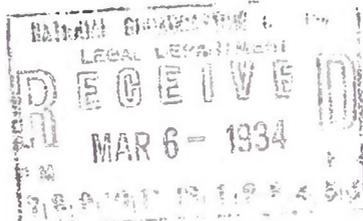


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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No. 703

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## BROADCASTERS TO WAR ON DILL COMMUNICATIONS BILL

Broadcasters' tommy-hawks are already flying through the air at the Senate Communications Commission bill introduced by Senator C. C. Dill, of Washington. Indications are that on the other hand they will endorse and stand squarely behind the House Communications Commission bill sponsored by Representative Sam Rayburn, of Pennsylvania, which, of the two bills, in the opinion of the broadcasters, comes nearer to carrying out President Roosevelt's wishes. Already the broadcasters are predicting that the House bill stands the best chance of passing at this session because the time is short and controversial questions, which necessarily cause lengthy debate, will have to be eliminated.

Senator Dill made exactly this point when he introduced his measure, saying that many subjects over which there had been controversy were omitted so as not to jeopardize the bill at the short session. Nevertheless, according to broadcasters, he has "dumped everything into the new bill excepting the cook-stove." This includes, the broadcasters contend, every pet radio measure Senator Dill has endeavored to have enacted during the past seven years.

"The Rayburn bill exactly carries out what the President asked for in his message", a broadcaster declared. "The President recommended that the present authority of the Radio Commission - and that of the Interstate Commerce affecting radio, wires and cables - be transferred to the new Communications Commission. President Roosevelt didn't suggest any change of the statutory law. This he made perfectly clear. Nevertheless, the Dill bill repeals the Radio Act and interjects a lot of new matter. The Rayburn bill leaves the Radio Act as it is.

"For instance, the Dill bill destroys the right of appeal. Of course a station could get an injunction to restrict the Commission but absolutely no appeal is provided in the case of a station applying for a construction permit being denied.

"The broadcasters, I believe, will oppose the breaking down of the clear channels, not because of the 2200 mile separation, but on the ground that it is a bad precedent for Congress to attempt to legislate in a matter which is an engineering and technical detail.

"Also broadcasters will oppose the Dill bill limiting broadcasting licenses to one year. There is a three year limit in the present bill. Licenses are now issued for six months and an effort has been made to get this time extended to a longer period."

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A broadcaster commenting upon the Dill clear channel provision said:

"Congress would be advising the Radio Commission how to run its business. What business is it of Congress to tell the radio engineers what to do. That is a purely technical function and Congress would be making a mistake to interfere in technical matters such as these. I believe if they permitted stations within 2200 miles of each other on a clear channel they would soon make it 2000 miles followed by distances less and less which would sooner or later result in a complete breakdown of the clear channel system."

"The sum and substance of it is that Senator Dill has included in his bill practically the same matter contained in the bill in the last Congress which, though it passed the Senate and the House, was vetoed by President Hoover", another man in the broadcasting industry commented. "It is of a highly controversial nature."

"The Rayburn bill, to the contrary, re-enacts the Radio Act and I believe will have the broadcasting industry solidly back of it. If that is true, I think the industry will find itself in a strong position because it will be supporting the bill which plainly carries out the wishes of President Roosevelt as expressed in his message to Congress."

The Dill bill carries a provision that no license shall be granted to "Any operating, controlling, holding or other corporation of which any officer or more than one-fifth of the directors are aliens, or of which more than one-fifth of the capital stock may be owned or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country."

The present law reads "of which any officer or director is an alien", etc.

Hearings on the Dill bill have been set for Friday, March 9th. Judge E. O. Sykes, Chairman, and others from the Radio Commission have been invited to be present; also Patrick J. Farrell, Chairman of the Interstate Commerce Commission and Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters.

Representative Rayburn said that the House hearings on the Communications Bill would be held as soon as the Stock Exchange considerations had been completed. He did not know how long this would be.

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## HOUSE TAKES PLENTY OF TIME WITH MEXICAN AMENDMENT

Somewhat like closing the door after the horse has been stolen, the House Merchant Marine and Radio Committee has continued for several days longer the period of receiving objections as to why remote control studios in the United States feeding the Mexican border broadcasting stations should not be prohibited. The House Committee is now waiting to hear further from the citizens of Del Rio, Texas, where the hospital and studios of Dr. J. R. Brinkley, the principal offender, are located.

In the meantime, however, the Mexican Government has closed down Brinkley's station at Villa Acuna, so for the time being it doesn't make much difference whether or not there is a law to close his remote control studio in Texas.

The Senate previously passed the amendment but it may be a week or more before the House gets that far along. One of the charges made by the Mexican Government, it is understood, is violating their law of broadcasting in English without first broadcasting in Spanish.

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## BROADCASTERS TAKE EXCEPTION TO FOOD AND DRUG BILL CLAUSE

While regarding the revised Food and Drug bill as an improvement, a brief was filed in Congress by Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters containing certain objections. One of these referred to a section in the bill which reads:

"No retail dealer shall be prosecuted under this section for dissemination other than by radio broadcast, of any advertised offering for sale at his place of business any product which is not distributed or sold in interstate commerce."

"Apparently the purpose of this section is to discriminate among advertising mediums and to say to the retail dealer that he may safely use the United States mails or any other medium with the single exception of radio broadcasting.

"Why should the retail dealer be warned by an Act of Congress against the use of radio broadcasting whereas the United States mails are left open to him. This uncalled for attempt to discriminate against radio broadcasting marks a new departure in the field of Federal legislation.

"Congress might with equal logic declare an advertiser liable for false advertising in a periodical but guiltless if he inserts the same copy in a newspaper. The principle underlying such discrimination, which is in effect a deliberate effort to

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dictate to advertisers what medium they should use is so wholly foreign to established legislation that it is not surprising that this section was not introduced in time to be subject to scrutiny at the hearings on the earlier draft of this bill."

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#### RADIO-OPERATED TELETYPEWRITERS TO BE INSTALLED BY U.S.

Tests of radio-operated teletypewriters for transmission of aeronautical weather data along the Federal airways will begin next month between Washington and Baltimore, Rex Martin, Assistant Director of Aeronautics in charge of air navigation, Department of Commerce, announces.

A committee appointed by Mr. Martin in January to study the practicability of utilizing radio for the operation of the nation-wide network of Department of Commerce aeronautical teletypewriter circuits, decided to install two parallel radio circuits between Washington and Baltimore - one circuit to operate on 2,960 kilocycles and the other on 60 megacycles. Two transmitters, one for each circuit, will be located at the Washington airway radio station, and the two receivers will be installed at Logan Field, Baltimore.

These installations will be used to aid in developing equipment and to obtain test data prior to the establishment of longer experimental circuits between Washington and Newark, N. J.

If the committee finds that the teletypewriter machines on the Federal Airways System can be operated by radio, this will result in a substantial saving to the Government through the elimination of the leased land wires, of which there are now some 12,000 miles. These teletypewriter circuits are used for the dissemination of hourly weather reports along the airways and for the transmission of weather maps every four hours.

The committee undertaking the studies is composed of: Mr. Martin, Chairman; Paul Goldsboro, President, Aeronautical Radio, Inc., Washington; W. H. G. Finch, Secretary and Chief Engineer, American Radio News, New York; Eugene Sibley, Chief, Communications Section, and W. E. Jackson, Chief, Development Section, Aeronautics Branch, Department of Commerce.

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## NEW RADIO COMMISSIONER UNANIMOUSLY CONFIRMED

The nomination of Anning S. Prall, of Staten Island, N.Y., to be a member of the Federal Radio Commission was favorably reported by the Senate Interstate Commerce Committee and later unanimously confirmed by the Senate.

Representative Prall said he had not decided how soon he would assume his new duties or whether or not he would serve out his present term in Congress. The Constitution prevents any member of Congress from serving during the time for which he was elected in any governmental body which he helped to create. Since the Communications bill was introduced while he was a member of Congress, this would seem to preclude Mr. Prall from serving on the new Commission until his present Congressional term expires which is next January. That is, unless there is a technicality which would permit Representative Prall to serve inasmuch as he had not been a member of Congress when the Communications bill will have been voted upon, which may be a month or so hence. If Mr. Prall waits any length of time to assume his position as a member of the Radio Commission, there may be no Commission for him to serve on unless it is the Communications Commission. If a place is made for Mr. Prall on the Communications Commission, it would seem that it might have to be held vacant for almost a year before he would be able to take it.

The old rumor has bobbed up that Senator Dill, who is facing re-election, himself might be a member of the new Commission, but the Senator has denied this. Likewise, Gen. Charles McK. Saltzman, former Chairman of the Radio Commission, and recently resigned from the Shipping Board, has again been mentioned. A new name is that of former Gov. Phillip LaFollette, of Wisconsin, a Republican, who supported Roosevelt.

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## COMPLAINS THAT BRITISH SIDE IS HARD TO UPHOLD

Praising the handbook the National Association of Broadcasters issued for the benefit of High School debaters in presenting the American side of the case, Bruno E. Jacobs, Secretary of the National Forensic League (High School Debating Society), of Ripon, Wis., writes to Phil Loucks, Managing Director:

"The handbook contains the very finest material for the presentation of the negative side of the debate of the merits of the British broadcasting system versus those of the American. Perhaps you will be interested in the fact that the only complaint I have from my schools is that the affirmative side is too hard to advance."

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## NEWS CENSOR ROOSEVELT IDEA, SENATOR ASSERTS

That the proposed Communications Commission might prove a censorship lever was predicted by Senator Schall, (R) of Minnesota, who said:

"The newspapers of the United States are about to have themselves censored. After battling for months to force the Roosevelt administration to guarantee 'freedom of the press' in the Publishers' Code, they now find themselves confronted with the very same censorship by the demand of the President for a Federal Communications Commission. Under such a commission every press dispatch and every cable message can be censored by the administration. What have the newspapers gained by their code fight if they permit their news dispatches to be censored?"

"With such a system as suggested by the President, not one word of the skullduggery committed in Washington could reach the people of the United States. Not a publisher up to date has sensed the danger in the demand sent to Congress. What the newspapers and the people of the United States need most at the present moment is a legislative bureau in Washington to follow all legislation introduced and see to it that the dictatorship now in the making is thwarted."

Schall's action received praise as a "real public service" from the publisher of the Chicago Daily News, Col. Frank Knox.

Colonel Knox said in an Associated Press dispatch "that the desire exists to exercise such a censorship can no longer be doubted."

The Chicago publisher declared it was only through insistence of newspapers that a "complete freedom of the press" was maintained when the newspaper code was formulated.

The danger of censorship, Knox said, could be averted only through militant newspaper opposition to "these latest plans of the power-hungry bureaucrats in Washington."

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## EXAMINER'S ACTION MAY EXPEDITE BROOKLYN EAGLE STATION

If the Examiner's recommendation is sustained by the Federal Radio Commission that four Brooklyn stations, WARD, U. S. Broadcasting Corp., WBBC, Brooklyn Broadcasting Co., WLTH, Voice of Brooklyn, and WVFW, Paramount Broadcasting Co., be denied renewal of licenses, the way will be cleared for the Brooklyn Eagle to apply for these frequencies. If successful, the Eagle will combine them into one full-time station.

When the Brooklyn Eagle decided to erect its own station, it is understood to have made an offer to the owners of the four stations but they could not get together. Whereupon the Eagle applied for the frequencies but this application has been held up pending the outcome of the Examiner's hearing upon the renewal of application by the stations.

Under the rules of the Commission, the stations now have 15 days in which to file exception to Examiner Ralph L. Walker's report which recommends their being closed. The Brooklyn stations will more than likely ask for a hearing of oral arguments before the full Commission. It is doubtful if the case could be disposed of for at least a month.

The four Brooklyn stations divide time on a frequency of 1400 kilocycles and operate upon 500 watts each. The following conclusions were reached by Examiner Walker:

"Giving due consideration to the fact that each of the applicants has suffered an economic disadvantage because of the four way division of time, it appears that in the operation of each station the applicant has placed the interests of the licensee as the paramount consideration, and that the interests of the public, fixed by law as paramount, have been, at the most, secondary.

"In the case of Station WBBC, an excessive amount of time has been devoted to commercial foreign language programs, and time has been sold to advertisers for whatever could be obtained. There is no showing of financial ability of the Brooklyn Broadcasting Corporation to continue to operate the station in the public interest. A large number of dishonored checks issued by the licensee indicates lax business management if not financial irresponsibility.

"In the operation of Station WLTH, an excessive amount of time has been devoted to commercial foreign language programs and advertisements. In addition, the management of the station has not retained control over all its hours of operation, but has sold time to individuals for resale by them.

"Station WVFW does not serve as large an area as would be reasonably expected from a station using the assignment licensed to it. Control of the station's operations has been transferred by the licensee without the consent of the Commission. There is no showing of the financial ability of the licensee to operate the station in the public interest, and the large number of dishonored checks issued by it indicates poor management, if not insolvency. Non-payment of bills has on at least one occasion been the direct cause of suspension of the station's programs at a time when it was authorized and expected to operate.

"With reference to Station WARD, an excessive amount of time is devoted to commercial foreign language programs and the station has parted with control over certain programs by selling time to individuals who in turn resell to advertisers. This station maintains no schedule of rates, affording its facilities to advertisers for such sums as they are willing to pay. It is not affirmatively shown that the applicant is in financial condition to operate the station in the public interest."

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### ARMY AIR CORPS BUYS 100 SETS

The Air Corps has purchased a hundred high frequency radio receiving sets adapted for use on the communications system of the Department of Commerce weather service between Newark and Cleveland and on other airway routes. Commercial radio engineers stated that it would take about ten days to complete all installation.

The regular Army radio equipment is built for communications over distances not greater than thirty miles with ground troops for battle manoeuvres and to control pursuit flight formations at the distance. The new sets will enable army pilots to listen in with greater facility on the Department of Commerce weather broadcast with its frequencies of 236 kilocycles on the airway and 278 at radio marker beacons.

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### MAY CONFER TO STRAIGHTEN OUT EUROPEAN RADIO MUDDLE

It is reported that the European nations may gather in London next June to straighten out the clashing of frequencies which those countries are at present experiencing.

As yet no invitation has been extended to the United States to be present and nothing has as yet been heard about it by the State Department.

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### WLBW FIGHTS ENTRY OF NEW ERIE STATION

Station WLBW, of Erie, Pa., operated by the Broadcasters of Pennsylvania, Inc., have filed an appeal in the Court of Appeals of the District of Columbia against the decision of the Federal Radio Commission for granting the application of Leo J. Omelian, to erect a new 100 watt station in Erie operating on a frequency of 1420 kilocycles frequency.

In granting the application of Omelian, the Commission pointed out that Erie is the fourth largest city in Pennsylvania and that both the State and the Zone were under quota. Commissioners Lafount and Hanley dissented in the opinion.

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## RADIO NEWS PLAN GOES INTO EFFECT

Two major radio networks and independent stations scattered from coast to coast began Thursday (March 1) to confine all spot news broadcasts to two daily reports edited and supplied by the Press Radio Bureau of the Publishers' National Radio Committee, headquarters of which is at 551 Fifth Avenue, New York.

Radio commentators on subscribing stations, who heretofore have utilized spot news, have agreed to confine their remarks to local news and generalized comment or to references during evening broadcasts to news that has appeared in the morning newspapers.

The plan calls for a five-minute report to be put on the air not earlier than 9:30 A.M., local time, and a similar report not earlier than 9 P.M., local time. Each report will consist of approximately 600 words and will be subdivided into twenty or more separate bulletins. The plan was worked out by representatives of newspapers, broadcasting stations and the United Press, Associated press and International News Service.

Every broadcasting station of the country is eligible to participate in the service if it desires to cooperate with the plan of the bureau and pays a proportionate share of the expenses. The plan does not limit the use of local news by local radio stations.

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## GRIGSBY-GRUNOW CREDITORS RECOMMEND SALE OF COMPANY PROPERTY

The Creditors' Committee of Grigsby-Grunow Company, of Chicago, has sent the following letter to the creditors of the company, by N. B. Parsons of the Belden Manufacturing Co., Chairman:

"On Nov. 24th, Thomas L. Marshall and LeRoi Williams were appointed Receivers in Equity for the Grigsby-Grunow Co., and since then they have endeavored to operate the business as a going concern in the hope that a reorganization or some form of a satisfactory disposition of the assets could be found.

"Your Committee shared the opinion of the Equity Receivers and the Bondholders' Committee that a plan of reorganization might be effected in the equity proceedings, but as no reorganization plan was submitted after numerous conferences with various reorganization groups, there was no course open to the Equity Receivers but to ask for authority to sell the assets of the company.

"On February 16th the Equity Receivers filed a petition in the United States District Court in which they recommended that

the property, assets and effects of the company be offered for sale and that a hearing be set for the consideration of said petition.

"Following the filing of this petition, an involuntary petition in bankruptcy was filed and on February 20th before Judge Barnes a petition was presented for the appointment of a receiver in bankruptcy. Judge Barnes appointed Frank McKey as Receiver in Bankruptcy. Mr. McKey stated that for the present he would continue the operation of the business and carry out as far as possible the program recommended by Mr. Marshall, which is to operate on a restricted basis until such time as a sale may be made of the assets of the company.

"Notwithstanding further negotiations with the officers of the company or other persons interested in reorganization plans, your Committee has recommended that the Receiver in Bankruptcy immediately file a petition for an order authorizing the sale of all of the property and assets of the Company as a going concern on due notice to creditors and that an early date be set for the consideration of said sale and such publicity given as will create competitive bidding.

"Your Committee is exceedingly anxious to avoid a forced liquidation of this Company. It believes that the assets of the Company have a real and substantial value and unless a satisfactory bid is received for the same, your Committee should recommend that the Receiver give serious consideration to the possibility of proceeding with an orderly liquidation which might very naturally contemplate the operation of the plant for a limited period of time in order to realize the maximum amount for the assets."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

### Applications Granted (March 2, 1934)

Big Horn Broadcasting Co., Sheridan, Wyo., C.P. for a new station to operate on 1370 kc., 100 watts, unlimited time; WBAX, John H. Stenger, Jr., Wilkes-Barre, Pa., license covering changes in equipment, 1210 kc., 100 watts, specified hours; WAMC, Raymond C. Hammett, Anniston, Ala., modification of C.P. extending commencement date to March 1, 1934 and completion date to May 1, 1934; WHEF, Atala Milling & Produce Co., Kosciusko, Miss., modification of C.P. extending commencement date to Feb. 24, 1934, and completion date to June 24, 1934; WCAZ, Superior Broadcasting Service, Inc., Carthage, Ill., modification of license to increase power from 50 watts to 100 watts; WDAE, Tampa Publishing Co., Tampa, Fla., consent to voluntary assignment of license to Tampa Times Co.; WFDF, Flint Broadcasting Co., Flint, Mich., authority to operate without an approved frequency monitor until March 17 while making repairs; KUMA, Albert H. Schermann, Yuma, Ariz.,

special temporary authority to operate from 4:30 to 5 P.M. MST on March 25th; KFJB, Marshall Electric Co., Inc., Marshalltown, Ia., special temporary authority to operate specified hours March 8, 9, 10, 15, 16 and 17; KRE, First Congregational Church of Berkeley, Cal., special temporary authority to operate from 8:50 to 10 A.M. PST on April 1 in order to broadcast special Easter service.

Also, Buncombe County, Asheville, N. C., C.P. for police service, 2474 kc., 200 watts; City of Austin, Texas, Police Dept., C.P. for police service, 2382 kc., 25 watts; KGZD, City of San Diego, Cal., Police Dept., C.P. for auxiliary transmitter, 2430 kc., 50 watts; New York Telephone Co., New York City, C.P. for general experimental service, frequencies 31600, 35600, 38600, 41000 kc., 50 watts; City of Chattanooga, Tenn., Police Dept., general experimental C.P., frequencies 30100, 33100, 37100, 40100 kc., 15 watts; Press Wireless, Inc.: KJAD, KMB KJH, KOP, San Francisco, Cal., C.P. for additional transmitters, KOP, modification of license 10750 kc., 1.5 watts, and add Composite VT transmitter, Serial No. SF #3; KIIR, A. M. Chamberlin, Deering, Alaska, C.P. fixed public pt. to pt. telegraph service, 3265 kc., 2 watts; WSQD, Aeronautical Radio, Inc., Berea, Ohio, license, frequencies 2612, 2636, 3467.5, 4740, \*6540, \*6550, \*6560, \*8015 kc., 250 watts (\*day only); WSDG, Same, Chicago, license, 2612, 2636, 3467.5, 4740, \*6540, \*6550, \*6560, \*8015 kc., 250 watts; WMET, Allegheny Co. Municipal Airport, Pittsburgh, Pa., license, frequency 278 kc., 15 watts.

#### Action On Examiner's Reports

New, Ark-La-Tex Radio Corp., Shreveport, La., denied as in case of default application for C.P. for new station to operate on 1210 kc., 100 watts, unlimited time, sustaining Examiner Geo. H. Hill; KWEA, Hello World Broadcasting Corp., Shreveport, La., granted consent to voluntary assignment of license to International Broadcasting Corp., sustaining Examiner Hill; KWEA, International Broadcasting Corp., Shreveport, La., granted renewal of license to operate on 1210 kc., 100 watts, unlimited time, sustaining Examiner Hill (The order in the above cases is effective March 9, 1934).

#### Miscellaneous

KGFX, Red River Broadcasting Co., Inc., Moorhead, Minn., suspended authority granted Jan. 30, 1934, for removal of station from Moorhead, Minn., to Duluth, Minn., and applications was designated for hearing because of protests of City of Moorhead and Station WEBC, Superior, Wis.; WSPA, Virgil V. Evans, Spartanburg, S. C., C.P. 920 kc., 2½ KW, daytime hours, heretofore designated for hearing, was denied because applicant failed to enter appearance within time allowed; KFIZ, The Reporter Printing Co., Fon du Lac, Wis., modification license 1310 kc., 100 w., special hours, heretofore designated for hearing, was denied because applicants failed to enter appearance within time allowed; WKZO, WKZO, Inc., Kalamazoo, Mich., special authority to operate from sunset at Kalamazoo to midnight, application heretofore set for hearing, was dismissed at applicant's request.

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March 6, 1934.

## DENY COMMUNICATIONS COMMISSION CENSORSHIP CHARGES

Administration leaders were quick to deny the charge made by Senator Schall of Minnesota that the new Communications Commission in control of radio, telephones, telegraph and cables might be used as a lever to censor press dispatches. They denied that there was any intention of tampering with news messages. It was said if this impression was not entirely dispelled at the forthcoming hearing, a special provision might be written into the bill prohibiting censorship of telegraph, telephones or cables.

Both the Dill (Senate) and Rayburn (House) Communications Commission bills include the following provision now in force in the Radio Act:

"Nothing in this Act shall be understood or construed to give the Commission the power of censorship over 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."

Those who fear censorship point to the fact that despite this anti-censorship clause, the Federal Radio Commission has found a way of closing several stations in the United States on the ground that they were not operating in the public interest.

"When the whole picture is spread out", the Washington Post says editorially, "Senator Schall's statement that the Communications bill would lead to censorship of the press is seen to be neither extreme or premature."

"On what is done to protect the public against censorship in the proposed new government control over radio, telephone and telegraph, depends the support that measure will receive from the press", Editor & Publisher observes.

"I have read the bills carefully and I can find no basis for the news censorship charges", a communications authority commented. "Furthermore I am sure nobody intended there should be such censorship either by the wording of the bills or by any interpretation of their wording."

"Senator Dill is himself too much of a liberal to be a party to the restriction of free speech", an Administration spokesman at the Capitol said.

It is expected that Senator Dill himself may clear up this point when he addresses the radio audience during the National Radio Forum Monday night (March 12) over the WEAJ network at 10:30 p.m. E.S.T. He will discuss the different aspects of the new Communications Commission bills. By that time it is expected that the Senate hearings on the Dill bill (scheduled to begin Friday, March 9) will have been concluded. Senator Dill knowing by then the objections to the measure, will very likely undertake to answer them during his radio talk.

