

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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W. G. L. S. D.

December 3, 1935

## NAVY DEPT. REPORTS RADIO USEFUL IN MANY FIELDS IN 1935

The far-flung services of the United States Navy Department found radio indispensable in many fields during the fiscal year 1935, Secretary Claude A. Swanson reported on December 1st to the President.

Radio direction-finders guided both ships at sea and planes in the air, time signals set the hemisphere's clocks, weather bulletins warned both mariners and land-lubbers, and 127,031,726 words were transmitted over the naval-shore radio system.

The latter item, alone, saved the Federal Government over \$3,250,000, figured at commercial rates. Fifty-three per cent of the communications traffic was handled for other government departments. The savings on Navy traffic was \$1,561,152; on other governmental communications \$1,764,330.

There are 36 naval radio-traffic stations and 43 radio direction-finder stations in active commission. There are nine traffic stations in a decommissioned status. The naval radio station at Bar Harbor, Maine, was decommissioned and in lieu thereof the naval radio station at Winter Harbor, Maine, was commissioned March 2, 1935.

"During the year the radio direction-finder stations have continued to render excellent service to Government and merchant shipping as well as to aircraft", Secretary Swanson said. "About 28,000 bearings were furnished to naval vessels and about 180,000 bearings to other craft. The value of this service is exemplified by many letters of appreciation from vessels of the merchant marine, both foreign and domestic.

"A total of 22,578 broadcasts of time signals was sent out from Navy shore stations during the fiscal year. This very large increase over previous years was necessitated by the insistent request of scientific users of this service, such as the Coast and Geodetic Survey's field parties, seismic laboratories, etc.

"Weather bulletins are broadcast daily from 26 naval radio stations and hydrographic bulletins from 21 stations. Numerous frequencies are employed to insure adequate dissemination of important information. Assistance is also rendered to the Weather Bureau in collecting information upon which these bulletins are based. This service is of particular necessity and value to all mariners.

"During the fiscal year 1935 there was deposited in the United States Treasury, to the credit of 'Miscellaneous receipts' by the Naval Communication Service, the sum of \$44,000 as earnings on commercial traffic handled during the year. Efforts have been continued to turn over, whenever possible, to commercial companies the commercial traffic now handled by the Navy. However, all the more important and profitable traffic has long since, in accordance with law, been left to the commercial interests.

"The training of the Naval Communication Reserve has continued satisfactorily. There are 29 reserve radio-control stations equipped with Government-owned transmitting and receiving equipment. During the latest fleet problem, Communication Reserve personnel were placed on temporary duty in the eleventh, twelfth, thirteenth, and fourteenth naval districts and in the Navy Department."

Reporting on the Naval Observatory, Secretary Swanson said:

"The automatic time-broadcasting apparatus has been in continuous use since May 30, 1934, and has given very satisfactory service. This, in conjunction with the photographic determination of time, has exceeded our highest expectations and has aroused considerable interest among foreign astronomers."

The Chief of the Bureau of Yards and Docks in a report to the Secretary stated that new radio stations are being built at Summit, Canal Zone and Lualualei, Hawaii. The work includes numerous buildings and a number of 300 and 600 foot towers. At other radio stations extensive alterations and additions have been made.

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#### DECISION EXPECTED SOON IN "NEWS PIRACY" APPEAL CASE

The United States Circuit Court of Appeals is expected to announce its decision very shortly in the so-called "news piracy" case of the Associated Press vs. KVOS, Inc., of Bellingham, Wash., according to former Senator C. C. Dill, counsel for KVOS.

Because the court ruling may be of far-reaching significance in the broadcasting of news, both broadcasters and press associations are watching it with keen interest. Federal Judge John C. Bowen in Seattle had previously denied an injunction asked by the Associated Press to restrain the station from broadcasting news that appeared in the Bellingham Herald and Seattle papers.

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## NEW STATION FOR PITTSBURGH(KANS.) PUBLISHER URGED

A permit to construct a new 100-watt broadcasting station at Pittsburg, Kans., for operation on 1500 kc., unlimited hours, was recommended for award to the Pittsburg Publishing Co., which publishes two daily newspapers, by Examiner Melvin H. Dalberg in a report to the Federal Communications Commission.

At the same time the Examiner recommended that the applications of the Joplin Broadcasting Co., of Pittsburg, which operates WMBH at Joplin, Mo., for operation on 1200 kc. and of the Wichita Broadcasting Co., Wichita, Kans., for operation on 1500 kc., be denied. He held that local broadcasting needs could best be met by a local organization.

Examiner John B. Bramhall recommended that the Black Hills Broadcast Co., Rapid City, S. D., be granted a permit to build a new station for operation on 1370 kc., with 100 watts power, unlimited time, on condition that a suitable antenna be installed.

Station KID, Idaho Falls, Idaho, should be allowed to move its transmitter locally and increase its daytime power to 500 watts but denied the right to raise its nighttime power to 1 KW, Examiner Ralph H. Walker stated in another report to the Commission.

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## RADIO SERVICE MEN HOLD SUCCESSFUL CONVENTION, TRADE SHOW

The third annual New York Convention and Trade Show of the Institute of Radio Service Men, recently held, was a great success, the registration reaching 2,500 and the exhibition space being sold out, the I-R-S-M News reports.

