AFTER OUR COMMUNICATIONS BUSINESS

In the confidential section (not for publication) of the National Whirligig, James McMullin, of the McClure Newspaper Syndicate writes:

"The Canadian government is carefully laying its lines to take over the Canadian Marconi Company and with it a large slice of American transatlantic business. Developments already predicted in this column are working to a neatly-planned conclusion.

"The Canadian Pacific and Canadian National railways will shortly announce a merger of their communication facilities - corresponding to Western Union and Postal. These communication lines have a 99-year contract with American companies providing that all their cable business must be transmitted through the United States. The Canadian government thinks this contract can be broken. Vigorous and inspired protests against the arrangement will appear regularly in the Canadian press from now on.

"Meanwhile American cable users - including several large New York banks - are prepared to guarantee Canada an annual gross business of two million dollars from the United States in order to obtain cheaper rates for themselves.

"Western Union, Postal and RCA are likely to counter by threatening to withdraw their accounts from the American banks involved. But New York insiders believe the plan will go through. The only factor that worries its sponsors is possible interference by the U. S. State Department."

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## MCCOSKER MAKES FEW CHANGES IN NAB COMMITTEES

There will be few changes made in National Association of Broadcasters committees by A. J. "Hollywood" McCosker, who is serving his second term as president of the organization. Arthur B. Church, of KMBC, Kansas City, will become Chairman of the Commercial Committee, and H. K. Carpenter, of WPTF, Raleigh, N. C., will assume the chairmanship of the Cost Accounting Committee. This Committee will be especially important this year because the Code requires a cost accounting system.

Walter J. Damm, of WMTJ, Milwaukee, will be Chairman of the Television Committee.

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## NEWSPAPER EXECUTIVE HAILS RADIO NEWS AGREEMENT

Addressing the Inland Press Association at Chicago, E. H. Harris, Chairman of the American Newspaper Publishers' Association termed the news broadcasting agreement effective March 1st among press associations and radio networks, the "starting point of a constructively mutual relationship between these two important industries."

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## BROADCASTERS WILL ATTEND PURE FOOD HEARING

Representatives of the National Association of Broadcasters will be present at the public hearing on the new Copeland Food and Drug Bill Tuesday, February 27th. The Copeland measure discards many of the advertising features found in the Tugwell bill.

John W. Darr, secretary of the Joint Committee for Sound and Democratic Consumer Legislation, in connection with the food and drug legislation, raised the question of radio censorship by announcing that the National Broadcasting Company had refused to permit broadcast advertisers to use part of their time for a statement in regard to the Tugwell Bill. He made public a letter from E. R. Hitz of the NBC Sales Department to J. A. Carter of Benton & Bowles, Inc., agency for important food and drug advertisers, which said:

"Our legal department has ruled that this is a matter of such controversial nature that it is too dangerous to use. As a matter of fact, almost any discussion of the Tugwell Bill at this time is dangerous."

Mr. Darr said that other broadcasters had made oral refusal of similar requests. He made public this statement:

"The refusal of the broadcasting companies to transmit this announcement over the air illustrates the exact point we are trying to make in our own activities. We cannot blame the National Broadcasting Company for trying to protect itself against possible bureaucratic reprisal. On the other hand we must face the fact that it indicates the invisible hand of bureaucracy reaching out for power and control, even before legislation is on the statute books. This incident will dramatize for the American public the broad fight we are making for them in their interests - the maintenance of the American system of freedom and individual liberty versus bureaucratic compulsion and control.

"We believe it will further point out the dangerous trend toward the unduly hasty type of legislation under the guise of emergency legislation which has become the style of the day in contradistinction to legislation in which all parties affected are properly considered."

While broadcasters made no formal reply, it was said on their behalf that the radio interests provide quantities of free time for discussion of public topics, but that they make it a policy to keep controversial matters out of commercial programs, despite numerous requests of all kinds. Weakening of this rule, it was said, would result in continual pressure on sponsors to give up part of their time, and would fill the air with talk of doubtful interest to the public, beside putting an obligation upon the networks to furnish equal time in each case for presentation of the other side of the controversy.