Hearings on the Rayburn bill will begin in the House Tuesday, March 12.

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#### WHITE HOUSE CORRESPONDENTS HONOR RADIO LEADERS

David Sarnoff, President of the Radio Corporation of America, and M. H. Aylesworth, President of the National Broadcasting Company, were honor guests at the annual dinner of the White House Correspondents' Association last Saturday night. One of the most brilliant functions of the season, it was attended by President Roosevelt, Vice-President Garner, most of the Cabinet members, Speaker Rainey, Gen. Hugh S. Johnson, and other high Government officials.

Entertainment was in charge of John F. Royal, Vice-President of the NBC and among the performers were Al Jolson and John Charles Thomas. Frank Black, NBC musical director, made such a hit with the boys that he was inducted as an honorary member. Mr. Black wrote a stirring new march, "We're On Our Way", dedicated to President Roosevelt and the New Deal, which was played for the first time at the dinner. "On Our Way" is the title of Mr. Roosevelt's new book.

Among the guests identified with the radio industry who attended were:

Henry A. Bellows, Vice-President, Columbia; Col. Thad H. Brown, Federal Radio Commission; Gene Buck, President, American Society of Composers; Harry C. Butcher, of Columbia; Vincent Callahan, of the NBC; Martin Codel, Broadcasting Magazine; John W. Guider, Code Counsel, NAB; F. P. Guthrie, District Manager, Radio Corporation of America; Edward Klauber, Vice-President, Columbia; Oliver Owen Kuhn, National Radio Forum; Lynne M. Lamm, radio writer; Frank E. Mason, New York, National Broadcasting Co.; Herbert Pettey, Secretary, Federal Radio Commission; Sol Rosenblatt, Deputy Administrator, Broadcasting Code; F. M. Russell, National Broadcasting Co.; Oswald F. Schuette, National Association of Broadcasters; Sol Taischoff, Broadcasting Magazine; Paul White, New York, Columbia Broadcasting System; Frederic William Wile, radio commentator; Frank Wisner, Federal Radio Commission, and Former Senator James E. Watson.

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## QUESTION PRALL'S COMMUNICATIONS COMMISSION ELIGIBILITY

There is still a question as to the eligibility of Representative Prall of New York to serve on the new Communications Commission should President Roosevelt decide to appoint him. Under the Constitution, Mr. Prall, having been a member of the House when the bill to create this Commission was introduced, would not be permitted to accept a position on the Commission until after his present term in Congress expires. Inasmuch as the new Commission expects to make an extensive study of the radio situation so as to present a comprehensive report to Congress, those who are conversant with the situation deem it hardly likely that President Roosevelt would hold a position open for Mr. Prall all that time - probably a matter of 8 or 9 months.

Although confirmed by the Senate as a member of the Radio Commission, Mr. Prall said at this writing that he had not as yet decided when he would take over his new duties as Radio Commissioner.

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## PATTERSON QUOTED RE NETWORK LIQUOR AD POSSIBILITY

Likelihood that the networks may take liquor accounts when the administration's radio control setup is completed, was expressed in San Francisco by Richard C. Patterson, Jr., NBC Executive Vice-President there on a swing around the Western division, according to Variety, which continues:

"Patterson cited a recent talk which he and M. H. Aylesworth had with the President some weeks ago in which Roosevelt expressed the intention of supporting those mediums aiding the legitimate manufacturer and dealer, who should be favored instead of the bootlegger. With formation of the new Federal Communications control system, the Federal Radio Commission, which has been against liquor broadcasting, will pass out of the picture, the President indicated.

"Networks have been giving much serious thought to liquor accounts, Patterson said, though fearing that their acceptance might offend many dry ears. That same fear of offense has resulted in NBC's turning down more laxative accounts, Patterson said."

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When Mr. Patterson visited the Radio Commission in Washington recently, it was reported that the NBC had notified the Commission that it expected to carry liquor advertising but this was later denied at NBC headquarters in New York City.

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## NEWS SERVICES FORMED DESPITE RADIO PRESS AGREEMENT

The formation of two co-operative associations to gather news for radio stations, one in the East, the Yankee network, and another in the West, a project started by KFI, Los Angeles, is the answer to the agreement of the newspapers, press associations, and principal broadcast chains to limit national news broadcasts to two five-minute periods each day.

The principal stations of the Yankee network are WNAC and WAAB in Boston, and the preliminary plans call for alternating the news broadcasts through these stations. The affiliated stations are those in Providence, Bridgeport, New Haven, Worcester, Springfield, Hartford, Bangor, Me., Manchester, N. H., and New Bedford.

John Shepard, III, head of the network, has organized his own news gathering corps, but the personnel has not yet been revealed beyond the fact that Richard D. Grant of Boston is the editor-and-chief. Mr. Grant is a former member of the Boston Transcript staff, assigned to the State House. Mr. Grant was in charge of the Transcript radio station until it was abandoned.

It is planned to sell advertising in connection with the broadcasts. At first it will be sandwiched in with the evening news announcements, but later, according to the Editor & Publisher, will probably be given on all broadcasts. An instance of the opportunity to turn the service into commercial channels was demonstrated the first day. An item was flashed to Editor Grant that the Ford Motor Car Co. was to reduce prices. It was finally decided to put it on the air, even though it was questionable if the advertising outweighed the news value. Twenty minutes after the item was broadcast, the New England Ford manager bought the announcement to go on the new broadcasts for the next four months. Other opportunities of the nature are anticipated from time to time.

Mr. Shepard feels that the public "is entitled to the news" and that the radio-newspaper agreement limits its dissemination to a point where his radio stations are not giving the service to which the listeners are entitled. In the broadcasts announcing the new service this has been made plain. It is reliably reported that Mr. Shepard intends to spend \$2,000 a week on his news service and that he will look to advertisers to supply this revenue.

One notable example of competition with radio stations used or owned by newspapers has been in Worcester. In that city the Worcester Telegram and Evening Gazette owns radio station WTAC. From this station it has given news broadcasts three times a day. When the Associated Press limited broadcasts of its news to brief bulletins WORC, which is affiliated with the Yankee network, began a news broadcast unlimited in wordage. It was given by George Wells of the Worcester Herald, a weekly. Mr. Wells at the beginning commented on the restrictions placed on news by the Associated Press. Mr. Wells used the Consolidated Press report.

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The following stations have joined the KFI news service network, Carl Haverlin, commercial manager said, KNX, KGFJ and KECA, Los Angeles, KJBS, San Francisco, KDYL, Salt Lake City, KFEL and KFKX, Denver, KSTP, St. Paul. It is reported this group have secured a foreign news service and that it has the use of the Dow-Jones Wall Street Ticker Service.

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#### STORER TO BECOME WMCA PRESIDENT?

George Storer, whose aim it is reported is to have a third national chain in operation by October 1, took a step nearer to that objective when he became a substantial stockholder and operating president of the Federal Broadcasting Corp., which has WMCA under a three to five year lease, Variety reports.

"Confirmation of Storer's status for the minutes will take place Wednesday (tomorrow) at a meeting of the FBC directorate with former Governor Alfred E. Smith, Chairman, presiding", the theatrical paper continues.

"With Storer's entry Jack Adams, who brought the Whitney-Ryan group into Federal, resigns his post as president of the holding corporation and takes the title of Vice-President. Adams' new contract is based on three month periods. He leaves this week on a vacation.

"Storer's conduct of the station as well as the outlet's policies will, however, be subject to agreement with Donald Flamm, owner of WMCA and licensee of its wavelength, and Allen Ryan, Jr., as head of the group of Wall Street scions that took over the station's operation last Fall. No changes in personnel are contemplated for the immediate future.

"In addition to his buy-in into the Federal Broadcasting Corp., Storer's broadcasting interests consists of his ownership of CKLW, Detroit-Windsor; WSPD, Toledo, and WWVA, Wheeling, W. Va."

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## COLUMBIA STRONGER THAN EVER DECLARES PALEY

The following are excerpts from the annual report of William S. Paley, President of the Columbia Broadcasting System, Inc.:

"The Columbia Broadcasting System has come through a difficult year stronger than ever. 1933 saw broadcasting tested, and tested severely.\*\*\*\*\*Just as broadcasting was the last to be overtaken by the depression, it has been the first to recover. Our business has reached an all-time peak and we see no indication of more than a seasonal decline.\*\*\*\*\*We have done things that have been spectacular and almost countless numbers that have made for quiet and steady progress. The importance to the whole country of such progress emerges when I inform you that our 1933 surveys, indicating an enormous growth in the radio audience during the depression year, show that by the Summer of this year we shall have 18,000,000 homes equipped with radios in the United States, which at the current rate of purchase, mean, conservatively estimated, at least 54,000,000 potential daily radio listeners - compared to 14,627,000 radio owning families, or 43,881,000 potential listeners in 1930.\*\*\*\*\*

"It was during this year that Columbia had the unusual satisfaction of developing for the first time a radio artist to the point where he became a star of the Metropolitan Opera, when Nino Martini made his bows before the Metropolitan audience.

"Our annual Price Waterhouse survey shows that we have held and increased the large margin of preference for Columbia programs in the homes of America. We had more listeners than any other single chain in the world in 1932. We have won more than our share of the greater audience of 1933.\*\*\*\*\*

"In obedience to a growing desire on the part of advertisers to have those closely associated with them see as well as hear their programs, and further in obedience to an insistent clamor by the public to see their favorite radio stars, we matured plans in the year just past and early this year opened Columbia's Radio Playhouse in West 44th Street in the heart of the theatre district. \*\*\*\*\*

"Despite all temptations of added revenue, we have persistently refused to take programs which we do not believe would be welcomed by the public or by very large sections of it, and we have persistently refused to take projects or enterprises which we regarded as in any way dubious. I know that the public would be astonished were it ever made aware of the revenue sacrificed by those companies in the forefront of American broadcasting in the interest of good taste, good morals and honest business.

"I draw particular attention to this phase of our work because from time to time, and mostly I believe from thoughtless sources, we hear suggestions of censorship or too rigorous

regulation of broadcasting. Just as the press of America has thrived best without censorship, so do I believe that radio can and must work out its problems in the public interest without having throttling hands laid upon us. I believe that anyone who really knew of the energy, thought and sacrifice of revenue that goes into our efforts to improve ourselves, and who was a careful enough listener to realize the high standards broadcasting has so swiftly attained, would believe, as we do, that censorship is an unnecessary evil which should never be allowed to be substituted for the editorial rather than censorial function we voluntarily exercise.

"With regard to over-regulation, I believe that the achievements of broadcasting in its few years of existence form the best bulwark of evidence against the wisdom of putting too much of a strait-jacket on our operations. There is about over-regulation a fixedness and rigidity which retards growth. I have no doubt that left to ourselves, even with the public to guide us, we shall make some mistakes. But these mistakes we can and do correct and correct swiftly, and it is my honest judgment that we should be allowed to work out our own salvation, for I believe I am able to assure you that we shall not fall short of what our government and our people expect of us. "

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BROADCAST ADVERTISING KEEPS ITS UPWARD TREND

The strong upward trend of broadcast advertising was continued in January, according to compilations based on reports of National Advertising Records. Network time sales of the two big companies, National and Columbia, reached \$3,759,995 for the month, which was the highest ever reported except for the first four months of 1932, when network broadcasting reached a peak. These figures do not include talent costs.

The total for January this year was about \$63,000 more than for December, which was slightly more than the seasonal increase. As a result, the broadcasting index based upon a moving four-year average rose fractionally, from 131.0 in December, to 131.7 in January.

As compared with the period a year ago, the percentages are more striking, partly as a result of the downward trend then prevailing. Whereas December time sales were 123.0 per cent of those a year before, January sales were 133.7 per cent of those in January, 1933.

Both companies shared in the gain. The National Broadcasting total was \$2,373,923, a gain of \$504,038, or 26.9 per cent, over January, 1933. In December the NBC gain was 16.2 per cent over the preceding December.

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WISCONSIN JUDGE BOILS OVER IN ASCAP PROSECUTION

The following is from The Evening Telegram, Superior, Wis.,  
March 1:

"Judge Patrick Stone Thursday morning denied a motion for a new trial in the civil action of the American Society of Composers, Authors and Publishers of New York against Sam Lurye, proprietor of the Ritz cafe.

"Wednesday afternoon Judge Stone dismissed the action in which the music society asked \$250 damages from Mr. Lurye on the allegation that he caused to be played in his cafe last July two popular songs without consent or knowledge of the copyright owners.

"Thursday morning Atty. Wellington J. Brown, Duluth, resigned from the case and Atty. John Spowls, Superior, announced that he had taken the case over and appealed for a new trial on the ground that Judge Stone had dismissed the case contrary to the evidence.

Judge Stone lost no time in declaring that the motion for new trial was dismissed and declared:

"The witness (Miss Eleta Peterson, Duluth) entirely disqualified herself on the stand. Her testimony was such that I couldn't base a judgment for the amount asked for in the complaint or any amount. That is the stand the court has taken in this case and I am satisfied that I am right.

"To me this case is nothing but a plain racket. I don't think it is right. It is legalized dishonesty. That the plaintiff should go down into the pocket of the defendant and take \$250 because these two pieces have been played is entirely unequitable."

"Later, after Attorney Brown explained that he has been retained as an investigator and attorney by the New York Society, Judge Stone apologized for some of the remarks he had made.

"Attorney Spowls renewed his plea for a new trial and Judge Stone countered with a declaration that 'no more cases of this nature will be tried in this court. If they are tried, there'll be another judge called in to preside. The defendant in this action has been put to enough expense and trouble.'"

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: BUSINESS LETTER NOTES :  
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Oswald F. Schuette, of the National Association of Broadcasters, and former President of the National Press Club, is Chairman of the Annual Membership dinner of the Press Club to be held in Washington, Saturday, March 24. President Roosevelt, who is a member of the Club, will be the guest of honor. Invitations will be confined to members.

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K. H. Berkeley, Manager of NBC in Washington, accompanied by Mrs. Berkeley, is on a short vacation trip in Florida. Mr. Berkeley recently had the misfortune to lose both his father and mother.

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An order for thirty-eight carloads - an entire train-load - of electric refrigerators was received by the Crosley Radio Corporation from Chanslor & Lyon Stores, Inc., San Francisco, Cal.

This order, according to Electric Refrigeration News records, exceeds by eight carloads the largest single order ever received by any manufacturer of electric refrigerators.

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Herluf Provensen has resigned as Manager of WLBW, at Erie, Pa., and has returned to Washington where he was formerly Assistant Manager of the NBC.

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One central and four mobile transmitters operate on 30,000-40,000 kc. in the new Piedmont, Calif., two-way police radio system, which has just been installed by Elmer L. Brown, of Oakland, Calif. By means of the apparatus, the roving police cars can talk to headquarters or to each other.

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GLOBE WIRELESS ONLY OPENS SHIP TO SHORE TRAFFIC

A recent issue of the Business Letter told of the inauguration of a Transpacific radio service to land stations and ships at sea announced by Globe Wireless. This was based upon an Associated Press dispatch, which item, in reprinting, we captioned "New Globe Wireless Service Across Pacific Started."

Both the Associated Press and ourselves were in error on this. We are indebted to Jack Kaufman, Executive Vice President of the Globe Wireless, of San Francisco, for the correction that at the moment Globe Wireless has only opened its service for marine ship to shore traffic. We regret our error and hope it has caused no embarrassment to the California company.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(March 6, 1934)

WICC, Bridgeport Broadcasting Station, Inc., Bridgeport, Conn., modification of license to change name to Southern Conn. Broadcasting Corp.; WFDV, Rome Broadcasting Corp., Rome, Ga., authority to operate without approved frequency monitor while it is being sent to factory for recalibration; WSUI, State University of Iowa, Iowa City, Ia., special temporary authority to operate from 10 P.M. to 12 midnight, CST, on March 10 in order to broadcast University party program.

Also, WPGQ, State of Ohio, Dept. of Highways, Div. of State Highway Patrol, near Columbus, modification of C.P. approving site for transmitter corner Ackerman & Olentangy Roads, near Columbus; Carter Publications, Inc., Portable, general experimental C.P. 27600 kc., 2.7 watts; W4XJ, City of Winston-Salem, N. C., license (Gen. Exp.); frequencies 30100, 33100, 40100 kc., 25 watts; W4XK, City of Durham, N.C., Police Dept., license (general experimental) frequencies 30100, 33100, 37100, 40100 kc., 15 watts; W8XAM, The Sparks-Withington Co., Jackson, Mich., renewal of license (Spec. Exp.), frequencies 2000-2100; 42000-56000 and 60000-86000 kc., 100 watts; KGSA, City of St. Louis, Robertson, Mo., renewal of airport station license in exact conformity with existing license.

Also, Aeronautical Radio, Inc.: W9XN, W9XR, W9XW, Kansas City, Mo., W2XAH, Bell Telephone Laboratories, Inc., South Plainfield, N. J., W9XA, National Broadcasting Co., Inc., Denver, Colo., and W8XAR, Westinghouse Electric and Manufacturing Co., Saxtonburg, Pa., renewal of special experimental station licenses in exact conformity with existing licenses.

Set For Hearing

WGBI, Scranton Broadcasters, Inc., Scranton, Pa., C.P. to increase power from 250 watts to 1 KW, make changes in equipment and use directional antenna; Hoosier Broadcasting, Inc., Indianapolis, Ind., C.P. 1360 kc., 1 KW, unlimited time; facilities of WGES and those vacated by WJKS.

Ratifications

Action taken March 1: WJAO, Mackay Radio & Telegraph Co., San Francisco, granted 60 day authority to operate 2 KW spark aboard vessel "Missoula", pending action on formal application; Action taken March 3: WMCH, Radiomarine Corp. of America, New York, granted 60 day authority to operate aboard vessel "Maui", pending receipt and action on formal application.

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Miscellaneous

WGES, Oak Leaves Broadcasting Station, Inc., Chicago, Ill., suspended grant made Feb. 27, 1934, of special temporary authority, to operate unlimited time on 1360 kc., not to exceed 28 days, because of protests of stations WHFC, WEHC and WKBI; application designated for hearing.

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DECISIONS REACHED IN LOUISIANA CASES

The Federal Radio Commission has entered its final order as indicated below in the following cases:

Ark-La-Tex Radio Corporation (New), Shreveport, La., applicant asked for C.P. for new station to operate on 1210 kc., 100 watts, unlimited time (facilities of KWEA); - application denied as in default; KWEA, Hello World Broadcasting Corp., Shreveport, La., applicant asked for consent to voluntary assignment of license to International Broadcasting Corporation; - affirmed the Commission action of October 31, 1933, granting the application; KWEA, International Broadcasting Corp., Shreveport, La., asked for renewal of license, 1210 kc., 100 watts, unlimited time; - application granted.

The order as above entered shall be effective at 3 A.M. Eastern Standard Time, March 9, 1934, and the commission will issue and publish at a subsequent date an opinion setting forth a statement of the facts appearing of record and the grounds for the decision herein reached.

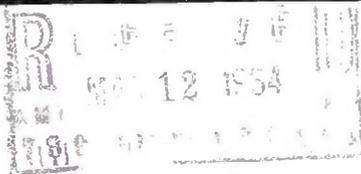
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 705

*Handwritten notes and signatures:*  
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[Signature]

## RAYBURN LOOMS AS NEW HOUSE RADIO LEADER

It looks as if Representative Sam Rayburn of Texas, Chairman of the Interstate and Foreign Commerce Committee will be the dominating figure in the House in radio from now on. Since the election of Wallace White to the Senate, it has been Representative Bland, of Virginia, Chairman of the Merchant Marine Radio and Fisheries Committee.

Radio in the Senate has always been under the jurisdiction of the Interstate Commerce Committee but in the House it came under the Merchant Marine & Fisheries Committee due to the fact that wireless was first used in ships. As it developed into radio and broadcasting came into existence, the same group in the House continued to control but radio occupied so important a part of their work that the name was changed to Merchant Marine, Radio and Fisheries Committee.

Rayburn came into the picture with the introduction of the Communications Commission bill since telephone, telegraph and cable regulation has heretofore been lodged in the Interstate Commerce Commission and hence has been handled in the House by the Interstate Commerce Committee.

Representative Bland resented this invasion and moved that the Communications Commission bill be referred to his committee instead of Mr. Bland's. Finally the House was called upon to act in the matter. On a division demanded by the Virginian, the yeas were 108 and the noes 125. Whereupon Representative Bland demanded the yeas and nays but again lost, the yeas being 148 and the nays 213.

Considerable regret was expressed among the broadcasters at the prospect of Representative Bland losing radio jurisdiction.

"Representative Bland has made a thorough study of radio and acquitted himself with credit as a member of the American delegation to the North American Radio Conference in Mexico City", a broadcaster said. "It is a pity to lose him. Representative Rayburn, while very able and a fine chap, personally, knows nothing about radio and apparently is proud of it. He will have to learn from the ground up."

Representative Rayburn, a Democrat, was born in Tennessee in 1882. He was graduated from East Texas College and studied law at the University of Texas. Mr. Rayburn began law practice at Bonham, Texas. He served in the Texas House of Representatives for six years and was the Speaker the last two years. He has been a member of the 63rd to the 73rd Congresses (1913-1934) from the

4th Texas district and will be up for re-election next Fall.

The other members of the House Interstate and Foreign Commerce Committee now considering the Communications Commission bill are:

Democrats: Huddleston, of Alabama; Lea, of California; Crosser, of Ohio; Corning, of New York; Milligan, of Missouri; Bulwinkle, of North Carolina; Chapman, of Kentucky; Maloney, of Louisiana; Cole, of Maryland; Pettengill, of Indiana; Kelly, of Illinois; Marland, of Oklahoma; Kenney, of New Jersey; Sadowski, of Michigan; Monaghan, of Montana; Maloney, of Connecticut.

Republicans: Cooper, of Ohio, Mapes, of Michigan; Wolverton, of New Jersey; Wolfenden, of Pennsylvania; Holmes, of Massachusetts; Merritt, of Connecticut, Reece, of Tennessee, and Wadsworth, of New York.

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#### COMMUNICATIONS COMMISSION HELD PERIL TO PRESS

Senator Schall, Republican, of Minnesota, made another attack on the proposed Communications Commission as a menace to the freedom of the press. Also former Senator Reed, Democrat, of Missouri, held the same view.

Senator Schall said:

"I fear that the Senate bill to provide for the regulation of interstate and foreign communication by wire or radio, is in harmony with the purpose to centralize authority for control of all press dispatches, all press associations, all transmissions of news, and create another Federal bureau to place all interstate communication under the censorship and secrecy ban of a Federal autocracy.

"That is precisely what Mussolini did under his drastic press censorship edict that went into effect January 1, 1925. He quickly realized that his grip on the people of the self-governing communes could not be maintained under freedom of the press, the radio, and other instruments of public communication. Stalin had already done the same thing; and today Hitler and our own 'emergency' rule are doing likewise, despite the guaranty of our Constitution.

"What was the result of the Mussolini 'new deal' censorship? Even under a king, Italy, pursuant to her constitution, had 7,312 self-governing communes. Mussolini, under the secrecy ban of press censorship and control of communications, abolished every one of these 7,000 self-governing communes. By October, 1925, only 9 months after the press-censorship edict, even the municipality of Rome itself was deprived of self-government, and all Italy was directly subject to one man, Mussolini. The king

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and all his dukes had been placed on pensions provided by the loans of Wall Street. Every form of self-government had been abolished, because the people had no free press, no uncensored communication.

"In the radio censorship bill, even the utterances of a candidate for public office are subject to Federal license rules. Again the straw excuse is advanced that it is to protect the public from 'obscenity' and 'lewdness' in campaign speech. The reports of public investigations are subject to radio license. The contents of a referendum to voters are subject to license. All press despatches come under a Federal license law.