Edgar C. Arnold, President of IRSM, in his opening address assailed unscrupulous individuals who had been stabbing the radio industry in the back and the "gang action" that preceded organization of the Institute.

He also explained a new scheme by which "good service men are soon to be set apart from those whose qualifications are subject to question. The plan is to be known as the "Qualification Plan".

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## MOVIE EXECUTIVES REPORTED BEHIND NEW TRANSCRIPTION CHAIN

The day when motion picture stars may be tuned in on the smallest broadcasting stations, as well as the major networks, is foreshadowed in an organization now taking form in Washington, D. C., and on the Pacific Coast.

Reputedly backed by executives of four large motion picture producing companies, the Transcontinental Broadcasting System will be ready for production of a transcription service to stations by January 1st.

While surrounded at present by some secrecy, the operations of the transcription chain are expected to include eventually the recording of cinema talent. There are rumors that it also will encompass the rights to use the copyrighted music controlled by the movie concerns.

Herman Starr, Vice-President of Warner Brothers, denied that the music houses controlled by Warner Brothers have been combined with those of Twentieth Century, Fox, United Artists, and Metro-Goldwyn-Mayer, and other movie concerns, all of which control about 85 per cent of the popular music.

It is understood, however, that while the companies themselves are not behind Transcontinental at this time that executives of the movie producers are tied up with it. With such a reserve of acting talent and musical compositions behind it, the transcription organization is looked upon as having great possibilities.

Transcontinental is now soliciting station tie-ups with the lure of increased spot accounts based on transcriptions. A news service and reproduction of speeches of prominent persons is to form a part of the service.

Incorporated in Delaware November 1, 1935, Transcontinental has a capital stock of \$100,000, all of which has been subscribed. James E. Waddell, of San Francisco, is General Counsel, and it is said that former Senator C. C. Dill will be retained as Washington counsel.

Washington offices are in the Munsey Building, and the West Coast headquarters are at 729 Southwestern Avenue, Los Angeles, Cal.

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## BUTCHER'S CBS V-P APPOINTMENT PROVES POPULAR

Harry C. Butcher, Director of the Washington office of the Columbia Broadcasting System and General Manager of Station WJSV for the last five years, has been elected Vice-President of the network. The seventh CBS Vice-President, he will continue his present duties.

Mr. Butcher, who though one of the grey-beards of the industry, is now only 34 years old, and became interested in radio through his friend, Sam Pickard, then Radio Commissioner. When Sam left the Commission to go with Columbia, he wanted Harry to be his successor on the Commission but Charles McK. Saltzman was appointed to this position so Pickard suggested Butcher as Washington representative of Columbia and manager of their local station.

Mr. Butcher was happily cast in the position, having previously been the executive of a national trade association. He made many friends among the great and near great for Columbia in Washington. His walls are papered with autographed pictures of statesmen he has put on the air. Oddly enough one of his closest personal friends in the Capital represents the competing network, Frank Russell, Vice-President of the National Broadcasting Company. Butcher and Russell in their friendship have been likened to Damon and Pythias.

In addition to keeping an eagle eye on the legislative situation, Butcher has also developed along showmanship lines, one of his discoveries being Elder Michaux. Butcher made Michaux famous and Michaux made "Butch" an elder in the colored church. So when Mr. Butcher was elected a Director of the National Association of Broadcasters, high honors were not new to him.

Although others frequently predicted promotion, Butcher himself was taken completely by surprise when a few nights ago he received a personal telegram from William S. Paley notifying him that he had been made a full-fledged Vice-President of Columbia and offering him best wishes.

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## FARNSWORTH SEES TELEVISION ARRIVING WITHIN SIX MONTHS

The testimony of Dr. Frank B. Jewett, head of Bell Laboratories, before the Federal Communications recently notwithstanding, Philo T. Farnsworth, an authority on television research, predicts that visual broadcasting will be made available to the public within six months.

Dr. Jewett in a hearing on the coaxial cable, in which Farnsworth and RCA have expressed keen interest, stated that

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television is still in the future and not likely to attain a practical stage for several years at least.

"It is my opinion that within the next six months at least four television stations will be operating experimentally in the East under a limited program schedule", Farnsworth said at a private demonstration in Philadelphia.

Two of the stations would be in Philadelphia and two in New York, he said. While he made no mention of the coaxial cable, it is believed that the stations may have some hookup with it as the A. T. & T. proposes to build it between those two cities.

"At present I can see no real technical obstacles to television", he added. "Television's going ahead at a faster clip now than at any time in the past."

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#### BROADCASTERS AWAITING DEVELOPMENTS IN ASCAP-WB SCRAP

Broadcasters were still in the dark early this week as to what may develop in the muddled music copyright controversy between Warner Brothers and the American Society of Composers, Authors and Publishers.

James W. Baldwin, Managing Director of the National Association of Broadcasters, said December 3 that he had not yet ascertained what separate rates may be offered stations and networks by the Warner Brothers group of music publishers or whether ASCAP will present a reduced rate schedule because of the loss of the Warner Brothers music.

After submitting a detailed report of the copyright situation to members of the NAB Board, Baldwin wrote: "Developments in the ASCAP situation require that you hold yourself ready for a Board meeting to be called on short notice."