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#### DILL PUTS RADIO TELEGRAPH SAVING AT \$100,000,000

It was the competition of radio that brought the only reduction in rates across the North Atlantic in the last fifty years, Senator Dill, of Washington, declared. "The general reduction in rates has saved \$100,000,000 in communication costs between this country and Europe alone. From New York to Germany this reduction amounted to 11 cents per word and from this country to Liberia, 26 cents per word", the Senator said.

"Across the Pacific the reductions are even more striking. The press rate from San Francisco to Manila in 1922 was 27½ cents per word. Radio reduced the press rate to 8 cents and the Navy radio is only 6 cents. From San Francisco to Tokio in 1922 the press rate was 32 cents per word. Radio reduced it to 18 cents with a deferred rate of 8 cents per word. From San Francisco to Shanghai radio reduced the press rate from 31 cents to 12 cents per word. From San Francisco to Tokio radio reduced the commercial rate from \$1.20 per word to 66 cents per word.

"Some of the most striking reductions in commercial rates for communication service from the United States to foreign stations as reported in 1930 are as follows:

"To Porto Rico - 10 cents per word; to Russia - 13 cents per word; to China - 15 cents per word; to the Philippines - 19 cents per word; to Liberia - 26 cents per word; to French Indo China - 34 cents per word; to Japan, 54 cents per word; to Venezuela - 58 cents per word; to Dutch West Indies - 92 cents per word.

"Since that time there may be still further reductions. If the present competition continues there undoubtedly will be still further reductions made. It is generally agreed that for distances of 1,000 miles or more, radio communication already is cheaper than wire or cable can possibly be. An international monopoly would destroy this competition and substitute the slow formal exchange of diplomatic notes to bring agreement with various foreign governments as to lower rates."

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#### WEATHER BROADCASTS AID MOTORISTS

Weather information disseminated for airmen by the Department of Commerce also aids automobile drivers in planning trips, according to information received by the Department from agencies which furnish route information for travelers on the highways.

Comments upon this use of weather broadcasts have been received by Rex Martin, Assistant Director of Aeronautics in charge of the air navigation division, as a result of his suggestion that radio manufacturers offer automobile receiving sets capable of receiving the frequencies upon which these reports are broadcast.

The Beacon National Tourist Bureaus reported that since it had arranged, in 1930, to obtain the airways reports, it has supplied meteorological information to more than 20,000 motorists, and added, "Your suggested plan, in actual practice, will no doubt be one of the most outstanding measures ever offered the motoring public that would effect an economic saving in property damage and aid very materially in the reduction of loss of life and limb."

A letter from the Nashville Automobile Club said, "Accurate weather and precipitation conditions influence many routings and the public is growing more and more to demand weather facts. We are grateful that we have you on whom we may call for changing conditions. The government has done a great thing for the automobile as well as the air traveler in establishing radio stations. More than once to our certain knowledge discomfort or even hardship and suffering have been averted by accurate information given by you."

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: BUSINESS LETTER NOTES :  
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For the entertainment of the family in the new "Home of Tomorrow", an 8 room model house erected by the Westinghouse Company at Mansfield, Ohio, there are seven radio sets, one being an all-wave receiver said to be capable of providing programs from all over the world. Another radio set, installed on the dashboard of the home-owner's car, throws the garage doors wide open upon the car's approach. The driver simply touches a switch.

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Thomas P. Littlepage, radio counsel, has now recovered from a recent siege of pneumonia and has gone to Florida for a brief period before resuming his work.

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A complete apparatus for the purpose of protecting his baby from kidnapers has been assembled by Marcus W. Hinson, vice president of the Institute of Radio Service Men, for exhibition at the organization's convention, beginning Friday in Chicago, according to the Associated Press.

A small cell which emits a thin ray of invisible light is concealed beneath a false bottom in a baby's crib.

This beam, shuttled between mirrors at the head and foot of the crib, focuses on a photo-electric cell and any interruption which shuts off light from the "eye" starts a loud alarm. An alarm is also set off if the current is disconnected.

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George McClelland told Los Angeles reporters that his new network is no myth and that it would be in operation next Fall. He said that L.A. would be on the network and while there conferred with Earle Anthony of KFI.

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A financial report of the Sangamo Electric Co. and subsidiaries for 1933 shows: Net loss after interest, depreciation, minority interest, taxes, subsidiary preferred dividends and other charges, \$63,655, against \$263,931 less in 1932.