"A licensed press is not a free press. A licensed radio broadcast is not the freedom of speech guaranteed by article I of the Bill of Rights, drafted by the first Democrat, Thomas Jefferson.

"The existence of a daily newspaper or magazine depends upon its business office. The business of a newspaper depends upon its bank credit. Control of the banks means control of all business enterprises, including the newspaper business. This administration has already expended something like \$1,000,000,000 in the preferred stocks of over 5,000 banks. The other day the Chase National, formerly known as the 'Wiggins bank', issued \$50,000,000 of new preferred stock to be sold to the Treasury through the R.F.C.

"Thus the freedom of the American press under article I of the Bill of Rights is not only to be hog-tied by a press censorship code and hamstrung by a licensed radio and licensed control of interstate dispatches, but its financial existence is threatened by Federal ownership of the bank that has power to close down the newspaper."

Declaring that there is nothing so important in a democracy "as a free and fair dissemination of information", former Senator Reed, of Missouri, said that the freedom of the American press is endangered by the proposed Federal control of communications lines.

The extent to which the radio is controlled and influenced by the government was seen by Mr. Reed as an example of what would happen to the press if the government were to take control or possession of telegraph and telephone lines. He said that the plan would enable the administration to "influence and circumscribe the dissemination of news."

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## RADIO INDUSTRY PARTICIPATES IN PRESIDENTIAL CODE CONFERENCES

The radio industry was in the thick of it in participating in the Code conferences in Washington called by President Roosevelt and presided over by Gen. Hugh S. Johnson. There were preliminary sessions of the Broadcasting Code Authority Saturday and Sunday, advance arrangements for which were made by James W. Baldwin, Code Officer. The broadcasters later attended the group meetings and worked on a report having to do with broadcast technicians. Also a questionnaire was prepared which will be sent out seeking information with regard to radio artists and performers.

The Broadcasters' Code, according to Phil Loucks, of the National Association of Broadcasters, has been working exceptionally well and has been cited by the national Code Administration as an example to other industries. It is said that the Codes of the radio broadcasting and the oil industries have been two of the smoothest working Codes that have yet been devised.

Bond Geddes represented the radio manufacturers at their Presidential Code sessions. The manufacturers are under the Electrical Code which is now under revision and therefore were especially receptive to new policies and viewpoints. One thing they were interested in was whether or not the filing of prices by competitive manufacturers was to be continued. Mr. Geddes said this was still uncertain but that the practice might be continued in a modified form.

Another thing which the radio manufacturers were interested in was the possibility of resale price maintenance. It appeared that the NRA would not include this in the Code.

Also under consideration at the time of the Presidential conferences was the Code of the radio wholesalers which has yet to be submitted. The wholesalers were represented at the Conference by Ben Gross.

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## JUDGE RUTHERFORD PROTESTANTS AWAKEN SLEEPING RADIO BILL

A bill introduced by Representative McFadden, of Pennsylvania, to prevent discrimination of stations and networks in accepting political speeches or religious programs which doubtless would have slumbered peacefully throughout the session, has been revived to the extent that hearings will be held on it by the Merchant Marine and Radio Committee beginning next Thursday, (March 15). It is doubtful if the bill will reach a vote this session, maybe never, but the pressure brought by the Watchtower Society, Judge Rutherford's organization, has been so strong that Representative Bland, Chairman of the House Committee felt obliged to hold hearings on the bill.

Complaints that Judge Rutherford and his religious programs have been discriminated against have been pouring in on Senators and Representatives for the past month. It was estimated that petitions received in the House alone bore the names of no less than 2,400,000 signers.

The text of the McFadden Bill reads, in part, as 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."

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#### BROADCASTERS SEE FOOD AND DRUGS BILL PASSAGE FADING

Odds seem to be growing each day against the passage of a food and drugs bill at this session. A new bill was introduced by Congressman Patrick J. Boland which was drawn by Arthur Kallett of the Consumers Research staff which contains the following reference to broadcasting:

An advertisement of a food, drug or cosmetic shall be deemed to be false if it shall include any claim or representation, directly or by ambiguity or inference concerning the effects, benefits, or uses of the food, drug or cosmetic, which has not been registered with and approved by the Board of Labeling, Packaging, and Advertising Control; Provided, That nothing in this sub-paragraph shall be deemed to apply to advertisements orally communicated through and from radio broadcasting stations if no claim or representation is made directly or by ambiguity or inference concerning the effects, benefits, or uses of the food, drug, or cosmetic.

A bill sponsored by Senator Patrick McCarran, of Nevada, and Representative Virginia Jenckes, of Indiana, provides that:

"No person acting in the capacity of publisher, advertising agency, radio broadcast licensee, or any commercial disseminator of advertisement for another is deemed in violation of the act because of his dissemination for another of a false advertisement by another. But if any such person willfully refuses or neglects to disclose the name and address of the party who caused him to disseminate any advertisement subject to investigation under the act, upon official request, he is guilty of a misdemeanor subject to a fine of not more than \$500 for each offense. This exception is not in the present act, because it does not apply to advertisements."

(McCarran-Jenckes Bill)

Faced with a seeming certainty that the bill/endorsed by drug and food manufacturers was definitely side-tracked in favor of Senator Copeland's latest measure, Charles Wesley Dunn, assailed Copeland and his bill with vigor.

"Senator Copeland has written into this bill a grossly unjust, unconstitutional and discriminatory exemption of three classes", Dunn charged. "It is not the publishers, but the advertisers who will be subject to this law. They have written in an exemption for themselves - the radio licensees, the publishers and the advertising agencies.

"Responsibility for violation remains with the billboard operators, street car and bus advertisers, and others. This provision could be taken to court and easily defeated. Exempt all or exempt none!"

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#### RADIO CONTINUES TO GAIN IN GREAT BRITAIN

Radio continues to gain in popularity in Great Britain, according to a report from the American Consulate-General, London.

During the month of January approximately 1,110,000 licenses were issued by the Post Office, representing an increase of 150,000 in the number of license holders after allowing for expired licenses and renewals.

The total number of radio licenses in force at the end of January, 1934, was 6,124,000 against 5,366,000 at the end of January, 1933, an increase during the year of 758,000.

The total number of radio sets in the United Kingdom, the report states, is now the highest in Europe. One person in every eight of the entire population of Great Britain and Northern Ireland is now a license holder. It is estimated that there are radios today in approximately 10 million homes, creating a potential radio audience of about 45 to 50 million people.

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JUMBO COLUMBIA BROADSIDE OFFERS LARGER SUMMER AUDIENCES

A 16-page Jumbo "booklet", each page 1 1/2 feet wide and 2 feet high (about the size of the New York Times) with boldface type sometimes as large as 1 1/2 inches, is the medium chosen by the Columbia Broadcasting System to tell the world that Columbia now offers to radio advertisers a larger Summer audience in 1934 than the largest Winter audience of 1931, 32, or 33.

"An 'Interesting Generality'?", the introduction to this huge "booklet", prepared by John J. Karol, Director of Market Research, of Columbia, interrogates and then answers. "Far more than that, when it is focused down to three specific points: Columbia offers advertisers a Summer 1934 radio audience - larger by 2,763,000 extra listeners than the peak Winter audience of 1932-33, larger by 5,940,000 extra listeners than the Winter of 1931-32 and larger by 10,119,000 extra listeners than the Winter audience of 1930-31.

"Those are positive statements. They rest on positive evidence. Some of this evidence is presented in the following pages. More of it (200 pages) is available upon request."

"Do you plan to be away from home on a vacation this year? How long a vacation? And when? Will you take a radio set with you? Or use one when you get there? - these were some of the question asked of 4,820 radio-owning families by 212 bonded investigators of the Ross Federal Research Service."

The remainder of the large "booklet" covers the following topics - "Typical Radio Family - Two Summer Portraits - Spanning Twelve Summer Months"; "Only 10 in Each 100 Radio Families Away on Summer Vacation"; "Your Summer 1934 Radio Advertising Dollars" (Showing how much more the 1934 dollar will buy than the Winnter dollar of 1932 or 1930); "Summer Thrills for CBS Listeners" and "CBS Presents Radio Broadcasting Over the Columbia Network in Summer 1934 as the 'Best Advertising Buy' Dollar for Dollar, of any previous Summer or Winter Season."

Mr. Karol also sent a reprint of an article "The Eye versus the Ear" by Ken R. Dyke, Chairman of the Copy Testing Committee of the National Association of Advertisers, which

reviews a test made by Frank N. Stanton, Department of Psychology, of the Ohio State University. The experiment was conducted on 160 university students. The examinations were made 24 hours, 7 days, and 21 days after the presentation of the copy to each group.

The "Pure Recall" test consisted in writing as many as possible of the brand names remembered from the advertising copy that was heard and read.

For the "Aided Recall" test, lists were supplied of all the commodities advertised, with a blank space to be filled in with the correct brand name (i.e., \_\_\_\_\_ toothpaste, \_\_\_\_\_ coffee, etc.). In the "Recognition" test, similar lists were provided, except that following the name of each commodity, were four names from which the correct brand name (the one used in the experiment) was to be chosen.

Mr. Stanton summarized the tests in this manner:

Per Cent Auditory Superior to Visual

<u>Test</u>	<u>1 day</u>	<u>7 days</u>	<u>21 days</u>
Pure Recall	33%	118%	76%
Aided Recall	22%	87%	61%
Recognition	3%	8%	15%

Copies of the Dyke-Stanton article reprints may be had upon application to the Columbia Broadcasting System, 485 Madison Avenue, New York.

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HYGRADE SYLVANIA CHARGES RCA AND GE WITH MONOPOLY

The Radio Corporation of America and the General Electric Co. are charged with controlling radio patents in violation of anti-trust laws and court decrees in a 65-page answer to patent-infringement suits brought by these companies in Federal court in Trenton, N. J. against the Hygrade Sylvania Corporation of Massachusetts, manufacturers of radio tubes, the Associated Press reports, and continues:

"The answer, which amended a previous answer, was filed by former Federal Judge Hugh Morris of Delaware, representing the Hygrade concern.

"He cited agreements by which he asserted, General Electric, Westinghouse, American Telephone & Telegraph Radio Corp. and other domestic radio and communication patents were consolidated. By 1930 'the entire radio field, manufacturing, use and sale', was brought to a head in the Radio Corporation of America, he said.

(continued on page 12)

## SHARP OPPOSITION DEVELOPS TO DILL COMMUNICATIONS BILL

A broadside was fired at the Dill (Senate) Communications Commission bill by Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters at the Senate hearing Friday (March 9). Mr. Bellows said that the essential objection to the bill concerned itself "with just exactly ten words out of its total of 100 pages. These ten momentous words are "The Radio Act of 1927, as amended, is hereby repealed."

Mr. Bellows declared with emphasis:

"We submit that the intent of the President's message is perfectly clear; that the proposed commission is to take over the present authority of, the authority now lying with, the Radio and Interstate Commerce Commissions for the control of communications and that additional legislation on the subject is expressly advised to be reserved to the next session of Congress; after the Commission has had an opportunity for investigation and study.

"It is our contention that the Dill (Senate) bill does not conform to the terms of the President's message. By what we regard as in some instances fundamental changes in the present law relating to radio, it would vest in the new commission an authority quite different from the authority now lying with either of the existing commissions, and anticipate the action which the President has suggested for the next session of Congress, by materially modifying the law before the new commission has had any opportunity to make the investigation which the President recommends. It is on this basis, and on this basis alone that the broadcasters come before you in opposition to certain features of the Senate Bill."

E. O. Sykes, Chairman of the Federal Radio Commission advocated the repeal of the so-called "Davis Amendment" for the equalizing of radio facilities. Judge Sykes offered as a substitute the following:

"In considering applications for licenses, or modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such a distribution of licenses, frequencies, hours of operation, and of power among the several states and communities as to provide an equitable distribution of radio service to each of the same."

"With slight changes", the Chairman explained, "this is Section 9 of the Radio Act of 1927 prior to its amendment. Developments during the past few years have made it possible to accurately measure radio broadcast service.

"The provision of the Bill which contains the "Davis Amendment" is contrary to natural laws and results in concentra-

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tion of the use of frequencies in centers of population and a restriction of facilities in sparsely populated states, even though interference would permit the operation of one or more additional stations. Because of the size of the zones this distribution results in providing ample broadcasting service in small zones and lack of service in large zones. Experience has proved that the section as proposed is very difficult of administration and cannot result in 'an equality of radio broadcasting service.' In the provision suggested, service is made an important criterion, making it possible to carry out the statutory provisions of public interest, convenience and necessity without artificial restrictions."

The only other witness at the Friday session was Frank McManamy, Chairman of the Legislative Committee of the Interstate Commerce Commission who testified that the Commission approved the consolidation of communications as proposed in the Senate bill. Mr. McManamy did not comment upon the radio provisions.

The hearing was continued until next Tuesday morning (March 13) at which time Messrs. Gifford, of the American Telephone Company, Sosthenes Behn, of the International Tel. & Tel., and White of the Western Union will be heard.

Because the hearings of the Senate bill will continue until that time, Representative Rayburn has cancelled the hearings on the House Communications Commission bill scheduled for Tuesday and they will be held at a later date.

Mr. Bellows objected to the provision in the Dill bill that no broadcasting channel shall be cleared for more than 2200 miles on the ground that it was technical question and one for the engineers rather than for Congress to pass upon.

"If Congress is going to change its entire policy with regard to radio by legislating on purely technical matters, why set up a Commission at all?" he asked.

Mr. Bellows protested against the provision of the Dill bill which would cut down the licensing period also revocation without hearing. The Legislative Chairman concluded with a strong argument against the elimination of the provisions for appeal to the courts from orders of the Commission.

"The new Commission is certain to have plenty of troubles without having to work out a new and untried course of legal procedure for dealing with radio problems", Mr. Bellows said. "We cannot believe that the President, in asking that such a Commission be set up, wanted it to come into being with such absolute authority as to deny in many cases the right of appeal to the courts. Such authority could be only a source of additional and wholly needless grief for the Commission itself. As for the broadcasting industry, this change in the law would apparently deny a right which is implicit in our whole system of government - the right to test administrative rulings in the courts."

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: BUSINESS LETTER NOTES :  
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Because spots on the sun are returning in great numbers, stations on the Pacific Coast or halfway across the continent which have been coming in so clear all Winter, will shortly drop out of hearing, not to be heard again for seven or eight years with any such clarity as during the past Winter or two, declared Orestes H. Caldwell, former Federal Radio Commissioner speaking over WOR.

With the sun spots comes the outpouring of ultra-violet rays that break up the radio reflecting mirror, and make it a poor reflector of distant broadcasting stations. This means, Mr. Caldwell believes, that it will not be long before radio reception conditions return to the situation of "poor DX" which we had in 1928 and 1929, when long-distance broadcast reception was at a minimum.

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A new monthly fan magazine, RADIO, published in New York by the Tower group made its appearance March 1. Among the articles featured were "When President Roosevelt Broadcasts", by Herbert Corey; an interview with Mrs. Byrd, mother of Rear Admiral Richard E. Byrd, by Robert D. Heintz and program comments by Bing Crosby. The magazine is handsomely printed and illustrated and carries considerable advertising. Copies are on sale at all F. W. Woolworth stores for 10 cents.

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So successful have been the broadcasts of Elder Solomon Lightfoot Michaux, colored evangelist in Washington, over Station WJSV and the Columbia network, that he may soon hold a large revival meeting in Madison Square Garden.

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A favorable report may be expected soon from the House Merchant Marine and Radio Committee on the amendment to the Radio Act which would prevent programs originating here and sent to a foreign station being broadcast back into the United States. This was aimed at the Brinkly station, since closed down, but there are likewise other stations operating on the Mexican border which are sent across the Rio Grande from this country.

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Maj. Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America and Newcomb Carlton, Chairman of the Board of the Western Union Telegraph Co. have accepted membership on the Gallatin Memorial Fund Committee in New York. The fund will be used to erect a statue of Albert Gallatin, Secretary of the Treasury from 1801 to 1813, in Washington.

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Continuation of Hygrade-Sylvania story from page 9

"The Radio Corporation licenses 'third persons acceptable to it' by a standard form, which provides for a royalty of 7½ per cent on the gross selling price of the article, it was charged, and lowers the royalty if the licensee uses parts purchased from R.C.A. R.C.A. has collected \$7,000,000 annually from such royalties; each licensee must pay a minimum royalty of \$100,000 a year and licenses for manufacturing and sale of vacuum tubes is \$50,000 a year, the answer asserted.

Federal Court in Delaware restrained these companies in 1932 from making agreements to restrict the license freedom of any one of them, the answer said, and the Hygrade concern had been refused a patent license from G. E.

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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No. 706

*[Handwritten signatures and initials]*

March 13, 1934.

## CENSORSHIP FEAR BELITTLED BY DILL

Chairman Dill of the Senate Interstate Commerce Committee denied that there was any intention on the part of the Administration to use the Communications Commission as a censorship weapon. Senator Dill said there is no foundation in theory or fact for the idea that it is proposed to have some kind of censorship or some kind of licensing or some kind of governmental control of the newspapers or of the dissemination of news in this country.

"There is nothing in any law on the statute books today that gives the Government any power whatsoever over the dissemination of news, or as to what messages shall go over the telegraph or the telephone wires", Mr. Dill explained to the Senate.

"The radio law expressly prohibits any kind of censorship by the managers of radio stations. Radio stations are licensed to use certain frequencies in order to prevent interference. There is necessarily a limit to the number of radio stations that can operate. There is no limit to the number of newspapers that can be printed nor has it ever been suggested there should be such a limit

"I am sure it was never even in the thought of the President that anything should be done by the proposed Communications Commission, either now or in the future, that would in any way hamper or hinder anyone from sending anything he wants to send over the wires, or over the radio in the radio common carrier service, and I should be as strongly opposed to any such proposal as any man outside of this body, in the newspaper business or otherwise.

"The purpose of the proposed legislation is to make effective the power now written into the Interstate Commerce Act of control of telephone and telegraph business in this country. The Interstate Commerce Commission have been so busy regulating the railroad that they have not had time to give real consideration to the problems in connection with rate regulation of telephones and telegraph, and it is only in recent years that the communications business has been big enough to demand the attention of those who use it from the standpoint of getting rate regulation.

"So I want to make it clear that there is not only nothing in the proposed bill but there is no idea of putting anything in the proposed law that would ever, in any way, interfere with the freedom of the press or the freedom of anybody to send news anywhere, any time, by any means of communication.

"In fact we are reenacting the prohibition of censorship in the radio law, and there is no reason or suggestion from any source that I know about even to consider any proposal that would in any way hinder the free communication of the people of this country.

"What we desire to do is to have a body of men charged with authority who can study the situation and make it possible for the people who have the 20,000,000 of telephones in this country over which go 27,000,000,000 conversations every year, have some chance of getting the rates lowered. They have no such chance now. Ninety-eight percent of the telephone business of this country is within the States. The State Commissions cannot regulate it. Because of the holding company that reaches down and controls the telephone business in every community, because of the interrelated contracts between the parent company and these subsidiary companies all over America, the State Commissions find themselves helpless, the State courts cannot reach the interstate companies, and the Interstate Commerce Commission has never had the power to handle the holding companies. So this is a proposal to make rate regulation effective in the telephone and the telegraph business, which it has never been, and also to set up rate regulation and control of the common-carrier radio business of this country."

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#### RIVAL NEWS GROUP FORMED AS NEW BUREAU SERVES 125 STATIONS

What may or may not be a new serious menace to the recently established press-radio agreement had its inception last week at a meeting behind closed doors in Chicago where representatives of 35 independent radio stations from coast to coast met to organize the Radio News Association.

Despite this competition and the details of "getting started", the Press Radio Bureau of the Publishers National Radio Committee, after a little more than a week's operation is gaining momentum, reports to Editor & Publisher indicate, and approximately 125 stations were using the report late last week.

E. H. Harris, Chairman of the Publishers National Radio Committee said that reports he had received indicated that the plan was functioning "smoothly and effectively." "The plan is going to be a success", he said, "but naturally it may take a few months to work out all the details so that the final program will be satisfactory to the newspapers, the national news gathering organizations and the radio stations."

Mr. Harris alluded to the "bootleg" efforts of collecting news for the radio, and said that newspapers would never support stations using such a service.

Although newspaper reporters were not permitted to attend the Chicago meeting, Editor & Publisher talked with two of the principal organizers of the Radio News Bureau, sponsored by the association, in an effort to learn the scope of the new radio news broadcasting service. It is understood that the group met primarily for the purpose of expanding and perfecting

its new service to broadcasters who are outside the agreement recently signed by the national radio chains, the press associations and newspaper publishers.

According to information given by Stanley L. Hubbard, KSTP, St. Paul, Minn, the Radio News Association is now functioning through a series of news bureaus in principal cities from coast to coast on a plan similar to that established by the Columbia Broadcasting System several months ago and discontinued under the new program.

Present sponsors of the Radio News Bureau are Mr. Hubbard, KSTP; Mr. Earl, KNX; Earl Anthony, KFI, Los Angeles, and John Shepard, head of the Yankee network with nine radio stations in the principal cities of New England. These men are the organizers of the bureau and as near as it could be determined were the principal representatives at the Chicago meeting, although they claim 35 stations were represented at the session. Mr. Hubbard said the sponsors of the movement have already spent over \$50,000 in establishing "key" bureaus.

Hubbard declared that bureau news gatherers have been definitely instructed not to "lift" news stories from the newspapers under penalty of being fired.

Guy Earl, of KNX, Los Angeles, emphasized that it was the consensus of those present at the meeting that radio stations have the right to do what they want with the news they buy through the Radio News Bureau, indicating they may use the bulletins either as sustaining or sponsored programs. He declared, however, the project was not primarily a commercial venture in news gathering, but an attempt to give the public "fresh news."

The first week's experiment of the Yankee network in furnishing a news service to its listeners through its Boston and affiliated stations throughout New England is viewed with varying opinions.

"Shepard id doing pretty well", a Boston correspondent informs the Heintl News Service. "Sometimes he gets the news and other times misses it locally. He's got quite a staff. The papers are still printing programs but we have taken out all mention of news broadcast. This includes Hill, Thomas, Carter and others. The Shepard stations started panning the papers over the air by telling the listeners that the programs were not complete and to write and raise an objection. The papers ignored the letters. It looks like a long hard fight with neither side giving anything."

Mr. Shepard is so convinced of the merit of the plan that he is reported ready to spend any amount to make it "go".

The consensus of newspaper publishers, according to Editor & Publisher, is that it cannot continue successful for the reason that there are not enough interesting news breaks to sustain interest in eight or nine broadcast periods of from 10 to 25 minutes each day. The necessity for filling out the time with uninteresting items from foreign countries which are largely used as fillers by newspapers, the publishers feel, is likely to discourage interest.

## DRY SENATOR INTRODUCES ANTI-LIQUOR ADVERTISING BILL

Senator Arthur Capper, of Kansas, made his debut as a member of the Senate Interstate Commerce (Radio) Committee by introducing a bill which would prohibit the advertising of intoxicating liquors through the medium of radio.

The full text of the bill follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no advertisement of spirituous, vinous, malted, fermented, or other intoxicating liquors of any kind, or containing a solicitation of an order or orders for said liquors or any of them, shall be broadcast by any radio-broadcasting station or any combination of such stations licensed under the Federal Radio Commission, if the said broadcast is capable of being received by any commercial radio-receiving set at any place or point in any State or Territory in the United States in which it is by the laws in force in the State or Territory at the time unlawful to advertise or solicit orders for such liquors or any of them in such manner.