While ASCAP officials intimated that broadcasters could expect no reduction in schedules, some stations were reported ready to cancel ASCAP contracts just renewed on a 5-year basis, unless the rates are cut substantially and to take a chance on using Warner Brothers music alone or negotiating for a more favorable contract with ASCAP in the future.

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## AUTO RADIOS END "BACK--SEAT DRIVING", SAFER, SAYS GEDDES

The increasing number of radio receivers in automobiles should prove a deterrent to traffic accidents rather than otherwise, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association.

Radio reception in motor vehicles discourages "back-seat" driving and conversation, which are apt to distract the attention of the driver, he said, and it encourages drivers to drive more slowly and to refrain from cutting in and out of traffic lanes.

Attacking the proposed St. Louis ordinance to prohibit radios in motor vehicles, Mr. Geddes emphasized the safety features of an automobile radio set besides attacking the proposal as unreasonable and invalid.

After pointing out that State Motor Vehicle Commissioners and insurance companies have failed to unearth any instances of traffic accidents that could be attributed to the distraction of drivers by radio reception, Geddes said of the safety aspects:

"Excessive speed and reckless driving are conceded to be the principal factors causing motor accidents. Automotive-radio tends to and actually does reduce driving speed and, therefore, is a safety factor. Use of automotive-radio is incompatible with high speed driving, either in the city or on rural highways. This has been demonstrated by actual years and wide use of automotive-radio. Programs cannot be enjoyed while cars are speeding. Enjoyment of music, constituting fifty per cent or more of programs, and other broadcasting, naturally and automatically reduces driving speed. In the absence of automotive-radio, the operator's speed is qualified only by traffic conditions. To enjoy automotive-radio, the pressure for speed, to get somewhere, is reduced by compulsion as well as by natural desire. Speeding while the radio set is in operation is possible but neither practicable nor enjoyable, neither for the car operator nor for companions. A tendency to reduce speed and drive more slowly both in city traffic and on country highways so that radio programs may be properly received and enjoyed is the actual result in the actual use of automobile radio. The result is attested by millions of those who enjoy automotive-radio and also by officials who have made investigation, including those of Missouri.

"Another actual safety result of automobile-radio is that it keeps motorists alert in the operation of their cars and does not dull their perception and reactions. This is especially true in long periods of driving and at night. There are many instances of accidents due to drowsiness or sleepiness of the driver, particularly in the case of chauffeurs or truck drivers.

Auto-radio for the motor operator and also for any passengers tends to promote attention, wakefulness, interest and alertness. All of these are safety factors in driving.

"Also automotive-radio reduces or eliminates the recognized hazard of 'backseat driving'. It reduces disturbing conversation with the operator. It keeps the occupants of the car entertained and, therefore, more quiet, reducing disconcerting conversation. Nothing coming from a loud speaker of an auto-radio can be as disconcerting to the driver as conversation or acts of occupants which divert his attention from his driving job. An ordinance to prohibit 'backseat driving' would be just as reasonable, as logical, as unwise and as unenforceable as the pending bill.

"Automotive-radio also promotes steadier, easier and safer driving by reducing the hazards of cutting in and out of traffic lanes, a source of innumerable accidents especially in city traffic. When enjoying an automobile-radio the driver has less desire to unnecessarily rush and hurry, cutting in and out of traffic. He is less impatient of traffic delays.

"The rear-vision mirror of an automobile tends more to divert the attention of the driver by taking his eyes from the road than does the auto-radio. Much more attention to the rear-vision mirror is required and also in manual operation of the choke, windshield-wiper and gear-shift lever. The standard apparatus of car operation and control all require more eye and manual attention and tend as much or more to divert the attention of the operator than an auto-radio."

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#### EDITOR SAYS METAL RADIO TUBE IS HERE TO STAY DESPITE RUMORS

M. L. Muhleman, who handles the Radio Department of the Scientific American, has this to say of metal radio tubes in the current issue:

"There have been some nasty rumors relative to metal tubes, most of which hinged upon production difficulties which are now fairly well ironed out. With the exception of the 5Z4, which has been redesigned, and the 6A8, a few of which have developed trouble in service, the metal tubes are good.

"Three metal-tube receivers have been put through their paces. On the broadcast band, these sets are the equal of receivers using the glass tubes; on the short-wave bands the metal-tube receivers certainly appear superior. In any event, the metal tube is not to be sneezed at. It is here to stay."

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FOOL-AND-INSECT PROOF RADIOS NEEDED FOR INDIA, SAYS CONSUL

Radio receiving sets sold in India must be fool-proof and Insect-proof if they are to be successful, Vice Consul N. Lancaster, Jr., of Bombay, reports to the U. S. Bureau of Foreign and Domestic Commerce. While short-wave sets are becoming more popular with Europeans residing in India and Natives educated abroad, the modern receiver is still a mystery to the average Indian.

The Vice Consul lists three defects in "some American makes of radio receivers" sold in the Indian market as of interest to American manufacturers. The defects are:

"1. They are not properly tuned.

"2. They are not sufficiently fool-proof, and that frequently sets unsuitable for the tropics are sent, with the result they often prove unserviceable.

"3. The cabinets are flimsy and easily affected by climatic conditions here. Also that the cabinets are not built so as to be proof against insects. Very often insects such as cockroaches get into the sets and spoil the internal parts, which are not properly protected."