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President Franklin D. Roosevelt will be heard throughout the United States over combined coast-to-coast networks on Monday, morning March 5, when he addresses a conference of NRA code authorities in Washington, among which will be those of the radio industry.

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## PROBES CHARGE AGAINST COMPOSERS

Investigating complaints against the American Society of Composers, Authors and Publishers, Charles B. Brewer, Special Assistant to the Attorney-General left Washington and spent most of Wednesday in the offices of Simon E. Sobeloff, United States District Attorney.

Mr. Brewer, who conferred with James K. Cullen, Mr. Sobeloff's chief assistant, declined to be interviewed.

It was learned, however, that he went through the District Attorney's files on cases bearing on the prosecution of copyright law violations and took up with Mr. Cullen various complaints which have been made there against the Society of Composers, Authors and Publishers.

Among the cases looked up by Mr. Brewer was that of William Kim, 18, of Philadelphia, who on December 23, 1931, was sentenced to a year and a half at a Federal prison camp by Judge William C. Coleman in the United States District Court.

Kim pleaded guilty to violating the copyright laws by selling "pirated" song sheets on the streets. The prosecution of Kim was instigated by agents of the Society.

Charges of violating the anti-trust laws, of unfair methods and competition in business and of racketeering were laid against the Society by representatives of the Music Users' Protective Association of America, Inc., with headquarters in Baltimore. The charges were made before the Federal Trade Commission at Washington recently.

The local association filed a petition with the Federal trade group, listing a series of complaints, including alleged monopolistic acts of the composers' organization and dealing particularly with a campaign which the latter group started recently in Maryland to compel owners of radio sets in small business establishments to take out licenses at a minimum annual rate of \$60 for receiving copyright music through their radios.

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## EUROPEAN AIR MESS GETS WORSE

Rebel stations which refuse to conform to the Lucerne agreement on wave lengths continue to gum up the ether in Europe, and drastic action is planned to stop them, a dispatch from Paris relates.

Biggest offender is Luxembourg station, which not only refused to change to 240 meters, as arranged by the Lucerne plan

chose on the day of European changing over to switch from 1192 meters to 1304 meters, which interferes seriously with Warsaw's broadcasting under the new plan.

Listeners who dial in that wave-band now get combination of Polish and Luxembourg dialect out of their loudspeakers, which sounds like Esperanto but is harder to understand.

Luxembourg has had an ultimatum demanding that it be good. If it won't play, International Broadcasting Union plans to put another station on the same wave length as Luxembourg and drown it out so that it can't be heard outside its own country.

Already some station on the Continent is deliberately sending Morse on the same frequency during Luxembourg's pet broadcasts, just to add to the pleasure of the public.

French are playing their little part in the confusion. Eiffel Tower was supposed to shut down on the night of the change-over, but it is still going merrily on. French say they will keep it going until they get a clear waveband for Radio Paris, their other station, which they say is being jammed, on the 1796 meter band, by other Continental stations.

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#### CLAIMS TELEVISION'S GREATER DETAIL MAKES PICTURE INVISIBLE

Present television methods will defeat their own purpose, and with greater and greater refinement of detail, toward which every television experimenter is today striving, the televised picture will actually disappear from human vision altogether, Dr. Orestes H. Caldwell, former Federal Radio Commissioner, declared, speaking before the Quill Club of New York City at a dinner held in the Yale Club last Tuesday night.

"To get finer and finer detail by present methods of television scanning, more and more lines per picture are being attempted", said Dr. Caldwell. "This follows the principle by which increasing the number of lines in a half-tone -- getting finer dots, -- gives greater detail.

"But in present television systems, this process of increasing lines in the television picture cannot be kept up indefinitely. It involves sharpening, to smaller and smaller dimensions, the single flying spot of illumination, until, if high detail is to be obtained, the flying spot will finally reach a point where it must become so small, and must cover a proportionately larger area and travel, many frames per second, that the intensity of illumination of the picture will begin to suffer. A threshold minimum of necessary retinal stimulus will be reached, also a rapidity beyond the ability of the optic nerve to respond, so that the 'perfected television picture' of ultimate fineness may totally disappear from human vision."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