"Sec. 2. If the owner of any radio-broadcasting station licensed by the Federal Radio Commission, or the agent of such owner, or if the dealer in any such liquors or his agent, shall knowingly broadcast, permit to be broadcast, or cause to be broadcast, anything in violation of the provisions of this Act, he shall be fined not more than \$1,000 or imprisoned not more than six months, or both, and the license or permit granted by the Federal Radio Commission shall be suspended for a period of thirty days; and for any subsequent offense he shall be imprisoned for not more than one year. Any person violating any provision of this Act may be tried and punished either in the district in which the unlawful matter or publication was broadcast or in which the same was received."

Whether Senator Capper intends to press the bill for passage could not be learned but its introduction at this time is significant due to the fact that he is one of the die-hard dries of the Senate and though a Republican stands high with the present Administration. In fact Senator Capper has given such strong support to President Roosevelt that he has been called "upon the carpet" by members of his own party.

Senator Capper while long in the Senate has only been a member of the Interstate Commerce Committee which handles radio, about a month but it seems logical that he should be there because the Senator is the owner of a 1000 watt broadcasting station, WIBW, at Topeka, Kans., which he operates in connection with his extensive publishing business. Only recently he turned over his handsome residence in Topeka for the station to use as a studio. Senator Capper broadcasts regularly from the Capital and in addition to addressing his constituents in his papers, he sends electrical transcription records which are broadcast from his station telling what he is doing for them and what is going on in the Capital generally.

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W - J - Zed

Senator Kean, of New Jersey, who is rotund and looks like the late President Taft, created some merriment by referring to Station WJZ, New York, as W-J-Zed. "Zed" means the letter "z", Webster informs us, "but it is generally called 'z' in the United States."

Senator Kean expressed his displeasure at having what he called "New York" stations charged up to the New Jersey quota and said that he referred specifically to Station WOR.

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## CANADIAN RADIO INDUSTRY SEEN IN SOUND CONDITION

The situation in Canada's radio industry is believed to be brighter than at any time in the past two years, according to a report to the Commerce Department from Assistant Trade Commissioner A. F. Peterson, Ottawa.

This favorable status, the report points out, is partly due to the voluntary price agreement effected among principal Canadian manufacturers, and also because of substantial improvement in the inventory position as compared with the preceding year.

Sales in the last quarter of 1933, amounting to more than 65,000 units, were equal to the volume of the previous nine months. Inventory, reported as 13,000 sets, is markedly lower than for January, 1933. The threat of severe price competition resulting from the unloading of distress radio stocks appears to have been eliminated.

During 1933, sales of receiving sets in Canada amounted to 130,493 units, valued at \$5,383,846. The quantity was slightly lower than in the preceding year and a continuation of the trend toward cheaper sets is indicated in a decrease of more than 20 per cent in factory values.

Imports of radio sets into Canada in 1933 were valued at \$1,108,672 as compared with \$1,298,783 in 1932. The great bulk of Canada's radio imports are of United States origin, American sets accounting for \$1,063,521 and \$1,254,967, respectively, of the imports during the last two years.

According to figures compiled by a local trade publication, total radio sets in Canada at the end of 1933 numbered 1,182,000. The percentage of wired homes equipped with radios is estimated at slightly more than 49. Of 10,980 automobile radios reported in use at the end of the year, 9,245 were sold in 1933. In view of passenger car registrations numbering over 900,000 in Canada, this market would seem to present an excellent field for automobile radios during the current year, the report states.

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## SEES OBJECTIONABLE ADVERTISING FORCING CONGRESS CONTROL

Pointing out that the proposed law does not give the new Communications Commission power over advertising or broadcasting rates, Senator Dill, of Washington, in addressing the National Radio Forum over the NBC network, nevertheless warned:

"It is my opinion that unless radio station managers eliminate some of the objectionable advertising practices now prevalent, the protests and demands of radio listeners will eventually force Congress to give the Commission complete control over both rates and advertising."

Speaking of television, Senator Dill said:

"When Congress passed the radio law seven years ago, television was unknown. Now it is a practical reality. If those then using all the radio frequencies had owned those frequencies, it would have been impossible to secure frequencies for television without paying enormous prices for them. Under the law, the Commission simply assigned some of the frequencies formerly used for telephoning or telegraphing or some other service to be used for television.

"Radio engineers hope they can soon perfect television so it will be as common in our homes as broadcasting. By means of radio, facsimile reproduction is already possible. Instead of sending messages or documents, letter by letter and word by word, as in the past, the radio communication service will send a whole page at once. Responsible radio engineers say that devices will soon be available for reproducing news bulletins by an attachment to an ordinary radio set. This will mean that everybody can have bulletins and pictures produced hour by hour, whether they be awake or asleep, present or at work, but ready for them whenever desired."

With regard to rates the speaker said:

"As to the regulation of radio telephone and telegraph rates, there never has been any such regulation. The radio telephone and the radio telegraph are so new and so little used, that only a comparatively few people know about them. Radio telephone rates to foreign countries are necessarily quite high, because so few people use the interoceanic telephone as yet. While radio telegraph rates are still high, the competition of the radio telegraph with the cables has brought the only reduction in cable rates to Europe in the last 50 years. That reduction of 25 per cent has actually saved \$100,000,000 in communication costs between this country and Europe since it went into effect 10 years ago.

"It is impossible to regulate cable or radio rates to foreign countries, because it is impossible to control the rate at the foreign end. Since we cannot regulate such rates effectively, we must depend on the competition of radio. But a Commission can regulate domestic rates, and we propose now to give this new Commission full power over telephone, telegraph and radio rates, including the power to regulate holding companies and all of their subsidiaries and affiliates."

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## OBJECT TO INJECTING NEW MATTER IN COMMUNICATIONS BILL

Strong opposition to injecting new and controversial matter into the Communications Commission bill drafted by Senator Dill was registered at the hearing Tuesday morning by Walter S. Gifford, of the American Telephone and Telegraph Company, and David Sarnoff, of the Radio Corporation of America. Numerous changes in the text were suggested by R. B. White, President of the Western Union.

At one stage of the proceedings, Mr. Gifford went so far as to say that the business of his company would stop if the Dill bill should become a law.

Mr. Gifford said, in conclusion:

"Far from merely transferring the present authority for the control of communications of the Radio Commission and the Interstate Commerce Commission, as recommended by the President in his message of February 26, 1934, this bill would grant to the new Commission new powers of the most drastic and far-reaching character, such as have not heretofore been exercised by any Commission, and would in a large measure arrogate to the government the rights of management.

"Among the new powers conferred, this bill would give the Commission very broad authority over all transactions relating to practically everything the telephone companies require with which to carry on their business; would subject technical research and development largely to its direction and control; would place the extension, construction, acquisition and operation of lines and circuits under its jurisdiction; might be construed to extend its jurisdiction in important respects to constituent companies outside the telephone business and not engaged in a public calling.

"It would remit the entire matter of accounting to the State Commissions, thereby jeopardizing the indispensable uniformity of accounts and accounting practices, including depreciation accounting, which has been established over the period of the past twenty years by the Interstate Commerce Commission; and would revive the power that was given to the President as a war measure during and for the continuance of the World War, which under the provisions of this bill may be invoked by the President upon proclamation of a national emergency, to seize the use and control of the telephone systems of the country. And the bill would do this, notwithstanding the President has not sought such power and has definitely indicated in his message that no new powers are now to be conferred."

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Mr. Sarnoff said, in part:

"For the Radio Corporation and its subsidiaries I am here to say we are heartily in accord with President Roosevelt's recommendations for the creation of a unified Federal Communications Commission.

"So far as this bill creates that Commission and authorizes it to make such studies and recommendations, we favor its prompt passage, and I am here to offer you and that Commission every form of cooperation.

"So far as the bill before you would create new law at this time and go beyond the suggestions of the President, we do not see how it can avoid raising controversial issues, which I understand the Committee now desires to avoid. We respectively recommend that the bill be limited to the scope of the President's recommendations and that the new Commission be created promptly so that it may make the studies suggested and to recommend to Congress such additional laws and regulations as it may find necessary and desirable.

"On May 1st of last year, as a reserve officer of the United States Army, I was invited to express my views on the subject of a national communications commission policy before the Army Industrial College in Washington. In January of this year I was requested by the Secretary of Commerce to write him a letter concerning the communications problems of the United States, and I did so."

The hearings were scheduled to be resumed Wednesday with Sosthenes Behn, of the International Telephone and Telegraph Company as the first witness.

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#### HITLER SQUASHES RUSSIAN RED RADIO PROPAGANDA

"Washington wiseacres say that Hitler has a method all his own of keeping out Russian Red radio propaganda", the "National Whirligig of the McClure Newspaper Syndicate reports. "He cuts out the messages from Moscow by 'advising' his radio dealers to sell low-powered sets that receive local stations only. As all the 40,000 radio dealers are carefully registered, he can check up any who disregard his wishes."

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: BUSINESS LETTER NOTES :  
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What is described as the world's largest television machine is being built at the Horton Steel Works at Fort Erie, Ontario. It will be ready for demonstrations at the reopening of the Century of Progress Exhibition at Chicago, May 1. The building, U. A. Sanabria, of Chicago, said the machine would have a 30-foot screen and its transmitter would weigh more than 5,000 pounds.

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The "National Whirligig" of the McClure Newspaper Syndicate has this to say:

"Cable and telegraph insiders say a shake-up is due in international cable and wireless operations. British companies fear an amalgamation of all American communications and are taking steps to offset themenace. Experts argue that trade routes are undergoing vast changes today and that a similar reorganizing of communications in inevitable to meet these altered conditions."

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"100% RADIO WEEK" will be put on by the Institute of Radio Service Men of Chicago beginning April 10th. Kenneth Hathaway, secretary, will endeavor to enlighten the citizens with regard to the advantages of well serviced sets.

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Charges made in a 1933 radio address by Joseph D. Beck, State Agricultural Commissioner, that Walter M. Singler, head of the Wisconsin Cooperative Milk Pool, instigated use of Chicago gangster methods in themilk strikes were aired at Madison, Wis., the United Press reports.

An adverse examination of Singler's \$100,000 libel suit against Beck was held. Beck testified that dynamitings and other Chicago gang methods developed in the Wisconsin milk strikes following a trip he said he was informed Singler made to Chicago to learn how cleaners' and dyers' unions were organized.

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## SCHUETTE AND BISBEE SCORE IN MELLON CHARGES

There was considerable satisfaction for Oswald F. Schuette when Attorney General Cummings, in addition to accusing Andrew Mellon personally, announced that the Justice Department is investigating the Aluminum Company of America. Cummings characterized this concern as a "100% monopoly in the producing field." Mr. Schuette, along with Lee S. Bisbee, of Jackson, Mich., made the original charges against the so-called "Aluminum Trust." Both are still retained by the independent aluminum interests.

Schuette is associated with the Broadcasters in their copyright fight and Mr. Bisbee is also counsel for Sparks-Withington Company.

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## BRINKLEY RADIO FROM SEA HINTED

The Wichita (Kans.) Beacon, according to an Associated Press dispatch, says it has received a report that Dr. John R. Brinkley, operator of the now silenced Radio Station XER at Villa Acuna, Mexico, has purchased a yacht and may take his broadcasting activities to the high seas.

Dr. Brinkley is said to have purchased the yacht, "Shadow K", now in drydock at Miami, Fla.

The government of Mexico recently ordered Brinkley's station off the air.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(March 12, 1934)

WAGM, Aroostook Broadcasting Corp., Presque Isle, Maine, license covering local move of transmitter and making changes in equipment 1420 kc., 100 watts, specified hours; WPEN, Wm. Penn Broadcasting Co., Philadelphia, Pa., C.P. for auxiliary transmitter, 920 kc., 250 watts; WRAX, WRAX Broadcasting Co., Philadelphia, Pa., C.P. for auxiliary purposes, 920 kc., 250 watts; WTAX, WTAX, Inc., Springfield, Ill., C.P. to move transmitter and studio locally; WGCP, May Radio Broadcasting Corp., Newark, N. J., modification of C.P. to extend commencement date to Feb. 25, 1934 and completion date to June 15, 1934; WNEW, Woodaam Corp., Newark, N. J., license covering consolidation of WODA and WAAM, installing new equipment and increasing daytime power from 1 KW to 2½ KW, 1250 kc., 1 KW night, shares with WKCP; WGST, Georgia School of Technology, Atlanta,

Ga., license covering increase in power and changes in equipment, 890 kc., 250 watts night, 1 KW day; KARK, Arkansas Radio & Equipment Co., Little Rock, Ark., license covering changes in equipment and moving transmitter locally, 890 kc., 250 watts, unlimited time; KFOR, Cornbelt Broadcasting Corp., Lincoln, Neb., license covering changes in equipment and moving transmitter locally, 1210 kc., 100 watts night, 250 watts day, unlimited; KGBX, KGBX, Inc., Springfield, Mo., license covering changes in equipment, 1310 kc., 100 watts, specified hours; KTWO, KGBX, Inc., Springfield, Mo., modification of license to increase power from 500 watts to 1 KW on 560 kc., daytime hours; KWLC, Luther College, Decorah, Ia., special temporary authority to remain silent from March 24 to April 2 inclusive, during Easter Holiday; WLBC, Donald A. Burton, Muncie, Ind., special temporary authority to operate simultaneously with WTRC from 5:45 to 6 P.M. CST, March 25th; WGCM, Great Southern Land Co., Mississippi City, Miss., special temporary authority to operate from 5 to 6 P.M. CST on March 25 to broadcast speech by Judge Rutherford; WSVS, Seneca Vocational High School, Buffalo, N. Y., special temporary authority to remain silent March 29 to April 8 inclusive, for Easter vacation.

#### Action on Examiner's Report

WEVD, Debs Memorial Radio Fund, Inc., New York, granted modification of license to increase power from 500 watts to 1 KW on 1300 kc., sharing with Stations WBBR, WFAB and WHAZ, reversing Examiner George H. Hill. (Order effective March 16, 1934, 3 A.M.)

#### Miscellaneous

KFJZ, Ft. Worth Broadcasters, Inc., Fort Worth, Texas, granted regular license in lieu of temporary license to expire July 1, 1934, since Henry Clay Allison, who applied for the facilities of this station defaulted his application by failure to file appearance. Case removed from Hearing Docket; WHBD, F. P. Moler, Mt. Orab, Ohio, granted regular renewal license to expire July 1, 1934, since M. L. Meyers who applied for its facilities defaulted by failure to file his appearance for hearing; KGAR, Tucson Motor Service Co., Tucson, Arizona, granted regular renewal license to expire July 1, 1934, since application of KVOA for its facilities was dismissed at applicant's request; KVOA, Arizona Broadcasting Co., Tucson, Arizona, granted regular renewal of license to expire July 1, 1934, since the application of KGAR for its facilities was dismissed at applicant's request; WINS, American Radio News Corp., New York, application for modification of license requesting facilities of WNYC, heretofore set for hearing, was dismissed at applicant's request; KRSC, Radio Sales Corp., Seattle, Wash., application for modification of license 1120 kc., 100 watts, daytime and 12 Midnight to 4 A.M. daily, heretofore set for hearing, was dismissed at applicant's request.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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No. 707

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## WILL ATTEMPT TO AMEND SENATE COMMUNICATIONS BILL

At the conclusion of four days of stormy sessions of protest against the Dill (Senate) Communications Commission bill, which witnesses declared went far beyond anything the President intended, Senator Wallace White, Jr., of Maine, served notice that he proposed to offer an amendment in committee to the bill.

"It will be designed to carry out the specific recommendations of the President for the creation of a unified Federal Communications Commission", Senator White said, and added, with emphasis, "And it will stop there."

It was plain to be seen as the hearings progressed that Senators Dill and White, co-authors of the 1927 Radio Act, were out of step with the present situation.

The first open clash between the Senators was while W. S. Gifford, President of the American Telephone Company was testifying. Senator White had criticized certain language in the bill.

"It is very easy to say how to write a bill but hard to do", Senator Dill admonished the Main solon, "as you would have known had you come to help me write it."

"I was not invited to help write it", Senator White retorted, his face reddening.

When Col. Sosthenes Behn, President of the International Telephone and Telegraph Corporation clashed over the section concerning the extent of alien ownership or control permitted a company operating a radio station, Senator White interjected:

"It looks to me as though this section was nationalism running wild."

"The company which owns and/or operates a radio station can, as a practical matter, be set up so that not more than one-fifth of its capital stock may be owned or voted by aliens", Colonel Behn testified.

"When we come to the attempt in this bill to apply the same rules to holding companies, we arrive at a situation which would be totally impracticable for the International Telephone and Telegraph Corporation and, I believe, for any of the other existing holding companies. As a matter of fact, so far as we have been able to ascertain, less than ten per cent of the

outstanding capital stock of the International Telephone and Telegraph Corporation is owned abroad. A large part of that stock is undoubtedly owned by Americans living abroad. Also I say - so far as we have been able to ascertain - for the reason that no corporation is ever in a position to know who are the real owners of its stock.

"All it knows is who are registered as such on its transfer books. And, as you gentlemen know, frequently stock certificates pass from hand to hand for long periods of time without the new owners ever registering themselves as stockholders. Even when an owner becomes a registered owner of stock, there is no machinery in existence at the present time, and there would not be, except at a very high cost in the case of any corporation of substantial size, to determine the nationality of the registered stockholders. The Corporation knows that 'John Smith' residing at No. 100 Central Park West, New York, is the registered owner of 100 shares of its stock. Presumably John Smith is an American citizen. He can easily be a citizen of another country.

"Moreover, whatever may be the nationality of its stockholders today, a part of its stock may be acquired by foreigners tomorrow or next week or next year. But the test proposed is not a test based on fact, but one based on possibility. If more than twenty per cent of the stock may be owned or voted by foreigners, it becomes the duty of the Commission to cancel the radio license granted to any subsidiary of the Corporation. Far greater thought and care must therefore go into the preparation of a section covering this point."

"The sentiment in favor of this alien section is stronger than it was a year ago", Senator Dill warned. "It is the contention of our Army and Navy officers that they don't want foreigners to be in a position to observe what American radio stations are doing."

"I am not sure that is the considered opinion of the Army and Navy", Colonel Behn replied.

"We are accordingly in complete accord with what was said by Mr. Gifford, President of the American Telephone and Telegraph Company, with regard to the features of this bill which are new and untried in their application to communications", Mr. Behn said in his opening statement. "While Mr. Gifford in commenting on specific sections of the Bill spoke only from the standpoint of his company and the telephone business, the International Telephone and Telegraph Corporation desires to state that the sections of the Bill specifically commented on by Mr. Gifford would produce equally chaotic results in their application to the telegraph, cable and radio-telegraph business.

"We suggest, moreover, that as the plan is to set up a new regulatory commission with a specific mandate to make a full and complete study of what additional legislation may be required in the public interest and to recommend the enactment of such

additional legislation at the next session of Congress, it is peculiarly appropriate that the Bill should limit itself at the present time to the transfer to the new commission of existing regulatory powers and not attempt to do either a half-way or what may turn out to be a destructive job in advance of such careful, orderly study being made.

"The Bill does not purport on its face to be emergency legislation. The message of the President made no reference to anything in the nature of a national emergency existing in this field and we believe it would be difficult to sustain the claim that such an emergency does exist in this field as would demand the immediate enactment of additional regulatory provisions in advance of the study and report for which the Bill provides."

In defense of the Senate bill, and in answer to the charges that it had gone beyond what President Roosevelt had asked for in his message, Senator Dill said that the President had seen the bill before writing the message. The Washington Senator added that he didn't want to appear to be quoting the President but intimated that the bill, including the features which had been so severely criticized, had the President's approval and that it was the Committee's interpretation of what the President wanted. The Senator told Colonel Behn that the provision of foreign ownership was one in which the President was interested.

F. D. McKinnon, Chairman of the Independent Telephone Companies said this organization had reached the conclusion that there was no need for new regulatory provisions to be enacted at this time. Mr. McKinnon testified that there were 6,000 companies not owned by the American Telephone and Telegraph Co., and that they served 4,500,000 telephones.

One of the witnesses, F. Clardy remarked that he wasn't in favor of a certain provision as it was interpreted by Mr. Gifford, to which Senator Dill replied tartly, "If all the provisions were interpreted as Gifford interpreted them, nobody would be in favor of them."

Capt. S. C. Hooper, Chief of Naval Communications, opposed the provisions allowing foreign directors. He said that the RCA had revised its organization so that it had no foreign directors and he didn't see why the I.T. & T. could not do it.

Frank B. Powers, President of the Commercial Telegraphers' Association of America, said that the companies had kept their rates up to war-time levels without increasing the pay of the operators. He complained that the A. T. & T. engaged in the telegraph business through the use of teletype machines and if there had been a Commission to regulate them, they would not have been allowed to do this.

Rev. John B. Harney, Superior General of the Paulist Fathers, Station WLWL, in New York, advocated that several

frequencies be assigned for the exclusive use of religious and educational institutions.

Among other witnesses heard were Andrew R. McDonald, of the Public Service Commission of Wisconsin, John Benton, Solicitor of the National Association of Public Utilities, and E. H. Nockels, American Federation of Labor.

The hearings closed Thursday morning and it is expected that the bill will be further considered by the Committee in executive session early this week.

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#### SARNOFF FURTHER URGES SINGLE UNIFIED SYSTEM

While it was known that David Sarnoff, of the Radio Corporation, had discussed "Communications Control in War", at the Army Industrial College, it was only revealed at the Senate Communications hearing that subsequently at the request of Secretary Roper he wrote to the commerce head a letter concerning the communications problem of the United States. He put both the address and the letter in the Committee record on Wednesday last.

The conclusions Mr. Sarnoff stated in his address before the college were:

1. The fund of information collected by Army and Navy authorities on a matter of such high importance to the national defense and to the economic stability of one of the nation's largest industries demonstrates the need for consideration by our Government of the establishment of a definite American communications policy.

2. A change in conditions is urgently required in the domestic communications field, where great waste results from duplication and intensive sales effort.

3. A change is also imperative in the field of international communications, where competition is equally intense on this side, and therefore American companies are not on a parity with foreign monopolies in negotiations affecting communications rates and services.

4. Existing conditions make difficult the formation of a satisfactory plan for coordination and prompt and efficient transfer of our communications facilities from a peace to war basis.

As a solution of these problems he suggested:

1. Voice communication by telephone be maintained as a separate unified system, using wires, cables or radio.

2. Internal and external communication of record be merged into a unified system, using wires, cables or radio.

3. A single governmental agency should be established, with sufficient power to regulate American communication companies in the public interest.

In his letter to Secretary Roper, Mr. Sarnoff said he stood on these suggestions, and then discussed communications plans that had been suggested, and said all the advantages contemplated in various proposals could be secured by a plan which would consolidate all telegraphic communications, both wire and wireless, domestic and foreign, into a single, complete and comprehensive organization.

"This plan is financially and economically sound", he declared.

"It incorporates the basic principles of a truly American communications policy. Under adequate government regulation of rates and services, it would assure to American business - domestic and foreign - the best and cheapest telegraphic service in the world.

"It would guarantee for that service the limitless possibilities of radio.

"It would create, for the purpose of national defense, a complete communications unit that would require no regrouping or reorganizing, should a national emergency arise.

"It should, in the near future, provide direct international telegraphic communication for inland cities of the United States, even as the present unified telephone system of wire and wireless makes possible direct telephonic communication between all parts of the United States and the rest of the world. It would end wasteful competition, stabilize an essential industry, extend its services to sections of our country now without telegraphic facilities, lower rates and make secure America's independent position in the field of world communications.

"No partial consolidation or divided set-up could secure such results.

"This recommendation for a consolidation in the telegraphic field merely seeks to provide for the telegraph-using public the same privileges which the law now gives to the users of telephone services by permitting telephone companies to consolidate and to utilize for their services wires, cables and wireless. Without that permission the present high state of efficiency and world-wide telephonic service could never have been attained."

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## STORMY TIME BELIEVED AHEAD FOR A. T. &amp; T.