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BETTER RADIO ENTERTAINMENT SEEN FROM NEW RECEIVER DESIGN

New advances in radio set design will greatly improve the quality of radio entertainment this season, according to opinions of radio's leading technical experts as quoted in the November issue of "All-Wave Radio", a new short-wave magazine published by Manson Publication Corp., New York City. Among the experts quoted are Edwin K. Cohan, Director of Engineering of Columbia Broadcasting System, and C. W. Horn, Director of Research and Development of National Broadcasting Company.

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CURB ON ABUSE OF PUBLIC MEN ON RADIO LOOMS IN CANADA

As an aftermath of the recent elections, Canada is considering a curb on future broadcasts in which public personages are attacked, even in political campaigns.

Mackenzie King, the new Prime Minister, was stirred to wrath recently, according to the New York Times correspondent at Ottawa, by offensive statements made about him in a series of broadcasts in which a character known as "Mr. Sage" was the principal character. It developed he was an imported American actor. "In one of the sketches a Canadian girl was made to say that she would not get married if Mr. King became Prime Minister because her boy friend would not be able to make a living", the correspondent wrote.

"Stirred to wrath, Mr. King promised revision of the radio broadcasting regulations to prevent abuse of public men. This revision is now being made and it is proposed to ban all such propaganda in future."

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## CBS ISSUES NEW RATE CARD WITH OPTIONAL BASIC CITIES

The new rate card of the Columbia Broadcasting System, effective December 1, allows advertisers to select two of five "optional" basic network cities to make up the minimum requirement of 23 basic stations. The optional cities are Akron, Columbus, Rochester, Toledo, and Worcester, all listed at the same basic rate.

The card lists WJR, the new Detroit 50,000 watt outlet, and the new 10,000 watt WWL, New Orleans.

For the convenience of agencies and advertisers the cost of some typical hookups as used by various CBS sponsors are noted on the back of the rate card.

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## NBC TO OPEN NEW HOLLYWOOD STUDIOS DEC. 7

The National Broadcasting Company will formally open its new Hollywood studios on Saturday, December 7, before a brilliant gathering of stars of the screen, stage and radio. The ceremonies will be broadcast over a coast-to-coast NBC-WJZ network from 10:30 P.M. to midnight EST.

David Sarnoff, President of the Radio Corporation of America; M. H. Aylesworth, President of NBC; Will Hays, President of the Motion Picture Producers and Distributors of America; and Richard C. Patterson, Jr., Executive Vice-President of NBC, and Don Gilman, Vice-President of NBC in charge of the Western Division, will take part in the dedication.

NBC's new Hollywood studios are at 5515 Melrose Ave., in the massive building formerly occupied by the Consolidated Film Industries studio. It has been completely refinished along conservatively modern lines, and now is both fireproof and earthquake-proof.

All construction has been in accordance with the principles followed and developed in Radio City, and the latest technical, soundproofing and air-conditioning equipment installed. RCA apparatus is used throughout.

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## DAUGHTER OF PAUL KLUGH IS MARRIED

Paul B. Klugh, of Chicago, well-known leader in the radio industry, and Mrs. Klugh, have announced the marriage of their daughter, Miss Constance Mercer Klugh to Mr. Gordon Peirce Stearns at Newtown, Connecticut. Mr. and Mrs. Stearns will reside at The Playhouse, River Road, Rehoboth, Massachusetts.

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 ::: INDUSTRY NOTES :::  
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J. C. McNary, consulting radio engineer and Technical Director of the National Association of Broadcasters until a month ago, has purchased the consulting business of T. A. M. Craven, who on December 1 became Chief Engineer of the Federal Communications Commission. He will continue, however, to represent the clear channel group of stations, for which he took an indefinite leave of NAB.

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Newspapers recently employed radio-photo to carry an advertisement across the continent. Church & Dwight, Inc., (Arm and Hammer), of New York City, rushed an advertisement urging "Buy Baking Sode in the Original Container" to Pacific Coast newspapers as an investigation of a poisoned baking soda sale in bulk was under way by San Francisco officials.

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The National Association of Broadcasters has just issued a complete transcript of the proceedings of its Thirtieth Annual Convention at Colorado Springs last July.

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George Bijur, for the past year Director of Advertising and Sales Promotion of the Columbia Broadcasting System, who recently resigned to head his own organization specializing in advertising, publicity and sales promotion, will relinquish his present enterprise to become a Director and Vice-President of Fletcher & Ellis, Inc., well-known advertising agency. He will assume his new duties, in charge of the agency's creative departments, immediately.

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## DELAY SEEN IN REALLOCATION OF RADIO FREQUENCIES

The Federal Communications Commission's public hearings on either a general or limited reallocation of broadcasting frequencies appear to be getting vague as the reopening of Congress draws closer.

While a few weeks ago members of the Commission were predicting an early inquiry into the whole broadcasting setup, now they are explaining that it may be several months before any definite action is taken.

Herbert L. Pettey, Secretary of the Commission, went so far as to express his personal opinion that the whole reallocation plan "is as dead as a dodo bird". He admitted that the FCC engineering staff would continue its studies, but he added that the regional shake-up proposed by the engineers is already practically pigeon-holed. The report on clear channels, while formerly scheduled to be submitted this month, may be delayed several months.

All this soft-pedaling of reallocation rumors has put Washington political observers to wondering whether there is any connection between the Commission's purposeful dilatoriness and the approaching 1936 presidential campaign.