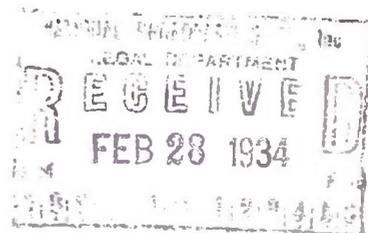
WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**

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No. 701



*Handwritten signature or initials at the bottom left of the page.*

February 27, 1934

## NEW COMMUNICATIONS COMMISSION BILLS INTRODUCED INTO CONGRESS

Bills which would create a new Federal Communications Commission were introduced into the Senate and House last Tuesday by Senator C. C. Dill, of Washington, Chairman of the Interstate Commerce Committee, and Representative Sam Rayburn, of Texas, Chairman of the Interstate and Foreign Commerce Committee of the House.

"The House bill is almost identical with the one introduced by Senator Dill", said Representative Rayburn, "except that in the latter bill instead of transferring the functions of the Federal Radio Commission, it repeals the Radio Act of 1927, and includes within its own text provisions relating to radio broadcasting.

"The bill does not very substantially change or add to the existing law except in centralizing under a new Commission to be known as the Federal Communications Commission, the administration of those provisions of Federal law which relate to wire and radio communication, including broadcasting."

"The Senate bill omits several controversial subjects", Senator Dill explained. "It contains no reference to regulation of issuance of securities, creation of sinking funds or permission of mergers. The inclusion of these subjects would require such long hearings as to cause the bill to fail to pass this session.

"Under this bill the Commission will organize and set up rate regulation first. The hearings will be limited to the advisability of transferring the powers of the Radio Commission and the Interstate Commerce Commission, insofar as communications are concerned, to the new Federal Communications Commission.

"In the provisions of the existing radio law together with amendments passed in the 72nd Congress, which President Hoover failed to sign, there are some minor changes removing quota restrictions for stations not exceeding 250 watts and also limitation on the length of clear channels.

"The bill gives no power to regulate advertising rates by radio. Hearings will probably begin in about ten days or two weeks and I hope they will not consume more than four or five days."

Some of the provisions of the Senate bill are:

"The new Federal Communications Commission shall be composed of seven Commissioners, one of whom the President will designate as Chairman. They shall be appointed for the terms of one, two, three, four, five, six and seven years respectively,

but their successors will be appointed for seven year terms. The salary will be \$10,000. The Commission may appoint and fix the salaries of a secretary, a chief engineer and one or more assistants, a general counsel, assistants, experts, etc. The general counsel and chief engineer shall each receive \$9,000 and no assistant or expert shall receive more than \$7,500 per annum. Each division may appoint a director at \$8,000 per annum. Not more than four Commissioners, nor more than one member of a division, other than the Chairman, shall be members of the same political party.

"The Commission shall be organized into three divisions which shall exercise the jurisdiction of the Commission as follows: (1) The radio division shall have jurisdiction of all matters relating to or connected with broadcasting, with amateur stations, and the mobile service; (2) the telephone division shall have jurisdiction of all matters relating to or connection with common carriers engaged in voice communication by wire or radio other than broadcasting; and (3) the telegraph division shall have jurisdiction of all matters relating to or connected with common carriers engaged in record communication by wire, radio, or cable. The Chairman of the Commission shall be a member of all three divisions; two other Commissioners, one of whom for each division shall be chosen Vice Chairman of the Commission presiding over the division, shall be assigned by the Commission as members of each division. Except for the Chairman, no member of the Commission may be a member of more than one division."

Further provisions in the Senate bill are:

"Allocations shall be charged to the State or District wherein the studio of the station is located and not where the transmitter is located: Provided further, That no frequency used for broadcasting shall be reserved for the use of one station for a distance of more than two thousand two hundred miles, airline, if any person, firm, or corporation, capable of rendering radio service in the public interest, make application to operate broadcasting apparatus on any frequency so reserved, at a point beyond the distance of two thousand two hundred miles, airline, from the station or stations already licensed and operating on said frequency, and all applications and licenses considered and granted under this provision shall not be counted as a part of the quota of the zone in which said additional stations are located: Provided further, That the Commission may also grant applications for additional licenses for stations not exceeding two hundred and fifty watts of power if the Commission finds that such stations will serve the public convenience, interest, or necessity, and that their operation will not interfere with the fair and efficient radio service of stations licensed under the provisions of this section."