Apparently the Administration has it on the books to heckle the American Telephone and Telegraph Company one way or another. This was indicated by the attitude of Senator C. C. Dill, Chairman of the Interstate Commerce Committee, when Walter S. Gifford, head of the A. T. & T. voiced his objections to the Senate Communications Commission Bill. Senator Dill, who appeared to get warmer and warmer under the collar about the character of Mr. Gifford's testimony, and probably because his bill had been so generally disapproved by witnesses appearing before the Committee, with a considerable show of agitation the Washington Senator two days later proposed an investigation of the financial set-up of A. T. & T. and its 25 operating subsidiaries.

Almost at the same time a notice was issued setting Monday, April 2nd, as the date of a public hearing for the revision of the wire communication industry code. There were those who saw in this a threat that if the A. T. & T. didn't meet General Hugh Johnson's Code wishes, that the Administration might crack down by strongly supporting the Dill resolution for an investigation of the telephone company.

There were those who believed that Dill would, if he could, carry through the A.T.&T. investigation threat regardless.

"Dill is up for re-election next Fall", said one observer, "and it is hardly possible that he would overlook the red-fire advantages pitchforking the A. T. & T. would give him in the campaign."

It seems hardly probably that Senator Dill would have proposed such an investigation without first discussing it with President Roosevelt.

Dill said he would like, if possible, to have Ferdinand Pecora, recently in charge of the stock market investigation, conduct the inquiry.

"It is necessary to investigate all the ramifications of the telephone business", the Washington Senator said. "Here is an organization that never has been investigated, but has been allowed to form a monopoly without supervision."

"While the service of the A. T. & T. has been very good, there has been a feeling that the wire line charges connecting the broadcasting stations have been too high", a broadcaster said. "Therefore while we are very friendly with the A. T. & T., I don't believe any tears would be shed by us if they are investigated because we'd like to know more about the basis of the long-line charges."

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## RADIO WIRE COMPANIES RETORT SHARPLY TO MURPHY GROUP

There was a prompt reply to the charges made by Col. G. M.-P. Murphy, on behalf of the Radio and Cable Users' Protective Committee to the Senate Interstate Commerce Committee that American radio and cable companies comprise a monopolistic group and forced a rate boost from 60 to 100 percent. This came from J. C. Willever, First Vice-President of the Western Union, speaking also in behalf of the All America Cables, the Commercial Cable Company, the Mackay Radio & Telegraph Company, and R.C.A. Communications, Inc.

"We wish to make the point that Mr. Murphy represents a very small but vociferous number of stockbrokers, arbitragers and dealers in foreign exchange, who are here concerned solely in the perpetuation of the grossly discriminatory service secured by them to the detriment of the public at large, who, under the laws of this country, are entitled to equal service with them at the same rates", Mr. Willever told the Senators.

"Mr. Murphy represents 51 concerns located in the financial district of New York City. These 51 compare with 27,000 regular cable and radio users in New York City alone.

"The concerns which Mr. Murphy represents are engaged in international speculative transactions in stocks, commodities, and international exchange, and they require for their particular purposes not merely priority service but most extraordinary handling throughout and almost instantaneous flashing between sender and addressee in order to beat market changes.

"Because no other rate was provided except the excessive triple rate, the American communication companies in responding to the demand for this extraordinary service, provided at the ordinary rate the best possible service with ordinary facilities. This 'best' was not good enough, and the small group of users represented by Mr. Murphy, took advantage of the keen competition between the British, French and American companies and of the great need of these companies for revenue at any price, to coerce the communication companies into the installation of special and expensive private wires, telephones, and teletypewriter equipment, solely for the purpose of handling this limited but exacting class of traffic. They demanded the adoption of one special short cut after another until now messages are passed between stockbrokers in New York City and stockbrokers in London, Paris and Amsterdam in less than a minute. Speculative purchase or sale orders are given, executive abroad, and the results of the deal telegraphed back in two minutes or even less.

"There is no communication service which approximates this performance anywhere in the world and the exaction of it at the ordinary rate through the stress of cut-throat competition constitutes as clear a case of racketeering as any other.

"Since this service is international and highly competitive and is participated in by the nationals of other countries, notably Great Britain, France and Holland, correction of the abuses and discontinuance of discrimination against the great bulk of cable and radio users - which discrimination had long been a matter of deep concern to American communication companies - obviously could not be brought about without the concurrence of all communication agencies involved. It is only in this sense that there was any discussion with foreign companies and there is absolutely no basis for Mr. Murphy's statement that the consent of the British Post Office had to be secured. No foreign Government has ever attempted to fix charges applicable in the United States. American companies can do business in foreign countries only under licenses issued by the Governments of such countries and they, of course, do fix the charges made there.

"There is no basis for Mr. Murphy's intimation that messages paid for at the ordinary rate are held up in order to compel the use of the more expensive preferential service."

C. O. Pancake, of New York, head of the Communications Division of the Guaranty Trust Company, submitted to the Senate Foreign Relations Committee, on behalf of the Protective Committee, a memorandum contending that the January 1 increase in certain cable rates was inaugurated with the Madrid convention of 1932 as a "pretext."

The memorandum urged postponement of ratification of the treaty "until a determination can be had as to the rights of the companies to impose such increased rates and artificially to slow up ordinary traffic."

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#### SHEPARD POURS MONEY INTO YANKEE NETWORK NEWS SERVICE

The following information has been received as to the situation in Boston where John Shepard III is making a spectacular fight in his effort to establish the Yankee Network News Service supplying news to radio stations which refuse to be bound by the recent agreement with the press associations:

"Shepard has 27 men on the payroll, as of last week. Twelve of these are outside correspondents paid space rates. The others are on regular assignments at police headquarters day and night, city hall, State House, waterfront, three court houses and several rewrite men at the studio. The hours are rather peculiar for the first broadcast goes on the air at 7 A.M. That's a lot earlier than any P.M. paper hits the street so the boys must get their news in early.

"I understand from sources which are reliable that it is costing about \$2,500 a week and so far they have sold time before, during and after the news which runs something like \$1,850 a week. That's not too bad.

"The papers have been scooped by several hours on several important items in the past by this radio system. You see it takes much longer to set type, etc. than it does to oper a mike and put it on the air.

"Protests are flowing in to all papers. The Boston Globe has received over 2000 (they broadcast through WEEI), and I understand that WEEI is going to start some sort of a news broadcast. Just how or when has not been decided. WEEI is being forced into it by listeners and advertisers. The Boston Herald-Traveler has received about 400 letters and the American (Hearst) over 1500. Right now, because none of the papers are listing the time of the Yankee Net news nor Lowell Thomas, Carter, Hill, Kaltenborn or the others, the Yankee Net is telling listeners to write in that the programs are not listed correctly. The Yankee Network also says at the start of the broadcast that 'this news has been gathered by the Yankee Network news service and reproduction in whole or in part is forbidden to newspapers unless full credit is given the Yankee Network news service.' That's a smile.

"Shepard insists that he is going to broadcast news and right now is doing a pretty good job. The publishers feel that it will die, but you can't make Shepard believe it as long as someone pays for it."

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#### NATIONAL NETWORK ADVERTISING CONTINUES TO RISE

Broadcast advertising during the first month of the current year showed slight gains over December, 1933 volume. Total expenditures for time on the part of advertisers during the month amounted to \$6,165,011.00, a gain of two tenths of one per cent over the previous month.

National network advertising continued its remarkable rise of recent months. January network revenues amounted to \$3,759,995.00, having increased 1.7% over the December figure. Network revenues for the current month were 34.0% above those of January, 1933. It is also of interest to note that January national network revenues were but 5.6% below those of January, 1932, which in turn was the third highest month in the history of national network advertising.

Individual station advertising decreased .9% as compared with December, and amounted to \$2,351,438.00. The January individual station volume was 4.5% under that of November, the high month of the current season. The decline in individual station revenues was due almost entirely to the normal season downswing in retail advertising. Local advertising for the month decreased 10.7% as compared with December. Retail advertising declined 13.4% in spite of the fact that advertising by automobile dealers considerably more than doubled as compared with the previous month. Department and general store radio advertising was approximately 50.0% as high as in December.

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: BUSINESS LETTER NOTES :  
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Among the out-of-town unofficial observers at the Communications Commission hearings in the Senate were M. H. Aylesworth, President of the National Broadcasting Company; Col. Manton Davis, General Attorney for RCA; Frank W. Wozencraft, Assistant General Attorney, RCA; William A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, Inc.; "Tug" Wilson, Vice-President, A. T. & T., Frank Page, Vice-President of the I. T. & T., and Alfred J. McCosker, President of the National Association of Broadcasters.

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Richard C. Patterson, Jr., Executive Vice-President of the National Broadcasting Company, announces the inauguration of a complete electrical transcription service for advertisers, effective April 2nd.

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Former Commissioner W. D. L. Starbuck is still in Washington and reported to be trying to line up something for himself on the new Communications Commission.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

### Applications Granted (March 16, 1934)

WRHM, Minneapolis Broadcasting Corp., Minneapolis, Minn. C.P. to move transmitter locally from near Fridley to Richfield, Minn.; KYW, Westinghouse Electric and Manufacturing Co., Philadelphia, Pa., modification of C.P. to extend completion date from Feb. 27, 1934 to October 27, 1934; KERN, The Bee Bakersfield Broadcasting Co., Bakersfield, Cal., modification of license to change frequency from 1200 kc to 1370 kc.

Also, The Associated Press, Portable and Mobile, C.P. and license (Gen. Exp.) for a period of 15 days from March 19, 1934; frequencies 31100, 34600, 37600, 40600 kc., .5 watts power; City of Boston, Police Dept., C.P. (Gen. Exp.) 30100, 33100, 35600, 37100, 40100 kc., 500 watts; same same for 5 other portable and mobile applications, except 10 watts; also C.P. 1712 kc., 500 wass, for police service; City of Piedmont, Cal., portable and Mobile (10 applications), C.P.s, frequencies 30100, 33100, 37100, 40100 kc., 5 watts; New England Tel. and Tel. Co., near the King's Highway, Provincetown, Mass., C.P. 63000 and 65000 kc., 15 watts; to determine usefulness of the very high frequencies for radio-communication in pt. to pt. tel. service over short distances where wire lines are not available or are impracticable because

of excessive cost; also at Marshfield, Mass., C.P. same as above, except location Marshfield, Mass.; Shepard Broadcasting Service, Inc., Quincy, Mass., C.P. 61500 kc., 100 watts, for special high quality telephony; City of Mobile, Ala., C.P. for police service, 2382 kc., 400 watts; Press Wireless, Inc.: at Little Neck, N.Y., Hicksville, N. Y., and New York City, C.P.s Gen. Exp. service, 31600, 35600, 38600, 41000, 86000-400000 kc., 100 watts; also granted license covering same; WIF, Mackay Radio & Telg. Co., Inc., Sayville, N. Y., modification of license to change serial No. of Transmitter; The Penna. Railroad Co., Portable and Mobile on R.R. Rolling Stock, two licenses, frequencies 31600, 35600, 38600, 41000 kc., 5 watts; WPGC, State of New York, South Schenectady, N. Y., modification of license to change frequency from 1534 to 1658 kc., and change power from 1 KW day, 500 watts night, to 5 KW day, 1 KW night; KNRA, National Broadcasting Co., Inc., aboard Schooner "Seth Parker", license (3rd class private ship) to add frequencies 12345, 8230 and 6160 kc.;

#### Action On Examiner's Reports

WMCA, Knickerbocker Broadcasting Co., New York City, dismissed application for special authorization to use 500 watts additional power experimentally, sustaining Examiner George H. Hill; WSYR, Sentral New York Broadcasting Corporation, Syracuse, N. Y., denied application for C.P. to increase power from 250 to 500 watts and to operate unlimited time on 570 kc.

#### Miscellaneous

KLCN, Chas. Leo Lintzenich, Blytheville, Ark., regular renewal license dated from March 10th granted; station has now installed satisfactory equipment; Western Penna. Broadcasting Co., C.P. 800 kc., 250 watts, daytime hours, heretofore set for hearing was dismissed at request of applicants

#### Ratifications

Action taken March 12: KWCR, Cedar Rapids Broadcast Co., Cedar Rapids, Ia., granted special temporary authority to operate on 1430 kc., 250 watts, for a period ending at commencement of program tests, but not later than July 1.; WLEQ, Star and Crescent Boat Co., San Diego, Cal., granted 60 day authority to operate aboard vessel "Cuyamaca," in accordance with previous license; Action taken March 13: WGST, Georgia School of Tech., Atlanta, Ga., granted special temporary authority to operate with reduced daytime power of 500 watts for period of 10 days; Action taken March 14: WJCR, Radiomarine Corp. of America, New York, granted 60 day auth. to operate 200 watt transmitter frequency range 313 to 500 kc., aboard vessel "Felix Taussig"; WKBV, William O. Knox, d/b as Knox Battery & Electric Co., Richmond, Ind., granted special authority temp. to operate specified hours March 16 and March 17.

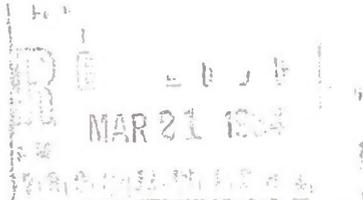
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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No. 708

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March 20, 1934.

## CONFIRMS PRESIDENT'S INTEREST IN ALIEN STOCK LIMITATIONS

The White House let it be known that President Roosevelt is against any expansion of foreign influence in our communications systems. It is evident, therefore, as intimated by Senator Dill, that the President is behind the alien restriction section in the Senate bill. This means a strong fight will be made for its retention. The section provides that no officer or more than one-fifth of the Directors shall be aliens or that more than one-fifth of the capital stock may be owned by aliens.

Capt. S. C. Hooper, speaking for the Navy, reminded the Senate Committee that the Radio Act of 1927 prohibits the holding of a radio license of which any Director is an alien.

"The present Senate bill permits the holding of such license by an operating corporation of which no more than one-fifth of the directors are aliens", Captain Hooper said. "This provision will slacken U. S. control of the radio-telegraph system of the United States and will permit foreign influence to gain a stronger foothold within it."

To remedy this, Captain Hooper suggested an amendment which would prevent any officer or director from being an alien.

When Col. Sosthenes Behn, President of the International Telephone and Telegraph Corporation testified that it would be entirely impracticable for such a holding company as his to abide by the anti-alien section of the Senate bill. He said, as a matter of fact, that less than 10 percent of the outstanding capital stock of the International Telephone and Telegraph Corporation is owned abroad. Colonel Behn maintained that no corporation is ever in a position to know who the real owners of the stock are. All it knows, he contended, is who are registered on the transfer books.

"Even when an owner becomes a registered owner of stock", Colonel Behn concluded, "there is no machinery at the present time, and there would not be, except at a very high cost in the case of any corporation of substantial size, to determine the nationality of the registered stockholders."

Emphasizing the importance of a unified communications system in National Defense, Captain Hooper said to the Senators:

"One of the most potent factors which will operate either for or against our success in any future war is our vast system of internal and external wire, cable, telephone and radio communications over which this Commission is now being placed in

control. While the demands of national defense in time of peace affect our communications lightly, nevertheless, a firm foundation must be built within our communication companies on which our wartime communication structure may be placed swiftly and safely. The transfer of our commercial organizations from a peace to war basis cannot be accomplished in a month or even a year unless the groundwork is carefully laid. The Communications Act of 1934 should recognize this fact.\* \* \* \* \*

"The Navy is interested in many questions which involve the set-up of our communications, the manufacture and development of new material, inventions peculiarly adaptable for use in naval communications, the perfection of wartime communication plans and the training of Reserve communication personnel, some of the details of which must not be made public and which are of necessity intimately related to questions under the jurisdiction of the Commission. In many cases it will be necessary for the Navy Department to divulge information to the members of the Commission which, in the public interests, must be kept secret. For these reasons, it is recommended that in Section 4 the following words be inserted after the word 'interested': 'except that the Commission is authorized to withhold publication of records or proceedings containing secret information when such publication would be prejudicial to the requirements of national defense.'"

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#### INCREASED WORLD SALES OF AMERICAN RADIO APPARATUS

Exports of radio apparatus from the United States during 1933 were valued at \$13,125,719 compared with \$13,312,136 for 1932, an increase of \$2,813,593, or 21 per cent, according to the Commerce Department.

Increased sales during the year were recorded in four of the six export statistical classes. Transmitting sets, tubes, and parts, valued at \$743,423, were sold abroad during the year compared with \$663,750 for 1932, statistics show. American radio receiving sets were accorded increased favor in foreign markets during the year, sales abroad totalling \$9,323,535 compared with \$7,321,849 for 1932.

Radio receiving tubes were exported from the United States during the year to a value of \$2,623,261 against \$2,012,656 for the preceding year, while foreign sales of receiving set components amounted to \$2,783,730 against \$2,517,287.

American loud speakers experienced a lessened demand in foreign markets during 1933, sales totalling \$338,055 compared with \$455,840, while foreign shipments of other components totalled \$313,725 against \$340,754 during the preceding year.

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Sixty-seven countries are shown by the records of the Commerce Department to have purchased more American radio apparatus during 1933 than in the preceding year, while forty-one countries are shown to have purchased less American equipment.

Notable increases in sales during the year were recorded in the case of Belgium, France, Spain, Mexico, Argentina, Brazil, and the Union of South Africa, according to export statistics.

Exports to Belgium in 1933 were valued at \$941,670 compared with \$862,199 during 1932. Shipments to France during the year totalled \$1,557,391 against \$888,944. Sales to Spain registered a notable increase during the year, being valued at \$1,857,746 compared with \$1,014,354 for 1932.

Despite the intervention of many obstacles including tariffs, quote systems, exchange restrictions, and other forms of trade restriction, American exporters of radio apparatus have been able to maintain an important trade with the countries of the world, especially those of Europe.

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#### CHAIN RUMORS ANEW WITH STORER WMCA HEAD

With George B. Storer, of Detroit, becoming president and majority stockholder of the Federal Broadcasting Company operating WMCA, New York, rumors flew thick and fast to the effect that this was the beginning of the new Federal network. John T. Adams has been elected Vice-President.

The new arrangement culminated negotiations which began last December with the objective of establishing a new chain with WMCA as the New York key. The proposition under which Mr. Storer was enabled to purchase stock in Federal, however, developed only a fortnight ago. It was effected through issuance of additional stock with original Federal stockholders having the option to buy in the new issue in equal amounts. Mr. Storer, however, procured enough of the stock to win election to the presidency.

Mr. Storer is the principal owner of CKLW, Detroit-Windsor, WSPD, Toledo, and WwVA, Wheeling.

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## COPELAND BILL CONTAINS DISCRIMINATING RADIO CLAUSE

Despite the protest of Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters the following clause appears in the "dealer section" of the Copeland food and drugs bill which was favorably reported to the Senate last week:

"No retail dealer shall be prosecuted under this section for the dissemination, other than by radio broadcast, of any advertisement offering for sale at his place of business any product which is not distributed or sold in interstate commerce."

Senator Copeland said there was no attempt to discriminate against the radio and that there is no legitimate article which cannot be advertised over the air in the same fashion that it is advertised in periodicals. He said the section to which the broadcasters object was incorporated to protect small newspapers carrying advertising of local manufacturers who are engaged purely in intrastate business while the newspaper itself might have interstate circulation.

The bill prohibits:

"The dissemination of any false advertisement by radio broadcast, United States mails, or in interstate commerce for the purpose of inducing, directly or indirectly, the purchase of food, drugs, or cosmetics.

"The dissemination of a false advertisement by any means for the purpose of inducing, directly or indirectly, the purchase of food, drugs, or cosmetics in interstate commerce."

"No person acting in the capacity of publisher, advertising agency, or radio broadcast licensee shall be deemed in violation of paragraphs (b) or (c) of this section (Section 17) by reason of the dissemination of any false advertisement. Any such person who, on reasonable request of an officer or employee duly designated by the Secretary, willfully refuses to furnish the name and post-office address of the person who caused him to disseminate such advertisement shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties prescribed in paragraph (b) of this section (Section 17).

"No publisher, radio broadcast licensee, or other agency or medium for the dissemination of advertising shall be deemed to have violated the provisions of this section by reason of the dissemination of any false advertisement, but the liability shall rest upon the manufacturer, packer, distributor, or seller who caused the dissemination of such advertisement. Any publisher, radio broadcast licensee, or other agency or medium for the dissemination of advertising who, on reasonable request of an officer or employee duly designated by the Secretary, willfully refuses to furnish the name and post-office address of the person who caused him to disseminate such advertisement shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties prescribed in paragraph (b) of this section (Section 17).

"No dealer shall be prosecuted under paragraph (b) of this section (1) for having received in interstate commerce an article and in good faith sold it, unless he refuses to furnish on request of an officer or employee duly designated by the Secretary the name and address of the person from whom he purchased or received such article and all documents pertaining to the delivery of the article to him, or (2) if he establishes a guaranty or undertaking signed by the person residing in the United States from whom he received in good faith the article of food, drug, or cosmetic, or the advertising copy therefor, to the effect that such person assumes full responsibility for any violation of this act, designating it, which may be incurred by the introduction of such article into interstate commerce or by the dissemination of such advertising. To afford protection, such guaranty or undertaking shall contain the name and address of the person furnishing such guaranty or undertaking, and such person shall be amenable to the prosecution and penalties which would attach in due course to the dealer under the provisions of this act. No retail dealer shall be prosecuted under this section for the dissemination, other than by radio broadcast, of any advertisement offering for sale at his place of business any product which is not distributed or sold in interstate commerce."

Senator Copeland expressed confidence that his bill would become a law before Congress adjourned.

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#### BOSTON NEXT FOR HEARST?

The report that William Randolph Hearst is about ready to step into the New England picture with a broadcasting station in Boston follows closely his new chain reaching from coast-to-coast with the acquisition of KYA, 1000 watts on 1230 kilocycles at San Francisco.

In addition to Station KYA, the following are operated and managed by the American Radio News Corporation (Hearst), of 235 East 45th Street, New York City:

WINS, New York; WEAE, Pittsburgh, KYW, Chicago, and WISN, Milwaukee.

The Federal Radio Commission has awarded the license and wavelength of Station KTM-KELW at Los Angeles to the Hearst paper there but an appeal has been taken and is still in litigation. A decision in Hearst's favor has just been confirmed by the D. C. Court of Appeals.

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## RAYBURN COMMUNICATIONS COMMISSION BILL HEARINGS SOON

It is expected that hearings on the Communications Commission Bill introduced in the House by Representative Rayburn will begin at an early date. Where the Dill Senate Communications Commission Bill met with violent opposition from both the broadcasters and the communications people, it is expected that the Rayburn Bill will meet with their unanimous approval.

Also, it appears at this writing that the Rayburn Bill will probably be the legislation eventually enacted for the reason that it contains fewer controversial features and simply transfers the Federal Radio Commission and the powers of the Radio Act to the new Communications Commission, which, in the opinion of many, is all that the President has asked for.

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## CLAIMS THE YANKEE NETWORK LIFTS ITS FOREIGN NEWS FROM SPAIN

It is reported that the Yankee Network News Service for radio stations, sponsored by John Shepard III is getting much of its foreign news via short wave. EAQ, Madrid, Spain, has a news broadcast in English from 5:15 to 5:30 daily. The YNS gets this.

EAQ is on 30 meters and is said to come into Boston like a local station. There is also a broadcast from a German station early in the morning of news in German, English and French. Also other news broadcasts in foreign languages.

Establishment of a Press-Radio Bureau for the Pacific Coast, acting in cooperation with the Press-Radio Bureau in New York, was started with a preliminary meeting in San Francisco, March 14.

The Pacific Coast and the New England territory have been termed the "hot spots" operating against the success of the conciliatory program of the broadcasting and newspaper interests to govern the broadcasting of news.

Joseph R. Knowland, publisher of the Oakland Tribune, and a director of the Associated Press, was elected temporary chairman of the Pacific Coast group, the Editor and Publisher reports.