Pettey, who handled the radio work for the Democratic National Committee in the 1932 campaign, has his ear close enough to the political ground to know whereof he speaks when he minimizes the prospect of an early shake-up in broadcasting allocations.

Anning S. Prall, Chairman of the Commission, has made several visits to the White House recently although he has intimated that the conversations with the White House had to do with the telephone inquiry rather than broadcasting.

The present Administration is well aware of its dependence upon broadcasting networks and stations for success in the 1936 campaign. While the stations are required by law to make their facilities available to all political parties on an equal basis, there are numerous methods by which the dominant party can get in extra broadcasts that do not appear strictly political if it retains the goodwill of the broadcasters.

The Commission has a legitimate excuse for delaying action on the engineering proposals because Lieut. Commdr. T.A.M. Craven became Chief Engineer on December 1 and obviously needs some time to study the recommendations sent forward by his predecessor, Dr. C. B. Jolliffe.

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The FCC, by undue delay on the engineering proposals, is laying itself open, however, to attacks from at least two potent points. They are members of its own body and Congress.

Commissioner Irvin Stewart has already issued a blast against the policy of the FCC Broadcast Division by calling attention to the domination of the clear channels by the networks. And, while Chairman Prall was inclined to belittle the outburst on the ground that the FCC engineers have been studying the problem for months, Stewart knows that he has an excellent talking point that would appeal to any number of Congressmen.

Another member of the Commission who is a thorn in the flesh of the Broadcast Division is George Henry Payne, who has been making systematic attacks on the program standards of commercial stations in an obvious lure for support of the educators.

Whether the newly-formed Radio-Education Committee will be able to forestall his systematic campaign for reform by adoption of a modified program for greater utilization of broadcasting facilities by educational groups is conjectural.

The great hope of the Federal Communications Commission is that Congress will be so occupied with disposing of more urgent legislative matters in order to return home for an early reelection campaign that it will not have time to delve into the complicated problem of radio broadcasting.

By adhering to its vague plan of holding public hearings on reallocation proposals sometime in the early Spring, the Commission may be able to forestall any attacks from Capitol Hill at the next session.

Broadcasters, while puzzled somewhat by the undercover movements in the Commission, are taking no chance on losing their holdings.

The clear channel group of stations is hard at work mapping a defense so as to be prepared if and when hearings are called. J. C. McNary, consulting radio engineer, who has resigned from the National Association of Broadcasters, is representing these stations.

These and other stations are set to get in on the ground floor should the Commission decide to remove the restriction on power to 50,000 watts so that they may be among the first regularly licensed super-power outlets.

That decision, too, however, is likely to be delayed for several months.

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## RADIO CONTINUITIES DIMINISH ON SECOND FTC EXAMINATION

Less than three per cent of the radio continuities examined by the Special Board of Investigation of the Federal Trade Commission from July 1, 1934, to September 30, 1935, were finally held questionable enough to be submitted to the Commission for action.

Disturbed somewhat by the misleading interpretation placed on the FTC annual report, the Commission has released subsequent figures, not carried in the annual report, to show that only a small portion of the continuities laid aside for further examination were finally submitted for action.

As explained by Joe L. Baker, Assistant to the Chairman of the Commission, there were 52,621 continuities reviewed by the Board during the 14-months period.

Of this number 42,512 were laid aside for further investigation as being "possibly misleading". Upon second examination, however, it was found that only 1,347 were questionable enough for consideration by the full Commission.

Baker had no record showing final disposition of these cases, but it is presumed that at least some of them were dropped by the Commission itself. In many other instances the advertisers agreed to stipulations altering their form of continuities.

The Trade Commission reiterated its view that there has been a "general improvement" in the advertising in radio newspapers and magazines.

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## IMMIGRATION BUREAU LATEST U. S. AGENCY TO EMPLOY RADIO

The United States Immigration Bureau is the latest Federal agency to employ radio in carrying out its duties. A 200-watt radio telephone transmitter has been installed at Detroit as an experiment. Messages are broadcast every half-hour to bureau cars and boats in the Detroit district.

Attaches of the border patrol said that the radio communication already has been instrumental in thwarting several illegal entries as well as liquor smuggling from Canada.

Similar equipment will be installed along the southern border and the remainder of the northern border as soon as money can be obtained, according to Col. D. W. MacCormack, U. S. Commissioner of Immigration.

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## PRALL SAYS GOVERNMENT-OWNED RADIO WOULD KILL FREE SPEECH

Government ownership or operation of broadcasting stations would "point the way to the suppression of free speech", Anning S. Prall, Chairman of the Federal Communications Commission, said in an address December 5 at a radio luncheon of the New York City Downtown Athletic Club.

The FCC Chairman also praised commercial broadcasting stations for cooperating with the Commission in its efforts to raise program standards and forecast beneficial results from the newly-formed Radio-Education Committee.

"Proposals have been advanced for government ownership or operation of broadcasting in the United States", he said. "These propositions have grown out of the fact that in most other important nations radio is government controlled. It is my view that government-owned broadcasting has no place in our democratic form of government. To give any administration control of the air would possibly point the way to the suppression of free speech. In every other nation having government broadcasting, it has been found necessary to tax the people to defray the operating overhead. The enormous operating expense of American broadcasting on its present scale would greatly add to the general tax burden.