"No license granted for the operation of a broadcasting station shall be for a longer term than one year and no license so granted for any other class of station shall be for a longer term than three years, and any license granted may be revoked as hereinafter provided."

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"Suits to enjoin, set aside, annul, or suspend any order of the Commission under this Act shall be brought in the several district courts of the United States, and the provisions of the District Court Jurisdiction Act are hereby made applicable to all such suits, and all references in said Act to the Interstate Commerce Commission shall apply to the Commission. The provisions of said Act as to venue of suits to enforce orders of the Interstate Commerce Commission are hereby made applicable to all suits to enforce orders of the Commission, made under the provisions of this Act."

"No person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person, firm, or corporation operating any such station shall knowingly permit the broadcasting of, any advertisement of or information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes. Any person, firm, or corporation violating any provision of this section shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than one year, or both, for each and every day during which such offense occurs."

"Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communications. No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication."

"If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such station; and if any licensee shall permit any person to use a broadcasting station in support of or in opposition to any candidate for public office, or in the presentation of views on a public question to be voted upon at an election, he shall afford equal opportunity to an equal number of other persons to use such station in support of an opposing candidate for such public office, or to reply to a person who has used such broadcasting station in support of or in opposition to a candidate, or for the presentation of opposite views on such public questions. Furthermore, it shall be considered in the public interest for a licensee, so far as possible, to permit equal opportunity for the presentation of both sides of public questions."

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February 27, 1934.

PRALL'S CONFIRMATION TO BE CONSIDERED THIS WEEK

The confirmation of Representative Anning S. Prall, Democrat of Staten Island, N. Y., nominated by President Roosevelt to be a member of the Federal Radio Commission will be considered by the Senate Interstate Commerce Committee Thursday (March 1).

Due to the fact that Representative Prall was a member of Congress when the Radio Act was passed, the question of his eligibility has been raised.

Paragraph 2 of Section 6 of the Constitution reads:

"No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States which shall have been created, or the emoluments whereof shall have been increased during such time; and no person holding any office under the United States shall be a member of either House during his continuance in office."

On the face of this, Mr. Prall having been a member of Congress when the Radio Commission was created, would seem to be ineligible for appointment to the Commission. However, in the opinion of one observer, the clause "during the time for which he was elected" would probably save Mr. Prall. The Radio Act was passed 7 years ago and the time for which Mr. Prall was elected (that particular 2 year term of service) has long since passed.

However, if Mr. Prall did not assume his place on the Radio Commission and remained a member of Congress, when it passed the Federal Communications Commission Bill, if it does so this session, Mr. Prall would not be eligible to appointment on the new Commission until the time for which he was elected has expired, which will be the end of this year.

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BRINKLEY ACTION TAKEN WITH A PINCH OF SALT

While awaiting official confirmation that Station XER, at Villa Acuna, operated by remote control from Del Rio, Texas, by Dr. J. R. Brinkley, so-called "goat gland specialist", has been ordered closed by the Mexican Government, American officials were inclined to be skeptical.

Accepting the news at its face value, Judge E. O. Sykes, Chairman of the Federal Radio Commission, said:

"I am very gratified to hear of the Mexican government's action in closing this station", said E. O. Sykes, Chairman of the Federal Radio Commission. "I think it will go a long way to smoothing out radio difficulties between the two countries."

This expression was regarded as a friendly gesture but other officials said they would await further advices before accepting the fact that the Mexican Government meant business with Brinkley or intended a cleanup of the Mexican border which is lined with stations broadcasting medical and other objectionable programs into the United States.

"The Mexicans have a long way to go", a Federal official said. "However, if they keep up their crusade, fine!"

One of these is XENT at Neuva Laredo, a short distance from Laredo, Texas, operated by Norman Baker. Brinkley and Baker were both closed down in the United States, the former at Milford, Kans., and the latter at Muscatine, Ia.

According to advices from Mexico, Dr. Brinkley had obtained an injunction against the Mexican Government to prevent it from proceeding against him for broadcasting in English without first broadcasting in Spanish, as their rule requires. This injunction, it was reported, had been dismissed and the Brinkley station, guarded by soldiers, would be dismantled within 30 days.

If that is true, insofar as Brinkley is concerned, there will be no need for the bill now in Congress which would prohibit a station in a foreign country having a studio in this country in order to transmit programs to be broadcast back into the United States.