The committee is going ahead in contacting various radio stations to find out the extent of service necessary, and plans are to put the Coast Radio-Press Bureau into operation as soon as physical arrangements can be made.

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## CODE AUTHORITIES TO DETERMINE SIZE OF STUDIO AUDIENCES

The Broadcasting Code Authority is preparing to send out, under the supervision of James W. Baldwin, Executive officer, a questionnaire on the question of free admission to broadcast programs. Complaints have been made by moving picture and theatrical people that the radio studio audiences have been making serious inroads on their box office receipts. It has been estimated that the weekly attendance in the radio studios of New York and Chicago aggregates something like 50,000 a week, persons who otherwise might be paying to see a movie.

"I believe the Government figures will show that the free attendance at broadcasting studios nightly is much higher than have heretofore been estimated", an official commented. "It is a question upon which the industry has never been poled and the outcome will be awaited with interest."

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## RADIO VOTING DEVICE TRYOUT NEWS TO WASHINGTONIANS

No confirmation could be secured that a new device, buttons marked "yes", "present", and "no" attached to a radio set, designed to register the likes and dislikes of a radio audience, was soon to be tried out by the North American Company in Washington. An official of the former company told a representative of the Potomac Electric Power Company in Washington that he knew nothing of such an experiment.

The "radiovoting" machine is the invention of Dr. Nevil Monroe Hopkins, of New York. If the question were whether a certain program was enjoyed, the listener would press a button on his set marked "yes", or "no". The total would be received through the electric power house, the count being determined by the increase in the current load as the buttons are pressed.

"It would take a tremendous number of responses to make a heavy enough load to be appreciable at the power house", a radio engineer said. "Assuming the scheme practicable, it would be quite an undertaking to have these buttons installed on 18,000,000 receiving sets.

"The wired wireless people were working on a device within their home receivers which would automatically show which program was being received, whether it was No. 1, No. 2 or No. 3, but I don't believe this scheme would be feasible in a broadcasting set."

Dr. Hopkins was quoted as saying that a radio set could be equipped with "yes" and "no" buttons for about 25 cents.

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## "VIA RCA"

"Via RCA", just issued by the Radio Corporation of America is unquestionably one of the most informative and handsomest pieces of advertising literature of the season. A foreword by David Sarnoff, President, concludes:

"Radio has swept aside many of the limitations that were inherent in earth-bound communication. It has continually unfolded new methods. Its research laboratories look upward and outward. None can forecast the future of communication so long as the ether wave may yet be harnessed to new tasks. Man is still reaching into mysteries beyond his accustomed sphere, laboring on a much broader foundation, seeking to push on the sequence of invention, certain that no hope of making communication a faster pace-setter will be overlooked."

A story of the radio communication services developed and conducted by the RCA includes the following chapters:

"Place of Communication in Radio Progress"; "Inauguration of RCA Service"; "Immediate Advantages from Radio"; "RCA's Long Island Stations"; "Volume of Radio Traffic"; "Radio Circuits in Operation"; "New Domestic Circuits"; "Customer Contacts".

Marine Communication - "The Imperative Service of Radio" is discussed under these headings :

"Vacuum Tubes in Marine Radio"; "Radio Apparatus for Ships"; "Radio Direction Finders"; "Medical Service By Radio"; "Radio on Lifeboats"; "Automatic Radio Alarm"; "Land Stations in Marine Service"; "Additional Marine Services"; "Training of Operators."

A chapter is devoted to aircraft radio. Important phases of communication progress are dealt with under these sub-heads:

"International Broadcasting"; "Facsimile Transmission"; "Multiplex Radio and High Speed Facsimile"; "Automatic Operating Circuits"; "Frequency Control and Monitoring";

Technical advancement of Radio Communication is treated as follows: "Long Waves"; "Short Waves"; "Fading"; "Ultra Short Waves"; "Long Line Frequency Control"; "Future Radio Applications".

A chapter is devoted to supervision over research and one on Radio in National Defense.

There are twenty-eight attractive half-tone illustrations.

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## BRITISH RADIO CHIEF ANSWERS CRITICS

Sir John Reith, Director General of the British Broadcasting Corporation, met his critics on the Conservative side of the House of Commons with a memorial signed by nearly every member of the broadcasting organization, who expressed "disgust" at recent newspaper attacks and affirmed their loyalty and gratitude, according to a London cable to the New York Times.

"This took the wind out of the sails of several critics, who had been informed that disciplinary conditions at Broadcasting House were worse than those at the War Office during the World War.

"Sir John declared that out of the listener's annual 10 shillings license fee his organization received only four 4s 6d, the remainder going to the government.

Later, in the House, the Postmaster General refused to order an inquiry into the corporation's charter, which he said still had three years to run.

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Washington took with a pinch of salt the story from London that David Sarnoff and Roxy had attempted to "seize" control of the British Broadcasting Corporation's charter which terminates in 1936. That either or both might endeavor to acquire an interest in such a company, if there is to be an opportunity, seemed plausible enough but that they would try to "seize" the franchise seemed a bit wild. Also the combination of Sarnoff and Roxy didn't sound just right as these men have not been noted for being especially close to each other in past dealings.

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## REPEAT ADMINISTRATION CENSORSHIP CHARGES

The Administration's policies on regulation of the communications industries were attacked in statements issued simultaneously by Senators Dickinson and Schall. They declared an attempt was being made to establish a press censorship by regulation of the telegraph companies.

Senator Dickinson said that the summons to the telegraph companies for a hearing on a code April 2 for their industry was "the fourth attempt of the Roosevelt Administration to censor the press."

"General Johnson, having failed to force censorship into the newspaper code, is now attempting to secure the same result by forcing a censorship on the telegraph companies conveying the news dispatches to the daily newspapers", he added.



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## WILL ASK CLEAR CHANNELS FOR NATIONAL AIR UNIVERSITY

Representative Sirovich, of New York, said that he was drafting a Bill which would allocate several clear channels to a "National University of the Air" which would be conducted under Government auspices. Mr. Sirovich said the best known speakers and authorities in public life would be heard on these programs.

Representative Gifford, of Massachusetts, said he was very much interested in Dr. Sirovich's idea and had also been thinking of having some cleared channels set aside by the Government but for exclusive political use.

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## POWERFUL STATION FOR NEW ZEALAND

A new broadcasting station with transmitting power markedly in excess of any existing station in Australasia is now being constructed near Henderson, New Zealand, according to a report from Consul W. F. Boyle, Auckland. The new station, to be known as 1YA, will replace the present station of that name.

In place of the customary two masts to support the aerial, only one will be used. The mast will be 500 feet in height, five times the height of the present 1YA masts. The new single mast, which is the outcome of recent developments in the science of broadcasting, will embody many unusual features. Of the type known as the B.B.C. half-wave, the mast will be insulated from the ground, being supported by a massive insulator which will be required to bear the 60-ton weight of the mast.

The aerial will consist of three radiating conductors hung from the top at equal distances around the mast and held at the bottom by anchorages some distance from the base. The three conductors are brought back to an aerial coupling transformer, housed at the foot of the mast, where the high frequency energy is transferred from the feeder lines to the radiating system. The great advantage of this type of aerial, it is said, is that it radiates the maximum energy in a horizontal direction.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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No. 709

*Handwritten scribbles and initials at the bottom left of the page.*

## COMPULSORY RELIGIOUS PROGRAM ACCEPTANCE APPEARS UNLIKELY

There seems to be little likelihood of a favorable report by Representative Bland, of Virginia, Chairman of the House Merchant Marine and Radio Committee on the Bill introduced by Representative McFadden, of Pennsylvania which attempts to compel the radio station, or stations, or broadcasting companies to accept all programs offered by "any religious, charitable, or educational company, corporation, association, or society or any other like association or society chartered or licensed under the laws of the United States", where there is controversy or difference of opinion.

The only proponents of the Bill were Mr. McFadden and representatives of the Peoples Pulpit Association which is headed by Judge Rutherford. Those who opposed it were M. H. Aylesworth, President of the National Broadcasting Company, Henry A. Bellows, Chairman of the Legislative Committee of the National Broadcasters' Association, Phil Loucks, of the NAB, Henry Caravati, of the National Council of Catholic Men, Dr. Frank C. Goodman, Secretary of Federation of Churches of Christ in America, and Judge E. O. Sykes, Chairman of the Federal Radio Commission.

Mr. Bellows dwelt upon the significance of the fact that outside of the "Witnesses of Jehovah" (Judge Rutherford's followers), the representatives of no other religious sect had appeared during the four days over which the hearing extended, to endorse the bill. Neither Mr. Bellows pointed out, was there endorsement from any charitable or educational association. Mr. Bellows said the Bill was totally unnecessary.

Representative McFadden asserted that the networks exercised a degree of censorship not only over advertising but in subjects discussed. He also said that big business owns and controls the radio. Likewise that a secret pact of international bankers exerted an influence over what was heard on the radio.

When Mr. Aylesworth testified, one of the Congressmen asked him if Mr. McFadden would be allowed to speak over the NBC.

"Tonight, if he wants to", Mr. Aylesworth replied.

Mr. Aylesworth was then asked if it were true that on one occasion Mr. McFadden had not been permitted to speak over the NBC.

"When was that?" Mr. Aylesworth inquired.

"In the Farm and Home Hour", McFadden replied.

"What was your subject?"

"Taxation".

"Maybe it was because it was felt that the subject did not fit into an Agricultural program - I can think of no other reason", Mr. Aylesworth answered.

Mr. Bellows in response to an inquiry as to the ownership of Columbia said that the Paley family owned practically all of the stock.

"Then no international bankers control this network?" Representative Sirovich, of New York, inquired.

"I have never seen any evidence of international bankers controlling Columbia's policy", Bellows replied.

"Accordingly you don't think the two big broadcasting systems are dominated by a secret international bankers' alliance?"

"I believe that is a myth", was the reply.

Mr. Aylesworth when asked if political speeches are charged for said, "Never, excepting during a campaign", and then evoked a laugh from the Congressmen by adding in an undertone, "Of course we never expect to get paid."

"Has any Nudist Colony ever applied for time over your network?" Representative Wilford, of Iowa asked.

"No", Mr. Aylesworth replied and then brought forth another laugh by saying, "It was probably because they couldn't be seen."

Mr. Bellows said there was a lot of difference between selection and censorship. He told the Committee that during the past season there had been heard over Columbia - 6 Episcopalian clergymen; 6 Baptists; 5 Methodists; 6 Presbyterians; 5 Lutherans; 3 Unitarians; 13 Jews; 5 Christian Scientists; 1 Mormon, and 20 Catholics.

The objection to the (Jehovah's Witnesses) Rutherford sect voiced by both Mr. Aylesworth and Mr. Bellows was that they attacked other religions. Mr. Bellows said as far as he knew there had never been any attack of a religion over Columbia.

"If such an attack were ever made", he said, "it would simply mean that the clergyman making it would not find it easy to have our facilities again.

"There never has been a Catholic program, for instance, that could not have been listened to by any faith. They have exercised the same tolerance and courtesy towards other faiths as the Jews and the Protestants have to them."

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"We make only one request", Mr. Aylesworth testified. "It is that religious bodies do not attack each other."

"Is the statement made by the American Society of Composers true that the network programs are 95% musical and 5% educational?" Dr. Sirovich asked.

"About as true as anything they say", Mr. Aylesworth retorted.

After checking with Frank Russell, Vice-President of NBC, and Kenneth Berkeley, Washington manager, Mr. Aylesworth said that he believed 60-40 about the correct proportion.

The Congressmen were interested in finding out how much money the networks "were making". Mr. Aylesworth replied that NBC had cleared about \$1,300,000 in 1932 but that the profit had dropped to about \$400,000 in 1933. He added, however, that the receipts of 1934 were coming up again.

Mr. Bellows said the profits of Columbia for 1933 were approximately \$700,000 and for 1932 about the same.

Asked if there was room for a third chain, Mr. Aylesworth replied, amid laughter: "Ed Wynn thought so."

Mr. Bellows said the difference of views on religion was as nothing compared to the difference of views on education.

"In religion we have well defined groups", he continued. "In education there are as many ideas as individuals. Yet this Bill says if we put on a person with one educational point of view, we have to put them all on, and it simply can't be done."

Mr. Bellows said Columbia had one rule which NBC didn't have - that all political talks should be confined to 15 minutes.

"I think that is in the public interest", a Congressman interjected.

When the system of selecting the religious speakers was explained, Representative Edmonds of Pennsylvania asked:

"What would you do today if Robert Ingersoll wanted to get on the air?"

Mr. Aylesworth and Mr. Bellows both expressed approval of the President's call for a consolidation of communications activities.

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## DO NOT TAKE BRINKLEY'S YACHT BROADCAST IDEA SERIOUSLY

Federal radio officials seemed to feel that if Dr. J. F. Brinkley, goat gland specialist, whose station was closed by the Mexican government, attempted to broadcast from a 150 foot yacht, he is supposed to have purchased in Miami, that it will be comparatively easy to handle the situation.

To begin with, they felt that Brinkley would encounter mechanical difficulties. His aerial, Government engineers, figured, couldn't be more than 50 or 75 feet long and not very high up. Besides the bulk of the broadcasting apparatus, it would be difficult for him to generate sufficient power. It was said that large ocean liners' transmitters are only 2000 to 5000 watts power. Even if Brinkley could get up to a thousand or so watts power, it would be feeble compared to the 80,000 he was using in Mexico and would penetrate very far inland.

Brinkley's greatest difficulty in the opinion of Washington authorities, would be his ability to secure a broadcasting license. In the United States he would have to apply to the Federal Radio Commission and, of course, wouldn't have a chance there.

If he succeeded in registering his yacht under a foreign flag, and thus secured a broadcasting permit, it was believed the State Department would have no difficulty in having that country rescind the license. There is only one such case on record.

An American chartered a boat on the West Coast which was used as a Night Club and broadcast advertisements of the night club and other advertising from it from beyond the three mile limit. The boat was registered under Panama but when the State Department complained to the Panamanian Government, not only the broadcasting license was cancelled but also the ship's charger.

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## RADIO CASES KEEP APPEALS COURT BUSY

The District of Columbia Court of Appeals acted in several radio cases during the week. Station WOQ, Kansas City, whose time was given to KFH, Wichita, was denied a rehearing.

Station WLBW, Erie, secured a stay order against the erection of a new station there. A stay order was denied to Stockton, Cal., station against the construction of a station at Modesto, Cal. Also a stay was refused the Portland, Me. Publishing Company in its effort to stop the erection of a new station in Portland.

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## PRIEST WOULD ALLOCATE NON-PROFIT ORGANIZATIONS 25% FACILITIES

A proposal has been made to the Senate Interstate Commerce Committee by Rev. John B. Harney, of New York, Superior of the Paulist Fathers, that "to eliminate monopoly", all radio licenses be cancelled and that a reallocation be made giving 25% of the present broadcasting frequencies to educational, religious, agricultural, labor, co-operative, and similar non-profit making associations.

"Have you been having difficulty?" Senator Hatfield, of West Virginia asked.

"Difficulties?" Father Harney replied. "From the beginning."

This referred to the fight the Paulist Father station, WLWL, in New York, has made to secure full time over the 1100 kilocycle frequency which it shares with WPG at Atlantic City.

The following dialogue ensued:

Senator Hatfield. - "You say your average is 2 hours?"

Father Harney. - "We have 15½ hours a week, and the commercial station WPG which shares that frequency with us has the balance of the time."

Senator Huey Long of Louisiana - "How much is that?"

Father Harney - "It is something like 110½ hours, I believe."

Senator Long. - "I think you got a good break. They put our station out altogether down in Louisiana."

Father Harney - "Well, we extend you our commiseration, but we do not want to be put in your position, and that is what we are confronted with."

Senator Long - "You will be in our position soon. You are growing to it."

Father Harney said his proposal to give 25% of the broadcasting facilities to religious and education institutions was designed "to forestall the possibility of a monopolistic control of radio communication facilities, and to secure permanently for responsible religious, education, cultural, social service, and other human welfare agencies of a non-profit-making type such an assignment of radio facilities as is in keeping with their high character and unselfish aims; such also as will give them all a chance to be decently self-supporting and free from the overlordship of mere commercialists whose dominant purpose is to accumulate wealth even at the cost of human decay."

Father Harney, submitting a statement by the National Committee on Education by Radio, disclosed that there are in the United States 30 stations classified as educational. These stations have assigned to them a total of 817 hours' broadcasting time each week.

"That may seem to some a goodly allowance for educational institutions", Father Harney said; "in reality it is beggarly and outrageous. The total quota units of all assignments in the United States are 44.37. Of these educational institutions have but 9.61, less than 2 $\frac{1}{2}$  percent. Think of that in a country whose proudest boast is its devotion to the cause of education."

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#### DILL HOPES TO REPORT COMMUNICATIONS BILL IN TWO WEEKS

Following an executive session of the Senate Interstate Commerce Committee, Senator Dill, of Washington, last Thursday said that the Committee hoped to report the Communications Commission Bill out in about two weeks. Senator Dill said that a sub-committee, the personnel of which as yet he had not decided, would be named to consider the Bill further.

Representative Rayburn is understood to be considering Monday, April 2, as the date to begin hearings on the House Communications Bill. The Rayburn (House) Bill will have the approval of the Broadcasters but is expected to meet about the same opposition from the communications people as the Dill Bill did at the Senate hearings.

Both the broadcasting and communications industries have expressed approval of the amendment offered by Senator White, of Maine, in the nature of a substitute for the Dill Bill. Senator White said that it was designed to carry out the specific recommendations of the President with respect to a single commission with unified control and stopped there without adding new legislation which might jeopardize the fate of the Bill this session.

The White amendment contents itself with transferring the Radio Commission and those matters of the Interstate Commerce Commission having to do with telephone, telegraph and cable, to the new Communications Commission. The set-up of the White Communications Commission, insofar as personnel is concerned, is the same as the others excepting that although composed of seven members, it doesn't provide for three divisions - radio, telephone, or telegraph - but would leave this detail for the new Commission to work out. The White Amendment carries practically no new legislation.

There was some comment when the Senate hearings were printed that a letter which David Sarnoff, President of the

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Radio Corporation of America, wrote to Secretary of Commerce Roper, urging a single unified Commission had been left out, also the failure to print an address "Communications Control in War", which Mr. Sarnoff had offered in his testimony. It was noticed that the printed hearing, nevertheless, included a letter written to Secretary Roper, presenting a different point of view from that of Mr. Sarnoff, by Col. Sosthenes Behn, President of the International Telephone and Telegraph Corporation.

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### SOUTH AFRICA'S BROADCASTING FACILITIES EXTENDED

The most powerful broadcasting station in the Union of South Africa was recently opened near Capetown, according to a report from Consul E. M. Groth. The new station, operated by the African Broadcasting Company, replaces the original station which was opened in 1924.

Broadcasting from the original station, the report states, was done with a one-kilowatt unit, which although fairly satisfactory insofar as local broadcasting was concerned, was not sufficiently powerful to overcome the adverse atmospheric conditions which prevail throughout most of the Union during the greater part of the year. The new plant which has a 10-kilowatt transmitter was erected at the cost of 37,000 pounds. It is expected that this powerful equipment will enable listeners throughout the Cape Colony and other provinces of the Union to enjoy the programs which will henceforth be broadcast from Capetown.

At a later date, it is intended to erect another broadcasting station at Durban, a duplicate of the one just opened in Capetown. When this is done the five principal South African urban centers, including Johannesburg, will all have modern broadcasting plants and no part of the Union will be deprived of regular programs. These five units will be self-contained, but will be connected with each other by land lines.

No definite solution has as yet been found to overcome the problems arising in certain sections of the Union in connection with transmission difficulties, the report states. A relay station is at present operating at Bloemfontein and other relay plants will probably be erected later at selected points.

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## RADIO COMMISSION TO MOVE QUARTERS FOR FIFTH TIME

While waiting for the Communications Commission axe to descend, the Federal Radio Commission will again be forced to move its quarters - the fifth move in seven years. The Commission is now slated for removal to the new Post Office Department at Pennsylvania Avenue and 12th Street, next to the old Post Office Building.

The Commission was originally housed in the old Commerce Building at 19th and H Streets, N.W. Then it was moved to the Interior Department at 18th and G Streets, then to the National Press Building at 14th and F Streets, then back to the Interior Department, and finally to the Architects Building where the Commission is now located at 18th and E Streets.

The Commission moving into the Post Office Building brings the old suggestion to mind that someday maybe the Communications Commission may be taken under the wing of the Post Office Department since in most foreign countries, mail, wire and wireless communications control are merged into the same department.

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## I.R.E.-I.S.R.U. WILL DELVE INTO TECHNICAL REALMS

A preliminary program has just been arranged for a joint meeting of the Institute of Radio Engineers and the American Section of the International Scientific Radio Union in Washington on Friday, April 27. All sessions will be held at the National Academy of Science.

The following papers are scheduled: The Development and Characteristics of 9 cm Radiation - C. R. Kilgore (Westinghouse Co. Vacuum tubes for Generating Frequencies above 100 Megacycles, C.E. Fay and A. L. Samuel (Bell Telephone Laboratories); Facsimile Radio Observations During the 1932 Eclipse, E.F.W. Alexanderson (General Electric Co.); Notes on Propagation at a Wave Length of 73 Centimeters, B. Trevor and R. W. George (Radio Corporation of America); Some Recent Work on the Ionosphere in Canada, J. T. Henderson (Canadian National Research Council); Studies of the Ionosphere by Multi-frequency Automatic Recording, T. R. Gilliland (Bureau of Standards); Ionosphere Measurements at Low Altitudes, L. V. Berkner, and H. W. Wells (Carnegie Institution of Washington);

Also, High Frequency Ammeter, H. M. Turner (Yale University); The Thermal Method of Measuring the Losses in a Vacuum Tube, F. P. Cowan (Harvard University); Frequency Standard and Monitor Stations of Canadian Radio Commissions, Col. W. A. Steel (Canadian National Research Council); A Method of Measuring Noise Levels on Short Wave Telegraph Circuits, H. O. Peterson (Radio Corporation of America), and other interesting subjects.

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## C O R R E C T I O N

In the comment captioned "Stormy Time Ahead for A.T & T." in the Business Letter of March 16, the first sentence read:

"Apparently the Administration has it on the books to heckle the American Telephone and Telegraph Company one way or another."

This was indicated, the article explained by Senator Dill announcing that he would introduce a resolution to investigate the company.

"Almost at the same time a notice was issued setting April 2 as the date of a public hearing for the revision of the wire industry communication code", a following paragraph stated. "There were those who saw in this a threat that if the A. T. & T. didn't meet Gen. Hugh Johnson's code wishes, that the Administration might crack down by strongly supporting the Dill resolution to investigate the telephone company."

"The April 2 hearing is on the telegraph code and has nothing to do with the A. T. & T.", we are now informed, "so there is apparently no relation between Dill's activity and the NRA; nor does it seem at all necessary that Dill's resolution has anything to do with the Administration. It rather appears to be a private enterprise of his own.

"What he apparently wants to do is to investigate the American Telephone and Telegraph Company and Western Electric Company contracts. It is not certain that he knows there is a very complete and voluminous record of those contracts going into every possible detail taken before the three-judge court in the Illinois Bell rate case.

"That case is before the Supreme Court now. Consequently there is no news in the facts about the contract and the Supreme Court will probably render its decision on these matters before any investigation could get very far."

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### 18,000,000 HOMES NOW ESTIMATED EQUIPPED WITH RADIO SETS

Columbia Broadcasting System and the McGraw-Hill publication Radio Retailing, have just released the figures on their annual count and analysis of the distribution of new radio sets.