"Last Summer, President Roosevelt took occasion to comment on American broadcasting. Addressing himself to the nation's broadcasters coincident with their annual convention, he said,

"'I have previously expressed my very great faith in the American system of broadcasting. Recent events have increased rather than diminished that faith. Censorship has not, and cannot, invade the ether lanes. It is not the American way.'

"That, in my opinion, is a forthright expression from our Chief Executive as to his views on American broadcasting. I am in full accord with it.

"We have given much thought and consideration to the possibilities of education by radio. Two conferences, occupying several weeks' time, have been held by the Commission for the specific consideration of this subject, and we are contributing as far as possible to the complete development of a definite, practical and workable plan for the extension, expansion, and modernization of education by means of radio broadcasting. There is a fertile field for such modern methods in this direction, and the universal demand for a broader use of radio for educational purposes increases as time goes on and as modern mechanical improvements mark the progress of the possibilities of radio and make its application to greater educational uses possible.

"In order that a concrete, definite plan for education by radio may be developed, the Commission has appointed a

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representative committee, composed of both educators and broadcasters, to study the educational question in full detail and report to the Commission. Dr. John W. Studebaker, United States Commissioner of Education, will serve as Chairman of this committee.

"Much of our time has been devoted to clearing the air of obnoxious programs. We are forever beset with complaints regarding the quality of programs, and I assure you the Commission is determined to improve the program standards of every broadcast station. Many unscrupulous broadcasters have permitted their stations to be used by high-powered salesmen to present fraudulent claims while advertising quack medicines, while others have indulged in fortune-telling, astrology, and lotteries, which have found many gullible victims because of misrepresentations made and over-statements presented in the broadcast. In these efforts the Commission, I am happy to say, has had the unqualified support and cooperation of the better class of stations throughout the country, and we believe we will soon have arrived at a point where such misrepresentations will be the exception rather than the rule and that the standards of broadcasting will have reached a degree of excellence to which we may point with pride."

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#### CBS GETS NEW SHORT-WAVE LICENSE TO PREPARE FOR TELEVISION

Not to be caught napping when television and ultra short-wave broadcasting do definitely arrive, the Columbia Broadcasting System has obtained a permit from the Federal Communications Commission to operate a 50-watt experimental station atop its New York headquarters building.

The CBS explained in an official statement that the purpose of the station is to study distortion effects of extremely high frequencies, but it is believed that the network doesn't want the National Broadcasting Company to get ahead of it should television suddenly jump out of the experimental stage into the field of public entertainment.

The Radio Corporation of America has already made arrangements to start experiments with television from atop the Empire State Building early next year.

The CBS station is W2XDV and is operating on 35,600 kc. on a daily schedule from 5 to 10 P.M.

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## NAB DIRECTORS TO MEET ON ASCAP PROBLEM IN N.Y. DEC. 9

With the music copyright situation becoming daily more confusing, the Board of Directors of the National Association of Broadcasters has been summoned by James W. Baldwin, Managing Director, for a meeting in New York City on Monday, December 9.

The decision to call the meeting followed a poll of Directors by telegraph which resulted in the sending of counter-acting telegrams of advice to stations members.

After the Directors had voted 10 to 9 favorably, Baldwin sent telegrams to member stations urging them to wire acceptance of the June 17 offer of the American Society of Composers, Authors and Publishers to Alfred J. McCosker, then Chairman of the Copyright Committee.

A short while later two Directors changed their votes and forced the Board to reverse its previous action as the vote changed from 10 to 9 for to 11 to 8 against the advice already dispatched to broadcasters. As a consequence subsequent telegrams were dispatched advising the stations to do nothing pending a full discussion of the matter and action by the Board.

The ASCAP offer of June 17 was to allow the licensed broadcasting stations and networks to renew their licenses for a 5-year period on the same terms of 5 per cent of gross receipts plus a sustaining fee.

So far neither ASCAP, with its smaller catalogue of music, nor Warner Brothers, with its four music publishing houses, has made an overture to the NAB regarding new schedules of rates for the divided musical compositions.

"Warner Bros. will make no move to treat with the independent stations until it has found out from NBC and CBS what the networks propose to do about taking out a license for the use of music controlled by the WB publishing firms starting Jan. 1", Variety says in its current issue.

"While Warner Bros. is awaiting the networks' response to an invitation to a conference and the indie station men are looking to the National Association of Broadcasters for guidance, directors of the Society are showing signs of having reconciled themselves to the permanency of the WB schism by talking about reducing expenses. It has already been suggested that the salaries paid Gene Buck and E. C. Mills, President and General Manager, respectively, be substantially clipped. Mills is getting \$50,000 and Buck \$35,000. Sentiment prevailing among the directors is that all of ASCAP's extra resources will be needed if it is decided to engage Warner Bros. in a legal showdown."

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RADIO-EDUCATION COMMITTEE FORMED; ANNOUNCEMENT IS WITHHELD

While the membership of the Radio-Education Committee is authoritatively reported to be complete, announcement of the personnel is being withheld pending a decision on the form of release by members of the Broadcast Division of the Federal Communications Commission.

The Committee, of which Dr. John W. Studebaker, U. S. Commissioner of Education, is Chairman, is expected to solve the problem of providing sufficient educational and cultural programs on broadcasting stations and networks to satisfy the educators and yet not encroach too much on the valuable time of the broadcasters.