The Senate Committee has already approved this amendment and it seems assured that the House Committee will report the bill favorably following its meeting next Thursday (March 1).

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#### CLAIMS GOVERNMENT SQUELCHED RICKENBACKER BROADCAST

A charge is made that the Government prevented a broadcast in connection with the last commercial air mail flight.

"The private air lines' farewell gesture - Eddie Rickenbacker's 13-hour transcontinental flight with the mail - was scheduled to be dramatized over the air waves", James McMullin writes in the "National Whirligig", published by the McClure Newspaper Syndicate. "A special broadcast featuring Eddie had been arranged by a large radio station.

"At the last moment a government representative stepped in to cancel the broadcast on the ground that 'It would not be in the public interest.'

"Wall Street has plenty to say about free speech."

----- (More)

Mr. McMullin adds in the "Confidential Section (Not for publication):

"The radio station which the Government blocked from sending out the Rickenbacker report was WOR, Newark."

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#### ROOSEVELT SPECIAL MESSAGE URGES COMMUNICATIONS COMMISSION

All doubt as to whether or not President Roosevelt would press legislation for a Federal Communications Commission at this session was dispelled by a special message to Congress advocating its creation. This means the end at an early date of the Federal Radio Commission. No changes are advocated for the Radio Act which evidently is to stand intact. It is expected that the new Commission will be composed of seven members. The members of the present Radio Commission could be named to the new Commission but not necessarily will be. It is thought that Judge Sykes and Secretary Pettey had a chance of holding over.

The text of the President's message follows:

"I have long felt that for the sake of clarity and effectiveness the relationship of the Federal Government to certain services known as utilities should be divided into three fields - transportation, power and communications. The problems of transportation are vested in the Interstate Commerce Commission, and the problems of power, its development, transmission and distribution, in the Federal Power Commission.

"In the field of communications, however, there is today no single Government agency charged with broad authority.

"The Congress has vested certain authority over certain forms of communications in the Interstate Commerce Commission and there is in addition the agency known as the Federal Radio Commission.

"I recommend that the Congress create a new agency, to be known as the Federal Communications Commission, such agency to be vested with the authority now lying in the Federal Radio Commission and with such authority over communications as now lies with the Interstate Commerce Commission - the services affected to be all of those which rely on wires, cables or radio as mediums of transmission. It is my thought that a new commission such as I suggest might well be organized this year by transferring the present authority for the control of communications of the Radio Commission and the Interstate Commerce Commission. The new body should, in addition, be given full power to investigate and study the business of existing companies, and make recommendations to the Congress for additional legislation at the next session.

"Signed: FRANKLIN ROOSEVELT."

The Administration Communications Bill will be introduced by Senator Clarence C. Dill (Democrat), Washington, and Representative Sam Rayburn (Democrat), Texas, Chairmen of the Senate and House Interstate Commerce Committees. Mr. Rayburn said he expected to call hearings soon after his committee finishes its stock market sessions.

Notwithstanding that the Radio Commission would be abolished by the Administration, Representative Prall, of New York, who has just been appointed to the Radio Commission said that he expected to be confirmed and would resign from Congress as soon as necessary. This gave rise to the impression that he would be named to the new Commission or that the President had some other business in mind for him.

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#### RADIO WHOLESALING TRADE CODE WITHDRAWS DISPUTED SECTION

Last-minute withdrawal of a disputed section establishing discount schedules served to accord almost perfect harmony for a supplemental code of fair competition for the Radio Wholesaling Trade, presented at a public hearing.

Benjamin Gross, Chairman of the Code Committee of the Radio Wholesalers' Association, Inc., presented the Code and offered a number of minor amendments. Explaining his request to have the proposed discount schedules withdrawn at this time, Mr. Gross stated that the original intent was to have District Agencies determine fair schedules for various trading areas, and that the specific discounts set forth in the Code were merely "to test the proposed principle involved." However, he added, there had arisen "so much misunderstanding and misinterpretation of the constructive purposes underlying the plan" that the Committee felt early approval of the Code would be expedited only through eliminating this "major controversial issue."