Last year these two organizations cooperated in the first determination of the distribution, by States, of new radio homes since the 1930 Census. The tabulated data - based on confidential reports from leading manufacturers of radio sets, and 783 distributors and dealers in 48 States - was published by CBS in a

brochure titled "The Flood Hits the Valleys." This year the figures are based on an even greater number of reports, for more than 1100 distributors and dealers submitted their confidential data, John Karol, Director of Market Research for the Columbia Broadcasting System, reports.

The total number of radio-equipped homes in the U. S. as of January 1934 is 17,950,000. This figure is based on Radio Retailing's tabulation of the sales of new sets, less the number which (according to dealers' and distributors' figures) were sold as replacements of old sets or as "extra" sets to homes which already had radios.

Sales of radio sets in 1933 were greater than 1932 sales in both number and dollar volume. According to Radio Retailing, a total of 3,806,000 sets, at an estimated retail value of \$130,800,000 were sold last year. This represents an increase of 1,186,000 sets, or 45.3% more than in 1932.

The cooperative Columbia-Radio Retailing investigation shows that the percentage of total sales which went into homes already equipped with radios was higher in 1933 than ever before - 65%. A total of 55,600,000 radio tubes were bought by U. S. radio listeners in 1933, at an estimated retail value of \$56,600,000.

The type of set which had the largest increase in 1933, according to the Radio Retailing figures, was the automobile radio. A total of 724,000 automobile sets were sold last year - compared with 143,000 in 1932.

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#### CHICAGO CIVIC BROADCAST BUREAU ORGANIZES

Attack against the traditional setup of commercial radio has been inaugurated in Chicago by the charter secured last week for the Chicago Civic Broadcast Bureau, which is organized under the auspices of the City Club of Chicago. The purpose of the Bureau as stated in its charter is "to act as a specialized representative for public-interest organizations or agencies, in Chicago and vicinity, which may desire to carry on radio broadcasting under direct federal license, with the purpose of serving the public convenience, interest and necessity."

The General Manager of this Bureau is Harris K. Randall who for years now has been attempting to rearrange radio through his Radio Audience League. "The League of vague membership kicked up a fuss about the duplication of programs, the amount of commercial copy and the type of commercial programs", says Variety.

"Proposed angle of the organization is to help non-profit organizations to invade the channels now held by regular broadcasters in the Chicago area and the Bureau intends to manage the applications and business affairs of these new organizations

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in their appeal to the Federal Radio Commission for channel and time allotments on the ether.

"Following the acquisition of time by these organizations (if time is acquired) the Bureau will supervise the management of the stations; under the plan, the stations of these groups will obtain their revenue in a manner much similar to the present commercial setup, selling time on the air for advertising but reserving a considerable portion of the time for public service programs, whatever that means.

besides Manager Randall

"The Directors of the Bureau/are Arnold R. Baar, Herbert Bebb, Mitchell Dawson, Frank N. Freeman and T. V. Smith. The first three are Chicago attorneys and the latter two are professors at the University of Chicago.

"In their program of policies the Bureau boldly claims that the aim is to improve the city's broadcast service by getting the station channels into hands better qualified to manage them wholly in the interest of the listeners. Not possessing any station plants of their own, many organizations which are peculiarly competent as sources and judges of good program material have left to the station owners all the control of licenses and hence of program bookings."

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#### COLUMBIA ISSUES BROADCASTING BIBLIOGRAPHY

A bibliography of broadcasting has been prepared by John Karol, Director of Market Research, of the Columbia Broadcasting System. It first gives a list of books on radio divided into the following classifications - general, radio technique, education, foreign broadcasting and those books containing articles or chapters devoted to radio.

There is a list of radio magazines and periodicals containing radio sections. Also a list of British publications. There is a complete list of the publications of both Columbia and NBC and finally a list of miscellaneous publications including pamphlets and brochures.

All deadwood has apparently been cleared out by Mr. Karol. His listings are up-to-date, and complete, and show evidence of painstaking work on the part of the author.

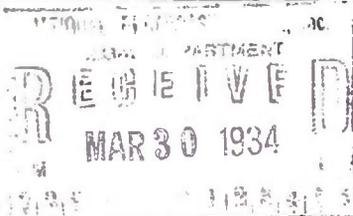
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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

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## SQUIER RITES FROM CATHEDRAL WITH MILITARY HONORS

Funeral services of Maj. Gen. George O. Squier, inventor of "wired wireless", World War Chief of the Army Signal Corps will be held at the Washington Cathedral. Bishop Freeman will officiate at the service tomorrow (Wednesday) and burial will be in Arlington National Cemetery with full military honors.

General Squier who was 69 years old, although not as active as formerly, was about the city until a short time before his death. He died of a complication of pneumonia, kidney and bladder infections.

General Squier was very fond of the young people, participated actively in social events, loved to dance and only a short time ago acted as master of ceremonies at a great military ball. Although small in stature, the General had a military bearing. He was always immaculately dressed.

A bachelor, the General lived at the Metropolitan Club having quarters for years alongside those of General John J. Pershing. One of General Squier's last accomplishments was to see to it that an impostor received a penitentiary sentence for raising a large sum of money presumably to purchase a bust of General Pershing. Squier discovered that the impostor was using his (Squier's) name and lost no time prosecuting him to the limit.

General Squier's last publication was a little book, "Telling the World" published in May, 1933, by Williams and Wilkins Company in cooperation with the Century of Progress Exposition. It dealt with different forms of communication and a chapter was devoted to the history of radio. Glancing over an autographed copy of the book which General Squier gave to this writer, there was noticed for the first time the General's private book-mark which bore the inscription, "Erectus Non Elatus", which freely translated might be construed to mean "hold your head high but not haughtily."

The General was always kindly and courteous. He was a joy to newspaper men and one pretty generally had a good story after talking with him. He was so prolific in ideas and theories that it was next to impossible for anyone to put them all on paper. Probably no man had a more vivid imagination with regard to the realms of possibility of radio than General Squier. He was a master publicist.

Wired programs received through electric light sockets or over telephone receivers he regarded as a certainty - it was, in his opinion, only a question of time until we would have them.

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General Squier described before the National Academy of Sciences in Cambridge, Mass., his plan for a combined sound and light distributor which, he said, would beautify homes cluttered with inartistic furnishing and would add to the pleasures of motoring.

His plan proposed establishment of "radiolites", or graceful tower-like devices of tremendous size at intervals along super-highways. The devices would both issue music and illuminate the countryside.

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#### NBC FURNISHES PRESIDENTIAL DINNER ENTERTAINMENT

If John F. Royal, Vice-President in Charge of Programs for NBC, and Frank Black, versatile NBC musical director are called upon to furnish much more entertainment for the President of the United States, they may find it more convenient to establish a Washington residence over the week-ends. Royal and Black brought down a company of stars several weeks ago for the White House Newspaper Correspondents' dinner at which President Roosevelt was a guest. The show they put on made such a hit with the Capital newspaper fraternity that the obliging broadcasting executives were called upon to play a return date last Saturday night when the National Press Club entertained the President.

This time they brought with them the Revelers. The newspapermen put on a skit "Under Three Codes" based upon the influence of the NRA on the life of a city room. President Roosevelt enjoyed the show so much that he remained until 11 o'clock and said he would have stayed longer had he not had the automobile strike on his hands.

Dinner arrangements were in charge of Oswald F. Schuette, of the National Broadcasters' Association, who was a former president of the Press Club. There were no out-of-town guests because the attendance was limited to Club members, an exception being Frank Mason, chef de publicity of the National Broadcasting Company, who came to Washington with Messrs. Royal and Black to make doubly sure that nothing got into the newspapers about NBC's part in the performance.

Among those identified with the radio industry who attended the dinner were: Federal Radio Commissioner Harold A. Lafount, Harry C. Butcher, manager of Columbia's Washington station WJSV; Frank M. Russell, Vice President, NBC; Vincent F. Callahan, assistant to Mr. Russell; Kenneth H. Berkeley, manager of WRC and WMAL; Paul Siegal, formerly of the Radio Commission; Lynne M. Lamme, radio writer, and Martin Codell and Sol Taishoff, radio publishing magnates.

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## INTENSE INTEREST AT CAPITOL IN COUGHLIN BROADCASTS

Next to the handling of political speeches, Senators and Congressmen seem to show more interest in the broadcasts of Father Coughlin, of Detroit, than anything else on the air. An example of this was when Rev. John B. Harney, of New York, Superior of the Paulist Fathers, who operate WLWL, testified at the Senate. He was interrogated as follows by Senator Couzens of Michigan, and Huey Long of Louisiana:

"In computing the fact, Father Harney, that educational institutions have only 2½ percent of the total quota of all radio assignments in the United States, do you compute the hour that Father Coughlin has, for instance, Sunday afternoon, and all the stations?" Senator Couzens asked.

"No, sir", said Father Harney.

"He pays \$14,500 a week for it", Senator Long replied.

"I am not concerned about that; I am concerned with the fact that this is an educational hour distributed among all the educational stations which he is hooked up on", Senator Couzens replied.

"Yes, sir; and this computation has nothing to do with educational programs paid or donated on the commercial chain", Father Harney declared.

"That is what I wanted to find out", Senator Couzens answered.

"Known as commercial broadcast", Senator Long interjected.

"No; but he buys commercial broadcast stations for educational purposes, so the station is, so far as the public is concerned, used for educational purposes", Senator Couzens replied.

Newspapermen were so anxious to make a story out of what M. H. Aylesworth, President of the NBC said about Father Coughlin at the House radio hearing that they disregarded Mr. Aylesworth's prepared statement in their eagerness to put down what he said about Coughlin.

"Mr. Aylesworth was asked if the National Broadcasting Company had ever had Father Coughlin on the network. He replied, 'No.' Then a Congressman inquired if Father Coughlin had ever been refused. Mr. Aylesworth explained that several years ago Father Coughlin came to his office relative to broadcasting, and he was informed that the NBC does not sell time commercially to any religion.

"The National Council of Catholic Men submit the names of those who speak on the Catholic hour. They are solely responsible for the Catholic speakers on the NBC networks. They have never submitted the name of Father Coughlin."

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"If Father Coughlin should come to you today and ask for time on the NBC what would you do?" a Congressman inquired.

"Send him to the Catholics", Mr. Aylesworth replied, referring to the National Council of Catholic Men.

Unfortunately for Aylesworth, when some of the newspaper men wrote the story, they made it appear that he had refused the NBC network facilities to Rev. Coughlin. In the afternoon Henry A. Bellows, vice-president of Columbia, was asked similar questions with regard to the cleric. He told, in detail, why Columbia had been obliged to cancel the Coughlin broadcasts because of Columbia's change in policy to accept no commercial religious time. However, no newspaper men happened to be present at this particular time and Mr. Bellows escaped unscathed.

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#### ENCOURAGING OUTLOOK SEEN FOR RADIO SETS

The most encouraging outlook which the radio set business has presented for years, is again evident in the situation confronting the receiver manufacturers, according to Electronics in presenting statistics for the 1933 sales which follow:

##### Radio Receivers

Unit Sales, 1933 . . . . .	3,806,000
Midgets. . . . .	2,226,000
Consoles . . . . .	856,000
Auto radio . . . . .	724,000
Total value, retail (less tubes)	\$130,899,000

##### Radio Tubes

Tubes made, 1933. . . . .	63,295,000
Exported . . . . .	7,690,000
Sales in U. S. . . . .	55,605,000
Total value sales in U. S. at retail . . . . .	\$56,599,000

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## SENATOR INTENDED TO OMIT BOTH BEHN AND SARNOFF LETTERS

The mystery of why the Interstate Commerce Committee printed hearings on the Communications Commission Bill carried a letter which Sosthenes Behn, President of the International Telephone and Telegraph Corporation had written to Secretary of Commerce Roper but omitted a letter from David Sarnoff, President of the Radio Corporation of America to Secretary Roper presenting a different viewpoint was cleared up by Senator Dill, Chairman of the Committee.

"I intended to keep them both out", the Washington Senator said. "They were controversial, having to do with the proposed merger, one being an answer to the other. Mr. Behn advocated to Secretary Roper that the merger be a two company affair, one domestic and the other foreign. Mr. Sarnoff addressed the Secretary advocating a single unified communications system.

"I had made every effort during the hearings to keep anything controversial from getting into the record so that we could proceed as rapidly as possible and not have to call witnesses who would be entitled to be heard if disputed questions were raised.

"Mr. Behn's letter slipped into the record unknown to me and that is why it appeared and Sarnoff's didn't. I have written to Mr. Sarnoff explaining the situation and he understands it."

However, when Senator Lonergan, of Connecticut, discovered that the Senate Committee had failed to give Mr. Sarnoff's side of the case fully, he had printed in the Congressional Record not only Mr. Sarnoff's letter to Secretary Roper but the copy of an address which Mr. Sarnoff made at the Army Industrial College entitled "Communication's Control in War." Although printed in agate type, it filled seven pages of the Record and this probably attracted considerably more attention than if it had appeared in the Senate report which as a rule is only read by the Senators on the Committee, whereas the Congressional Record is seen by everyone in Congress.

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## OPPOSITION GETS LAUGH ON JOHNSON WHEN HE BALKS MIKE

General Johnson can make industries respond to the crack of his whip but he ran into a snag when he tried to have microphones removed which enterprising representatives of the Columbia Broadcasting System had set up to broadcast the Code Administrator's testimony at the Senate hearing on the Wagner "labor disputes bill" last Monday.

General Johnson declared he didn't propose to have his testimony go on the air. The Columbia people told General Johnson they had the permission of Senator Walsh, of Massachusetts, Chairman of the Committee, to broadcast the proceedings and until he ordered them to they would not remove the microphones. Senator Walsh stood pat with a result that a message was received that General Johnson would not testify that day, the reason given to the public being "that his arduous labors in connection with the automobile strike had kept him at his hotel."

When General Johnson didn't appear to testify the next witness, James A. Emory, general counsel of the National Association of Manufacturers, was called. Emory launched a spirited attack on the bill. About this time Senator Wagner entered the room. He protested vigorously when he learned that Emory's testimony was being broadcast and remarked:

"I am sorry the broadcasting company was not as interested when those appearing in favor of the bill were here."

Senator Walsh said that he had tried to be fair in the matter and explained that the microphone had originally been set up for General Johnson, one of the Bill's strongest proponents. Representatives of Columbia confirmed this saying that they had intended not only broadcasting what General Johnson had to say in favor of the bill, but what Mr. Emory had to say against it and that General Johnson's balking had given a lucky break to Emory.

At that Columbia broadcast a spirited imprompty debate between Emory and Senator Wagner which gave pretty much both sides of the question.

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#### NEW COMMISSION MAY UNDERTAKE A. T. & T. INVESTIGATION

There seems to be a possibility that the investigation of the American Telephone and Telegraph Company, which Senator Dill proposed, if finally made, may be undertaken by the new Federal Communications Commission rather than by the Senate, as the Senator from Washington originally intended.

Senator Dill said that no decision had been reached as to this but that one of the things the Senate Committee would consider would be the possibility of conferring upon the Committee power to make such an investigation as he had proposed of the American Telephone and Telegraph Company.

Senator Dill said that he was completely occupied with the Communications Commission Bill at this time and that if the A. T. & T. investigation was not disposed of in the Bill, it would have to go over until a later date before he would have time to give it further consideration.

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## COMMUNICATIONS OPPOSITION MAY JEOPARDIZE PASSAGE

Although Tuesday, April 3, has now been definitely set for the beginning of the hearings on the Communications Commission Bill introduced into the House by Representative Sam Rayburn, of Texas, the belief is growing that unless things are speeded up and opposition to the House and Senate Bills is lessened, the legislation may fail of passage at this session.

There will not be as much opposition to the Rayburn Bill as there was to the Dill Bill because the broadcasters will not oppose it but there promises to be considerable resistance on the part of the commercial communications companies. This may cause delay in the hearings and doubtless a prolonged fight on the floor of the House. The same may prove true in the Senate and if that is the case, there may not be time enough before the session ends, now tentatively set for the middle of May, to get the Bill passed.

Senator Dill has appointed his sub-committee to consider the Communications Commission Bill in the Senate. Besides himself, it is composed of Senator Hatch, Democrat, of New Mexico, Senator Thompson, Democrat, of Nebraska; Senator White, Republican, of Maine, and Senator Hatfield, Republican, of West Virginia. All sessions will be executive and it will probably be a week or ten days before the sub-Committee reports back to the main Committee and then probably another week or ten days until the latter Committee reaches its conclusions. Assuming the House Committee to work on about the same schedule, that would give the House and Senate about a month to pass the Bills, which is very little time at the end of a crowded session.

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## RADIO STATION NEWS SERVICE SEEKS SHORT WAVE FACILITIES

The Radio News Service of America, of 260 East 161st Street, New York City, organized for the purpose of furnishing news to radio stations, has made a formal request of the Federal Radio Commission, that it be allowed to send news to stations throughout the country by means of short-wave. This would necessitate a modification of a rule of the Commission which provides short wave facilities exclusively for the transmission of news for "publication by press associations and newspapers". As the rule stands today, it would prevent the use of these facilities for the purpose of transmitting news to stations for them to rebroadcast.

The Radio Commission has Wednesday, April 11th for a hearing of the case. At that time it will consider whether the present rule applying to short-wave transmission to newspapers should be amended to read "and for broadcasting to the public over any regularly licensed broadcasting station." In other words, the proposition is whether the rule should be amended so news could be sold to broadcasting stations.

"Public interest cannot be served when the press services are prevented from transmitting news traffic intended for broadcasting", Ivan Johnson, President of the Radio News Service of America, said addressing the Commission. "In the belief that these facilities would be available for the transmission of news matter intended for broadcasting, this press association has made considerable investment in establishing news gathering bureaus and is now suffering heavy losses through the refusal of the fixed public press stations to handle our traffic. It would appear that the rule of the Commission in its present form encourages a restraint of trade, sets up unfair competition and discriminates between newspaper press associations and radio press associations when there should be no such discrimination whatsoever."

Determined to fight West Coast independent radio stations which are broadcasting news in opposition to the A. N. P. A. 10-point agreement, publishers of Pacific Coast newspapers have launched their own radio news bureau, operating along lines of the national Press Radio Bureau.

Norman Chandler, Vice-President of the Los Angeles Times and secretary of the publishers' committee said that this new move has the approval of the A. N. P. A. and the Publishers' National Radio Committee as a necessary step to cope with local problems.

The West Coast organization is known as National Radio News Bureau, and will service newspapers, the NBC, the Don Lee Columbia chain, and independent radio stations west of Denver and from border to border. It will put its first report on the wires this week.

Mr. Chandler declared that all the Los Angeles papers and all the San Francisco and Oakland papers have agreed to take the new service, but there are no indications as to just how many members of the National Radio News Bureau might actually start operations with.

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ALEX SHOULD OBSERVE THE GRIDIRON RULE

Apparently Alexander Woollcott got away with the off-colored stories he told to the New York Advertising Club which, unknown to him, were being broadcast. Hollywood McCosker of WOR says they didn't receive any complaints.

Hereafter Woollcott should bear in mind the rule of the Gridiron Club banquets in Washington - "Ladies Are Always Present." As a matter of fact no woman ever attended a Gridiron dinner but the rule is so well observed with regard to off-colored references that the wife of any member could be present without being offended.

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The Milwaukee Journal, owner of radio station WTMJ, is co-defendant with Joseph D. Beck, Commissioner of Agriculture and Markets, in a slander suit brought by Walter M. Singler, leader of Wisconsin milk strikes and president of the Wisconsin Co-operative Milk Pool. The suit is based on a radio talk over WTMJ by Beck on May 15, 1933, criticizing Singler. Following a hearing of the case at Milwaukee depositions will be taken, after which the case will go on the calendar for trial this Spring at LaCrosse.

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A new 500,000-watt transmitter has been ordered for the United States Naval Station at Annapolis, Md. It will rank with WLW, Cincinnati, as the most powerful radio station in the United States. The call letter is NSS. The equipment will be built by the General Electric Company.

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"Some Aspects of Police Radio Communication" is the topic of an article in the March issue of Electronics by Harry E. Thomas, of the United American Bosch Corporation, of Springfield, Mass.

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The Cooperative Analysis of Broadcasting is to be expanded, and will be carried on by a committee composed of D. P. Smelser, Proctor & Gamble Co.; Chester E. Haring, Batten, Barton, Durstine & Osborne, Inc.; A. W. Lehman, Association of National Advertisers; George Gallup, Young & Rubicam; C. H. Lang, General Electric Co.; George W. Vos, Texas Company.

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Rear Admiral Richard E. Byrd, whose second expedition to the Antarctic has revealed a new page in the history of communications, has been designated as recipient of the Columbia Broadcasting System Medal for Distinguished Contribution to Radio. Presentation will be made during the expedition's broadcast to the United States over the Columbia network on March 31st.

Presentation of the medal will be made by Henry Adams Bellows, Vice-President of CBS, before an invited audience in the Radio Playhouse, New York. Both Bellows' address and Admiral Byrd's acceptance speech, coming from Station KFZ, Little America, will be carried over the CBS network between 10:00 and 10:30 P.M. EST.

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WGN, the Chicago Tribune station, will take the news stuff sent out by the Press-Radio news bureau. This decision was reached last week when Col. R. R. McCormick, publisher of the paper, was consulted, Variety reports. Col. McCormick is on the

the Board of Directors of the Associated Press and decided that his station should go along with the policies of that press organization.

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With night testing of its new 500,000-watt transmitter now virtually complete, the Crosley Radio Corporation has just been granted authority by the Federal Radio Commission to embark on a series of day-time tests. At the conclusion of these final tests application will be made with the Commission for permission to operate this Gargantuan transmitter on WLW's regular day and night schedule.

Exhaustive tests conducted almost nightly between 1:00 and 6:00 A.M. during the past two months have found the new transmitter equipment meeting all the extremely rigorous requirements originally set forth as to its performance.

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#### A. T. & T. REPORTED BUYING POSTAL

A special dispatch to the Washington Evening Star from New York read:

"One of the biggest deals in the history of Wall Street is under negotiation. It is learned that the capital stock and bonds of the International Telephone and Telegraph Co., have been under quiet accumulation for several months in anticipation of the consummation of the deal.

"It involves the acquisition by the American Telephone and Telegraph Company of the Postal Telegraph and Cable Co., now held by the International Telephone, which means that the latter company will retire from the domestic field and confine its activities abroad.

"The I.T.& T. already has a profit of about \$10,000,000 on foreign exchange transactions as a result of the depreciation of the American dollar.

"With the proceeds of the sale of the Postal, the company will be in a position to pay off its bank loans and retire its 4½ percent convertible bonds due in 1939 and at the same time put its capital stock on a substantial dividend paying basis. It is reported that for every \$1,000 Postal Telegraph bond the holder will receive \$600 in cash and \$400 in a preferred stock of the new company, to be formed by American Telephone which will also handle the teletype business of the Bell System."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted

March 23 - WCFL (Aux.) Chicago Federation of Labor, Chicago, Ill., C.P. for 250 watt composite auxiliary transmitter; KGHI, Loyd Judd Co., Little Rock, Ark., license covering local move of transmitter and studio; 1200 kc., 100 w. night, 250 watts day, unlimited time; WSOC, WSOC, Inc., Charlotte, N. C., license covering new equipment and increase in daytime power, 1210 kc., 100 w. night, 250 watts daytime, unlimited time; KTUL, J. T. Griffin, Tulsa, Okla., consent to voluntary assignment of license to Tulsa Broadcasting Co., Inc.; WWVA, W. Va. Broadcasting Corp., Wheeling, W. Va., license covering auxiliary transmitter 1160 kc. 250 watts, for emergency purposes only; KLRA, Arkansas Broadcasting Co., Little Rock, Ark., modification of license to use auxiliary tube in conjunction with interlocking switch. Auxiliary tube and regular licensed output tube not to be used at same time; WMBD, Peoria Broadcasting Co., Peoria, Ill., authority to install automatic frequency control; WCFL, Chicago Federation of Labor, Chicago, Ill., modification of C.P. extending completion date to Sept. 1, 1934; KMBC, (Aux.) Midland Broadcasting Co., Kansas City, Mo., modification of C.P. to extend completion date from April 5 to May 5, 1934.