Forty invitations were sent out several weeks ago by the FCC to educators and broadcasters over the country, and it is understood that most of them were accepted. In a few instances, however, notably Dr. Robert M. Hutchins, President of the University of Chicago, educators have asked to be relieved.

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CUBA CLEARS ETHER WAVES FOR BETTER RECEPTION FROM U. S.

Because of complaints from listeners that certain good foreign programs on long wave bands were being interfered with or shut out by local Cuban stations, the Directory of Radio of the Cuban Department of Communications has issued a decree which bars Cuban broadcasters from five frequencies.

The American stations which will benefit from this decree by better reception in Cuba, according to U. S. Consul W. N. Walmsley, Jr., of Havana, are:

WFLA, Clearwater, Fla.; WEAJ, New York; WLW, Cincinnati; WGST, Atlanta, Ga., and KDKA, Pittsburgh. Station XEAI, Mexico, D.F., which operates on 1,090 kc., also benefits from the decree.

Consul Walmsley said that only one Cuban station, CMCX, which operated on 660 kc. with 150 watts, was directly affected by the decree.

The new law requires that stations in any one province cannot broadcast simultaneously on frequencies less than 29 kilocycles apart as compared to the 10-kilocycle separation enforced in this country.

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## CANADIAN MANUFACTURERS GIVE HINTS ON IMPROVING RECEPTION

"Improving Your Broadcast Reception" is the subject of an address to be delivered under the auspices of the Canadian Radio Manufacturers' Association at 10:30 P.M., EST, on Tuesday, December 10, over the Canadian Broadcasting System's national network.

The program may be heard over long-wave stations, CKOC, Hamilton, Ont. (1,120 kc.), CRCO, Ottawa (1,210 kc.), or CRCT, Toronto (840 kc.) or short-wave stations CRCX, Toronto, (6,090 kc.) or CJRO (6,150 kc.) and CJRX (11,720 kc.), Winnipeg.

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## PETTEY NON-COMMITAL ON RUMOR HE MAY AID FARLEY IN '36

Herbert L. Pettey, Secretary of the Federal Communications Commission, thinks it's too early to determine whether he will return to the Democratic National Committee to take charge of radio broadcasts during the 1936 campaign.

In answer to rumors to this effect he said that he had not been invited to resume the job yet, but he intimated he would be willing to when asked.

It was because of Pettey's work in conjunction with radio stations and networks in the 1932 campaign that he was given the job of Secretary of the FCC.

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## NEW SANTA ROSA (CAL.) STATION RECOMMENDED BY EXAMINER

A permit for construction of a new broadcasting station at Santa Rosa, Cal., to operate on 1,310 kc. with 100 watts power and unlimited time, was recommended for granting by Examiner Ralph L. Walker to the Federal Communications Commission this week. The application was filed by Arthur Westlund and Jules Cohn, both young men and residents of Oakland, Cal. There is no station now nearer than Eureka, 177 miles from Santa Rose, outside of San Francisco, 55 miles away, and Sacramento.

Denial of the application of William S. Thellman, of New Castle, Pa., for a construction permit to operate on 1420 kc. with 100 watts daytime, was recommended by Examiner Melvin H. Dalberg.

An increase in nighttime power from 500 watts to 1 KW was recommended for WGST, Atlanta, Ga., by Examiner P. W. Seward. Paul D. P. Spearman, a former counsel of the Federal Communications Commission, appeared for the applicant.

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## U. S. MAKERS SELL HALF OF SETS BOUGHT IN EGYPT

United States makes accounted for half of the radio receiving sets imported into Egypt in the first eight months of this year, a report to the Commerce Department from its commercial attache at Cairo shows. During the corresponding period of 1934, the share of the United States was recorded at 57 per cent.

By far the best selling radio receiving set in Egypt is the Philips, a Dutch product, according to the report. This one make, it is pointed out, accounted for 30 per cent of total radio imports into the market in the January-September period of 1935, which compares with 20 per cent in the similar period of last year.

The success of the Philips radio in the Egyptian market, the report states, is chiefly due to the fact that it maintains its own organization in the country and is able to allow extensive credit facilities to its dealers who in turn grant liberal credit terms to their customers. Dealers receive the sets from the local Philips organization on a consignment basis and pay for them with drafts received from customers. This method, it is pointed out, naturally induces local dealers to give preference to Philips over American or European radios, which usually require cash terms.

Almost all the most important American manufacturers are represented in Egypt and one of them is following the method employed by Philips but to a much lesser extent in securing the largest percentage of sales, the report states.

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## PAYNE TO DELIVER 4TH BLAST DEC. 16 AT SYRACUSE UNIVERSITY

Federal Communications Commissioner George Henry Payne, who has already assailed commercial broadcasting, radio programs, and the past record of the old Federal Radio Commission in three speeches at educational institutions, will deliver his fourth blast on December 16 at Syracuse University.

Following this address, Commissioner Payne is expected to set forth his proposed remedies, which include a definite allotment of time for educational and cultural programs on all stations and fixed adoption of fixed program standards by the FCC for measurement of station applicants for new facilities or license renewals.

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INDUSTRY NOTES

Trial of the Fred Waring suit against WDAS, Philadelphia, for unauthorized broadcasting of his phonograph records was postponed from December 5 to the week of December 12 before Judge Harry S. McDevitt in Common Pleas Court.