Mr. Gross stated that his association of 294 firms represented 60% of membership in the trade and that these firms did 75% of the total annual volume of business, which had shrunk from \$425,000,000 in 1929, to some \$80,000,000 in 1933. Total employees in the trade, he testified, had decreased from 22,000 to 4,500 in the same period; and he estimated that the Code would increase employment between 30% and 50% this year.

James E. Aitken, President of the sponsoring association, stated that it was intended to have the Code cover sales of all apparatus for use in broadcast reception, but not to apply to sound equipment for theatres. It also was intended, he testified to prevent trade prices from becoming available to individuals or firms "who merely trade on a name", but to make them apply only to firms in a position to properly present and demonstrate a variety of radio instruments.

H. G. Erstrom, executive Vice-President of the Association, pointed out that the Divisional Code Authority would have its individual members chosen from zones representing various sections of the country, and that it would appoint each District Agency in such manner as to provide for administering the provisions of the Code "expeditiously, intelligently and economically."

Roscoe R. Howard, of the Zenith Radio Distributing Co., Chicago, spoke briefly in support of the proposed plan for protecting dealers; and David M. Trilling, of Philadelphia declared that the mandatory filing of price schedules with District Agencies would eliminate the "chiseling" now prevalent in the trade, and that consignment sales had been limited because they had been found "rarely, if ever" effective as a means of actually promoting trade. Mr. Trilling advocated the curtailment of "prize" campaigns.

Harold J. Wrape, Chairman of the Advisory Council of the proponent association, defended the proposed limit of 5% on contributions toward dealer advertising as designed to prevent wasteful expenditures "which must come out of the price of the product as paid by the consumer." Speaking to the proposed rules governing advertising, Mr. Wrape stated that these were sensible, and that "so much misleading advertising with respect to radio sets has appeared that the public has lost confidence in the honesty of radio merchandising."

Irving C. Fox, representing the National Retail Dry Goods' Association, declared that radio departments of large stores had suffered losses of 20% last year due to high service charges, and that the distributor should be "absolutely responsible" for the quality of radio merchandise he sold to the retailer.

Ernest F. Henderson and H. C. Smith, representing the World Radio Corporation of Boston, stated that curtailment of consignment sales would force out of business some 35 small dealers operating under a sales agency plan whereby their goods were consigned and their advertising paid for in consideration of their receiving a discount smaller than the customary dealer allowance. They asked that the Code be amended to provide protection for dealers of this type.

J. M. Skinner, President of the Philco Radio and Television Corp., Philadelphia, urged that sales promotion plans be continued without let-down throughout the year, and that wholesalers be permitted "to spend their money as they see fit" on legitimate sales promotion.

Thomas McGuire, representing the NRA Consumers' Advisory Board, stated that withdrawal of the discount schedule had overcome the greatest objection of his group to the proposed code. He insisted, however, that the Code was attempting to eliminate "cooperative organizations" in violation of a Presidential order prohibiting any such discrimination; and he objected to various proposed trade practice rules, including the prohibition of consignments.

Henry H. Collins, Jr., representing the NRA Labor Advisory Board, stated his Board would withhold approval of the Code until such time as the Research and Planning Division of the NRA had completed a study of wages and hours in the wholesale radio trade to determine whether the labor provisions of the approved General Wholesale Trade Code were satisfactory for application to this subdivision of the trade.

The Assistant Deputy Administrator requested the Code Committee to help expedite this survey, and the hearing was indefinitely recessed.

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#### GERMAN RADIO INDUSTRY MAKES PROGRESS DESPITE UNREST

Germany's radio industry made notable progress during 1933 regardless of the great political strife in that country, according to a report from the American consulage-general, Berlin.

At the end of the year, over 96 per cent of the available workmen's places in the industry were occupied, which represents an increase of 50 per cent over the preceding year. December, 1933, production was more than twice as large as during the corresponding month of 1932.

The turnover in the radio market showed continued progress as a result of the extensive promotion work of the Government, which above all brought about an increased demand for the standard low-priced model. During the last five months of 1933, the total turnover reached 1,100,000 receiving sets compared with 651,000 sets in the corresponding period of 1932.

The improvement in the domestic market during 1933, the report states, more than offset the continued drop in exports, which decline 33.6 per cent in value. The last year showed a change in the destinations for German radio sets sold abroad. Exports to Switzerland and France declined by about 50 per cent compared with 1932, while exports to the Netherlands and Belgium improved.