March 27 - KMLB, Liner's Broadcasting Station, Inc., Monroe, La., C.P. to make changes in equipment; WBBZ, James F. Kyler, Ponca City, Okla., extension of temporary authority to operate station on 1200 kc., 100 watts unlimited time, from April 1 to June 1, 1934, pending action by Commission on application for consent to involuntary assignment of license; KUMA, Albert H. Schermann, Yuma, Ariz., special temporary authority to operate from 2 to 4 P.M. MST, April 3; KFIZ, The Reporter Printing Co., Fond du Lac, Wis., special temporary authority to operate from 1 to 2:30 P.M. CST, March 28th; WDAH, Tri-State Broadcasting Co., Inc., El Paso, Texas, special temporary authority to use transmitter of KTSM for period of 30 days while transmitter of WDAH is being moved locally; WSVS, Seneca Vocational High School Buffalo, N. Y., granted special temporary authority to operate from 8:15 to 9 P.M. EST, April 9 and 16.

Action On Examiner's Reports

New, Herman Radner, Lansing, Mich., denied application for new station at Lansing, Mich., to operate on 1210 kc., unlimited time, sustaining former Examiner Elmer W. Pratt. Order effective March 30, 1934; New, d/b as Capital City Broadcasting Co., granted application for new station at Lansing Mich., to operate on 1210 kc., unlimited time, sustaining former Examiner Elmer W. Pratt. Order effective March 30, 1934; KGIR, KGIR, Inc., Butte, Mont., granted application for modification of license changing frequency from 1360 kc. to 1340 kc., sustaining Examiner R. L. Walker, Order effective April 20, 1934; New, Herbert H. Fette, Meriden, Minn., denied application for C.P. for new station at Meridian, Minn.

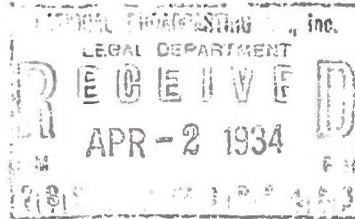
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL—Not for Publication**



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No. 711

*Handwritten signature and date: April 2, 1934*

## DILL SAYS HE'S ON THE FENCE IN SEEKING RE-ELECTION

Reports from the West that Senator Dill, of Washington, may not seek re-election and that he might be defeated if he did, have developed the fact that the Senator is decidedly uncertain as to whether or not he will even make the race next Fall.

"I'm pretty much fed up on it all", Senator Dill said to this writer in apparent weariness. "Whether I'll seek re-election is a question about which I am very much undecided. I feel that I am stronger now than I have ever been and therefore if I should decide to quit this year, I could do so without the inference that I was doing it to avoid defeat. My friends are urging me to run again and maybe I will. You never know what you will do until the time comes but at the moment I am pretty well tired out by the whole business and haven't much inclination to sign up for six years more of it."

Senator Dill said there were many demands for money to finance the campaign and that he didn't see his way clear to make these donations. It was explained that because of the few industries in that section of the country, there were not so many large donations as in the East and "it takes a small fortune to make the race out there", one of Senator Dill's friends added. He said that great pressure would be brought on Senator Dill to run again.

If Senator Dill should not seek re-election, or if he should be defeated, a man who has been a dominating figure in radio in Congress for the past 10 years or more, will drop out of the picture. Senator Dill, along with Representative (now Senator) White, of Maine, was co-author of the Radio Act and is Chairman of the Interstate Commerce Committee which handles all radio matters in the Senate and is at present considering the Federal Communications Commission Bill.

If Senator Dill did not return, and the Democratic majority were still maintained in the Senate, Senator E. D. Smith, of South Carolina would be in line for the Interstate Commerce Committee chairmanship, with Senator Wheeler, of Montana, who is also up for re-election the coming Fall second, and Senator Wagner, of New York, third.

It is assumed that considerable legislation may be recommended by the Communications Commission after it has had an opportunity to study the situation and if Senator Dill is out of it, much opposition which he ordinarily would raise and drastic measures which he would advocate, will be missing.

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The sole outstanding radio authority in Congress would be Senator White but who, because of seniority, would be prevented from serving as Chairman of the Interstate Commerce Committee for many years even if the Republicans got back in.

The dispatch which revealed the fact that Senator Dill was uncertain about running again was from James D. Brown, a correspondent in Seattle, and read in part as follows:

"The Democrats despite their control over both State and national patronage in the State of Washington, find that many of their following are swinging into the independent progressive clubs of Washington, an organization of which John Caffee, brother-in-law of Senator Homer T. Bone, is an outstanding active member assisted by Judge W. H. Pemberton, a Democrat, now State Inheritance Tax Collector, and Otto Case, the Democratic State Treasurer.

"This progressive group, so-called, has been active in placing candidates in some of the more lucrative Federal posts and this success leads to the belief that United States Senator C. C. Dill may not ask for renomination and election. Reports from Dill's home city, Spokane, are to the effect that some of his former political lieutenants are quietly beating the highways of the State for a prospective candidate to succeed Dill. This is taken to mean that the senior Senator from Washington does not desire to make another race."

The Senatorial nominations in the State of Washington are by direct primaries which will be held early in September. Dill, a former teacher and newspaper reporter in Ohio, served two terms in the House of Representatives from Washington State and was elected to the Senate in 1922. When re-elected in 1928, he received 261,524 votes and his Republican opponent, Kenneth Mackintosh, 227,415. In the same election the Democratic presidential nominee, Al Smith received 156,772 votes and Hoover 335,844.

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#### ANTI-LIQUOR ADVERTISING BILL SLUMBERS IN COMMITTEE

Thus far there has apparently been no effort to expedite the Bill introduced about three weeks ago by Senator Arthur Capper, Republican, of Kansas, which would prohibit the advertising of intoxicating liquors through the medium of radio. Asked if hearings would be held in connection with the Bill, which has been referred to the Committee on Interstate Commerce, or if he intended to try to get it passed this session, Senator Capper said:

"I hope to have early consideration of the radio anti-liquor advertising bill. However, those who wish to appear in favor of it have asked for sufficient time to prepare their case."

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## COMMISSION CONFIRMS ADVERSE WMCA-WSYR RECOMMENDATIONS

Upon consideration of the entire proceedings, including the Examiner's report, the Federal Radio Commission is of the opinion that the application of the Knickerbocker Broadcasting Company (WMCA, New York) for 500 watts additional power experimentally should be dismissed with prejudice for failure of the applicant to prosecute the matter to a final determination after being allowed ample opportunity to do so; also that the granting of the application of the Central New York Broadcasting Corporation (WSYR, Syracuse, N. Y.) for a construction permit and a consequent increase in the power of Station WSYR of 250 watts, would result in increased and objectionable interference in the reception of several other licensed broadcast stations.

The Commission also is of the opinion that the allocation of the additional power applied for to Station WSYR would increase the quota of facilities assigned in a State which is now over quota in broadcast facilities; and, that public interest, convenience and/or necessity would not be served by the granting of the application of the Central New York Broadcasting Corporation.

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## EXTORTION BY RADIO PROMISES SOON TO BE OUTLAWED

A step nearer to the enactment of the bill applying the powers of the Federal Government to extortion by means of radio, telephone, telegraph or oral message, came with a favorable report on the measure without amendment by the Senate Judiciary Committee of which Senator Stephens, of Mississippi, is Chairman.

The Bill reads:

"That whoever, with intent to extort from any person, firm, association, or corporation any money or other thing of value, shall transmit in interstate commerce, by telephone, telegraph, radio, or oral message, or by any other means whatsoever, any threat (1) to injure the person, property, or reputation of any person, or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse any person of a crime, or (4) containing any demand or request for a ransom or reward for the release of any kidnapped person, shall upon conviction be punished by imprisonment for such term of years as the court, in its discretion, shall determine."

"This bill supplements the Patterson Act which makes it a Federal criminal offense to transmit threats through the mails, with intent to extort any money or other thing of value", the Department of Justice explains. "Realizing the effectiveness of the Federal Government's investigating agencies, criminals are purposely refraining from sending extortion letters through the mails, using instead the telephone, telegraph, radio, and other means of conveyance. The proposed bill is virtually an amendment of the Patterson Act, based on the Federal power over interstate commerce, to prevent this evasion of that act."

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## AMATEUR TELLS OF THRILL TALKING TO FOREIGN COUNTRIES

Thousands of people are fully awake to the benefits they get from the amateur stations, declares Clair Foster, W6HM, of Carmel, California, noted West Coast amateur.

"And more learning of this every day", Mr. Foster continues. "Some day - through the work of the amateurs - it is going to break suddenly upon the consciousness of the general public, 'By golly, this is OUR air! And we are going to use it - not permit it to be monopolized by a few commercial people for their own private gain.'" Amateur radio is the forerunner of domestic radio. Especially the amateur telephone stations - of which there are many with just as fine an output as the best of the broadcasters. We were talking across the Pacific, by voice, long before the A.T.&T. had its telephone service going even to Honolulu.

"When a man or a woman comes to one of our West Coast telephone stations and talks directly to his personal friend in Shanghai, or Singapore, or Australia, maybe you think he doesn't get a thrill out of it! Utterly different from whatever kick he may get out of listening to a line of talk from a broadcast station, to which he can make no response."

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## WILL POST PUBLIC ON ALL WAVE AND OTHER SET TYPES

The public will be advised as to what they may expect to receive when they buy an "all wave", a "short wave" or "Standard" broadcast receiver, if recommendations are adopted which would be made to the Board of Directors of the Radio Manufacturers' Association. These recommendations are now being drafted by the Receiver Committee, of which E. T. Dickey of RCA-Victor is Chairman and General Engineering Committee of which Virgil Graham, of Stromberg-Carlson is Chairman.

"There is apparently considerable confusion in the public mind as to just what they are getting when they buy an 'all wave set' or a 'short wave set'", said Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. "Most everyone knows what a 'standard' wave set is but the concensus of opinion is that the situation needs clarifying on the question of the receiving standards of the various types of sets so that the public can be advised as to what they may expect to get."

Mr. Geddes said he believed that next year most every manufacturer, if they are not already doing so, will offer at least one type of "all-wave set".

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## HOUSE COMMUNICATIONS COMMISSION HEARINGS POSTPONED

Another delay has been occasioned in the consideration of the legislation to create a Federal Communications Commission by the postponement for a week of the public hearings on the House Bill. These were originally set by Representative Sam Rayburn, of Texas, Chairman of the Interstate and Foreign Commerce Committee, for Monday, April 2, later were scheduled for Tuesday, April 3, and now have been postponed to Tuesday, April 10.

Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, will tell the Committee that the broadcasters endorse the House Bill insofar as it does not repeal the Radio Act. Mr. Bellows will also offer an amendment to the Bill but has not as yet made known what this is to be. It is believed the communication companies will oppose the bill vigorously.

of the Senate Interstate Commerce Com.  
In the meantime, the sub-committee/composed of Senator Dill, Chairman, and Senators White, of Maine, Hatch, of New Mexico Hatfield, of West Virginia, and Thompson, of Nebraska, have been meeting almost daily trying to get the Senate Bill into shape. The sessions are executive and it is not known what progress the Senators are making.

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## N. Y. AUTO CLUB DRIVERS OPPOSE CAR RADIOS

Responding to a questionnaire sent by the Automobile Club of New York, 56 percent of the replies voiced objection to radios in cars.

Of these objectors, 68 per cent had not had radios installed in their automobiles. Thirty per cent of all who answered favored radios in the cars, William J. Gottlieb, Executive Vice President of the Club said.

Those opposed gave three reasons: "Distraction to the operator", "distraction to drivers of passing cars", and "more noise added to the present din."

Those who favored the radios said they "added to the joy of driving", "were restful on long trips", "relieved driving fatigue", and "tended to reduce their rate of speed."

The answer of Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, to the Automobile Club's canvass was:

"These people don't know how much the automobile set has been perfected. They don't know what a joy it is to have one in the car."

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## CODE OFFICER SAYS 30 HOUR WEEK WOULD SPELL DISASTER

Addressing a letter to William P. Farnsworth, Deputy Administration of the NRA, James W. Baldwin, Executive officer of the Broadcasters' Code Authority, raises strenuous objections to the former's request that the Code Authority appoint a Committee to consider the adoption of a shorter work week.

"I do not hesitate to say that in my own opinion, based on the recently completed study, the enforcement of your proposals to reduce the forty hour week people to thirty hours, and to reduce those working more than forty hours to thirty-six hours with a ten per cent increase in wages for all, would spell disaster for the Industry", Mr. Baldwin writes. "Such a plan is inequitable and impracticable. It would utterly destroy all small broadcasting enterprises and, would make it impossible for the larger broadcasting enterprises to recover from the reverses suffered during the depression years.

"You appreciate, I know, that the radio broadcasting industry has always extended its most willing cooperation to the NRA in its efforts to bring about industrial recovery. Already our industry has greatly increased the number of employees. We employ today a greater number of workers than ever before in the history of the industry. Moreover, we have submitted evidence of a substantial increase in weekly wages. I am sure you will agree that nothing should be done to jeopardize the financial stability of broadcasting stations and consequently the present employees.

"I am confident that if the NRA officials responsible for these recommendations can but find the time to study this matter thoroughly and give due consideration to the readjustments which have been required during the three months operation of our Code, their own mature judgment will dictate a withdrawal of their recommendations."

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## SOCIALIST CHARGES MINORITY FARES BADLY ON AIR

Establishment of a "highly competent commission" to study the "whole field of broadcasting" and that all broadcasting activities in the United States be "conducted by a non-profit making body set up by the government", were advocated by Norman Thomas, Socialist leader, in a talk on "Radio and Propaganda", broadcast over WEVD, New York City.

Mr. Thomas contended that new or minority ideas or "any genuine discussion of great issues", fare badly on the air because radio is largely commercial; that most of its time is allotted to advertising, and that advertisers are not interested

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in controversial programs which might "alienate any section of their possible buying public" from the charms of the products sponsored.

"Direct radio propaganda, even when paid for, is not welcome to the companies and their prospective advertisers", said Mr. Thomas.

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#### WIRELESS TELEPHONE SERVICE EXTENDED IN INDIA

The long-distance wireless telephone service inaugurated in India last May is being steadily extended, according to a report from Trade Commissioner C. E. Christopherson, Calcutta.

The popularity of this service, the report states, has increased rapidly since its inauguration, the average number of calls increasing from 100 in May to 150 during January. During the first ten days of February, 90 calls were put through for a total of 354 minutes, which is practically the same as the total for the entire month of May, 1933.

Most of the calls made from India are from Bombay, Calcutta and Madras, and London and Paris are spoken to most frequently. Calls have also been made to New York and Czechoslovakia. Most of the calls are in connection with business, the report states, but the half rates during week-ends are increasing personal calls.

Steady progress has been made in extending the trunk telephone service in India and it is expected that by the end of March new lines in Southern India will link up a number of additional points in that area. Progress has also been made in the provision of alternative routes in case of interruptions of the ones normally used. There has been a steady increase in traffic on trunk lines and the revenue from trunk telephone service during the six months ended September 30, 1933, was nearly double that for the corresponding period of 1931, the Trade Commissioner reported.

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## COMMISSION DECISION BREAKS DOWN CLEAR CHANNELS

The first real break in the clear channel system was authorized in the following action taken by the Federal Radio Commission today (Friday):

KTHS, Hot Springs Chamber of Commerce, Hot Springs, Ark., granted special experimental authority to operate on 1060 kc., 10 KW, simultaneously with WBAL 6 A.M. to LS, suspending LS to 8 P.M., CST; unlimited time 8 to 12 P.M. for a period of 90 days; Commissioner Lafount dissented (Order effective April 29).

KRLD, KRLD Radio Corp. Dallas, Tex., granted special experimental authority to operate on 1040 kc., 10 KW, simultaneously with WTIC, unlimited time, for period of 90 days; Commissioner Lafount dissented. (Order effective April 29).

WTIC, Travelers Broadcasting Service Corp., Hartford, Conn., granted special experimental authority to operate on 1040 kc., 50 KW, simultaneously with KRLD, unlimited time, for period of 90 days; Commissioner Lafount dissented. (Order effective April 29).

WBAL, Consolidated Gas, Electric Light & Power Co., of Baltimore, Baltimore, Md., granted special experimental authority to operate on 1060 kc., 10 KW, 6 A.M. to LS at Hot Springs, Ark.; simultaneously with KTHS, unlimited time LS to 9 P.M., synchronizing with WJZ on 760 kc. with  $2\frac{1}{2}$  KW from 9 P.M. for period of 90 days; Commissioner Lafount dissented (order effective April 29).

WESG, Cornell University, Elmira, N. Y., granted renewal of license to operate on 680 kc., daytime hours, 1 KW power, for period of 90 days; Commissioner Lafount dissented. Order effective April 29 (Station formerly licensed daytime hours on 1040 kc).

KWJJ, KWJJ Broadcast Co., Inc., Portland, Ore., granted renewal of license to operate on 1040 kc., 500 watts, limited time, for period of 90 days (order effective April 29) (Station formerly licensed limited time on 1060 kc., 500 watts);

WJAG, The Norfolk Daily News, Norfolk, Neb., granted renewal of license to operate on 1060 kc., 1 KW, limited time, for the regular period (Order effective April 29).

In explaining his dissenting vote in the foregoing cases, Commissioner Lafount said:

"We have before us for consideration and decision, applications for facilities inconsistent with the allocation of 1928 and existing rules and regulations of the Commission. The applicants in the cases here referred to were well aware of the Commission's rules and regulations at the time they filed their applications and desired to be heard regardless of the existence of such rules.

"It is not clear from the applications whether they believed it would be in the public interest to grant them special authority inconsistent with well established rules, or whether in their opinion the rule should be modified or abolished. Certainly no evidence or testimony was submitted on that subject. The cases

were heard regardless of the fact that the applications were inconsistent with the Commission's plan of allocation. I, therefore, submit that before any action be taken upon these cases the Commission should decide whether or not the rule here involved should be continued, modified, or abolished, not as to any particular application but with reference to all stations generally, and that therefore, if and when the Commission revises its rules, it can consider whether the granting of a particular application before it would serve public interest, convenience and necessity."

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### SEES BRAIN TRUST PROGRAM DIRECTION POSSIBILITY

An article, "Censorship On The Air", by Mitchell Dawson in the American Mercury Magazine for March, has been causing considerable comment. After reviewing a number of cases of alleged censorship, Mr. Dawson concludes by saying:

"The air channels could be taken over at any time by the government under the emergency clause of the Radio Act; and if that should happen, the Brain Trust might be tempted to try its hand at directing programs.

"But we do not necessarily have to choose between commercial control and government operation. A compromise is possible, and no matter how much one may dislike compromise, the radio situation calls for just that. One of the most interesting plans so far made public is that of Harris K. Randall, director of the American Radio Audience League, who proposes to entrust 'the financially valuable broadcast channels to competent agents representing the audience, rather than to sellers of transmission.' The transmission service would 'continue to be sold by private producers in all cases, while the rights to occupy dial space (licenses) on the more important broadcast channels should be held instead by agencies of the audience.' These agencies would supposedly be non-profit organizations representing every type of public interest. They would apply for licenses to certain air channels, or perhaps for all channels in their particular area to be administered through a central bureau, with the idea of renting out part of the time over such channels to advertisers in order to provide revenue to cover the cost of broadcasting non-commercial programs of all sorts. The agencies controlling the licenses would not have to build broadcasting apparatus but would arrange for transmission service from the owners of existing plants.

"This brief outline does not do justice to Mr. Randall's plan, but it is sufficient to emphasize his underlying idea of turning the control of program traffic over to agencies of the audience and divorcing such control from the ownership and operation of stations as electrical properties.

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"At present, broadcasting licenses are assigned for the most part to the owners of transmitting equipment. They pay the government nothing, however, for their licenses and cannot, therefore, complain that property has been taken from them without due process of law if their licenses are not renewed. No one can acquire a vested right in a wave length no matter how much he has put into broadcasting apparatus. But even on a comparative investment basis the owners of receiving sets should be given preference in determining the distribution of broadcasting licenses, for it has been estimated that they spend annually for power, new tubes, repairs and replacements approximately six times the cost of program production and transmission.

"The practical problem of finding out what the radio audience wants will never be solved through preconceived rules as to what is good for it. Whatever restraints upon program material may seem to be necessary should come through the enactment and enforcement of legal penalties for broadcasting fraudulent, prurient and scandalous matter and through the operation of public opinion. Such restraints will not be wholly satisfactory, as the character of our newspapers attests. But they will be better than the alternative of control by an oligarchy of censors.

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#### GIANT TELEGRAM PROCLAIMS 265,567 TELEGRAM RESPONSES

A facsimile Western Union telegram (Latz Giant-Gram)  $1\frac{1}{2}$  feet wide and 2 feet long has been sent out by the Sales Promotion Department of the NBC bearing the following message:

"Recent Sun Oil Program (Broadcast over 15 NBC Stations, 6:45-7:00 P.M. EST) makes new all-time record for listener response to a single broadcast...Lowell Thomas, speaking from Western Union headquarters, announced that any listener who wished to telegraph him via Western Union might do so without charge to the sender...Then came the deluge...Total response, from almost all parts of the U. S. and Canada (also more than the usual sprinkling from Europe and South America) was 265,567... Almost every telegram mentioned Sunoco products in conjunction with Lowell Thomas' name...Here is proof indeed of the power of NBC broadcast advertising to impress a product's name on listeners' minds, as well as to secure a huge public response an advertising message."

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: BUSINESS LETTER NOTES :  
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The following acted as honorary pallbearers at the funeral of Maj. Gen. George O. Squier, World War chief of the Army Signal Corps, in Washington, last Wednesday:

Maj Gens. John M. Jenkins, Charles H. Martin, William Crozier, Charles McK. Saltzman and William M. Wright; Brig. Gens. Frederick D. Evans, Michael J. Lenihan, Thomas H. Slavens, Nathaniel F. McClure and William E. Horton; Col. Alonzo Gray, Col. Reginald L. Foster, Lieut. Col. James H. Van Horn, Maj. James R. Pursell, Walter B. Howe and Charles F. Wilson.

Services were held in the Washington Cathedral where former President Woodrow Wilson and Admiral Dewey are buried. Burial was in Arlington Cemetery.

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David Sarnoff, President of the Radio Corporation of America, has been initiated into the Mystic Shrine and is a member of Mecca Temple, New York City.

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Because of difficulty in collection of the private owner's receiving set license fee, the Canadian Government may decide to abolish the levy - but impose a tax on radio tubes as they leave the factory or are imported.

Present licensing system of the \$3 annual fee brings in a revenue of \$1,500,000 but it is admitted there are plenty of evaders.

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APPLICATIONS GRANTED BY FEDERAL RADIO COMMISSION

March 30 - WHN, Marcus Loew Booking Agency, New York, extension of spec. exp. auth. to operate with 1 KW power from 1 A.M. to 1S; WINS, American Radio News Corp., New York, special temp. auth. to operate from 8:45 to 10:30 P.M. EST, April 7; KTRH, KTRH Broadcasting Co., Houston, Tex., extension of spec. exp. auth. to operate for 30 days with 250 w. night and 1 KW day, and set for hearing application to operate with 500 watts night; KFPY, Symons Broadcasting Co., Spokane, Wash., auth. to make field intensity tests during daytime hours on freq. 890 kc., 10 watts, for period of 20 days; WIBA, Badger Broadcasting Co., Inc., Madison, Wis., extension of spec. exp. auth. to use additional 500 watts night, for period of 30 days and set application for hearing; WFEA, New Hampshire Broadcasting Co., Manchester, N. H., 30 day extension of authority for additional time in which to make field survey and submit data on authority to change frequency to 1340 kc.

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