The number of subscribers to the federal radio broadcasting service has already passed the 5,000,000 mark. It is generally expected in Germany that this number will show a continued increase and reach 6,000,000 in the near future. The improvement in broadcasting brought about by the construction of the numerous new powerful stations, the report states, will no doubt favorably influence the radio market and both the German radio industry and the trade are looking for increased business in the current year.

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: BUSINESS LETTER NOTES :  
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O.B. Hanson, manager of technical operations and engineering for the National Broadcasting Co., has just returned to Radio City after an inspection of NBC divisional headquarters in San Francisco, Denver and Chicago. During Hanson's two months' absence, NBC technical operations were in charge of George McElrath, operations engineer.

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Leland S. Bisbee, of Jackson, Mich., who is also counsel for Sparks-Withington, addressed a group meeting held under the auspices of the NRA in Washington this week. Mr. Bisbee spoke in behalf of the Independent Aluminum Manufacturers as did Oswald F. Schuette, who is retained by that groups as well as by the National Association of Broadcasters.

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"Western Union and Postal Telegraph have privately begun to fight the threat of Canadian Marconi to swipe a large slice of their American cable business", says a confidential (not for publication) note of James McMullin in the "National Whirligig" published by the McClure Newspaper Syndicate. "According to confidential sources they are willing to give up their contract with Canadian National and Canadian Pacific without a struggle provided the Canadians agree not to accept transatlantic business of American origin.

"American bankers and brokers who want cheaper Canadian rates may raise their own ante to counteract this move. Which-ever way the thing works out, Canada is sitting pretty. Lazard Freres - international bankers - are keenly interested in the situation."

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Powel Crosley, Jr., now principal owner of Cincinnati's baseball team was an honorary pall-bearer at the funeral of the late John J. McGraw of the New York Giants.

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The auditors who certified the accounts of Radio Corporation of America, state that although the audit of Radio-Keith-Orpheum Corp. and subsidiaries for 1933 has not been completed, they are advised by officers of the company that R-K-O will show a loss of \$3,341,714 for the year compared with loss of \$10,695,503 in 1932, according to the Associated Press.

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Dun & Bradstreet, Inc., says the radio industry started 1934 "in the most favorable statistical position it has been able to achieve since 1930." It is "now on a more stable basis than at any time in its history, and fully capable of keeping pace with any other industry in the recovery movement." Inventories have been cut to nearly one-quarter their total of a year ago, distress merchandise has nearly disappeared and price cutting is less evident.

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A financial report of the Ken-Rad Tube and Lamp Corp. and Subsidiaries follows: For 1933: Net profit after interest, Federal taxes and other charges, \$77,591, equal to 44 cents a share on 175,000 no-par shares of combined Class A and B stocks, against \$78,132, or 44 cents a share on combined Class A and B stocks, in 1932.

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Sparks-Withington Co. - Six months ended Dec. 31: Net loss, after taxes and other charges, \$164,456, against \$200,996 loss in six months ended Dec. 31, 1932.

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A revised edition of the Rules and Regulations of the Federal Radio Commission dated 1934, has been issued by the Government Printing Office, Washington, where it may be secured for 30 cents a copy. The contents of the edition are Part I, - General Rules and Regulations; Part II - Practice and Procedure; Part III - Broadcast Service; Part IV - Services other than Broadcast; Part V - Operator Licenses, and Part VI - The Radio Act of 1927, as amended, Annotated.

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RCA CUT LOSS BY \$551,492

The annual report of the Radio Corporation of America for 1933 shows a net loss of \$582,094 after all deductions, a decrease of \$551,492, from the net loss of \$1,133,586 in 1932. Surplus at the end of 1933 was \$9,269,091, against \$9,851,184 the year before and \$11,337,789 two years ago.

Gross income for 1933 was \$62,333,496, comparing with \$67,361,143 in 1932, a decrease of 7.5 per cent. The cost of doing business was reduced 8.1 per cent, however, and net earnings were \$3,655,285, against \$5,075,901.

The report refers to scientific progress made during the year, particularly with reference to the "iconoscope", through which outdoor and indoor scenes have been satisfactorily received and transmitted by television on an experimental and laboratory basis. The policy of refraining from definite prediction as to the time when television may be offered to the public on a commercial basis again was affirmed.

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