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The American Olympic Committee is reported looking for a sponsor to broadcast try-outs in the United States. Both NBC and CBS have made arrangements to pick up the international contests from Berlin next year.

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E. P. H. James, Advertising and Sales Promotion Manager of NBC, reports that the NBC has been forced to change its rate card to include WOOD, Grand Rapids, Mich., in the EST time zone. The confusion arose from the fact that the Interstate Commerce Commission lists the State of Michigan, with the exception of Detroit, in the Central Standard Time Zone, while the residents of Michigan observe the EST schedule.

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The Milwaukee Journal has started a series of neighborhood demonstrations of facsimile broadcasting and reception from its short-wave transmitter, W9XAG, on the roof of the Hotel Schroeder.

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A radio interference eliminator is now standard equipment on a food mixer manufactured by the Hamilton Beach Co., Racine, Wis.

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BROADER SOUTH AMERICAN MARKET SEEN IN I. T. & T. TESTS

"Practically the entire South American continent may be made available to American manufacturers for network broadcasting as the result of a series of experiments which the International Telephone and Telegraph Co. proposed to undertake shortly after the first of the year", according to Variety.

"The purpose of the tests will be to determine what stations in the various S. A. countries can be hooked up by a shortwave signal emanating from Buenos Aires, Argentine. Behind the South American network idea is the Conquest Alliance Co. an American firm specializing in foreign station representation.

"By directing the shortwave signal northwest by south-east I. T. & T. engineers believe they will be able to reach every country but Chile from a transmitter in Buenos Aires. It would then be up to the stations designated by the commercial as composing its network to pick up these programs and rebroadcast them by long wave. Through this directional wave the engineers anticipate no difficulty in covering all of Argentine, Brazil, Bolivia, Peru, Uruguay, Ecuador, Paraguay, Columbia and Venezuela, Omission of Chile is not looked on by Conquest as important enough to warrant arranging for an individual relay. Station time in that country now sells for an average of \$2.50 a quarter hour.

"As Conquest has it figured out, an advertiser could have one of these all-continental hookups on the basis of an hour a week for an annual cost of \$30,000. This would cover all station time plus the toll for short-wave transmission."

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

KABR, Aberdeen Broadcast. Co., Aberdeen, S. Dak., CP to make changes in antenna and move transmitter locally; KRLH, Clarence Scharbauer, Midland, Tex., Mod. of CP approving antenna frequency monitor and transmitter site, and make changes in eqpt; WTAL, Florida Capitol Broadcasters, Inc., Tallahassee, Fla., license to cover CP, 1310 kc., 100 w. unlt'd; WFBR, The Baltimore Radio Show, Inc., Baltimore, Md., license to cover CP for auxiliary transmitter; KDON, Richard Field Lewis, Del Monte, Cal., license to cover CP as modified, 1210 kc., 100 watts, unlt'd; WPAD, Paducah Brdcstg. Co., Inc., Paducah, Ky., license to cover CP to move transmitter, 1420 kc., 100 w., night, 250 w. day, unlt'd; WNAX, The House of Gurney, Inc., Yankton, S. Dak., authority to determine operating power by direct measurement of antenna; WTAQ, WHBY, Inc., Green Bay, Wis., Mod. of CP to make changes in eqpt. and extend commencement date to 30 days after grant and completion date to 180 days thereafter.

KWTO, KGBX, Inc., Springfield, Mo., Mod. of Lic. to change name of station from KGBX, Inc., to Ozarks Broadcasting Co.; KRKD, Radio Broadcasters, Inc., Los Angeles, Cal., license to cover CP modified to make changes in eqpt. and increase power, 1120 kc., 500 w. night, 2½ KW day, S-KFSG; WPTF, WPTF Radio Co., Raleigh, N. C., CP to move auxiliary transmitter from Raleigh to Cary, N. C.; WFBR, The Baltimore Radio Show, Inc., Baltimore, Md., CP to make changes in auxiliary equipment and increase power of aux. eqpt. from 250 watts to 500 watts; WIL, Missouri Brdcstg Corp. St. Louis, Mo., CP authorizing installation of new equipment; NEW, Memphis Commercial Appeal, Inc., CP (B/c Pickup Service), freqs. 31100, 34600, 37600, 40600 kc., 5 watts; New, Bamberger Brdcstg. Serv. Inc., Newark, N.J., CP (Exp. Gen. Exp. Misc. Serv), freqs. 31600, 35600, 38600 and 41000 kcs., 1 KW; New, General Electric Co., Portable-Mobile Schenectady) CP (Exp. Gen. Exp.) freqs. 31100, 34600, 37600, 40600 kc., 15 watts.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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December 10, 1935.

## RADIO INDUSTRY KEEPS HANDS OFF IN BUSINESS-BERRY ROW

Both of the major branches of the radio industry - the broadcasters and the manufacturers - kept hands off December 9 as business leaders from varied industries engaged in a row with Maj. George L. Berry, coordinator for industrial cooperation, in a meeting in Washington.

Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, attended the morning session as a spectator but made it clear that his organization was taking no part in the move to revive a substitute for the NRA.

The National Association of Broadcasters had formally refused to participate and James W. Baldwin, its Managing Director, was not even present as a spectator because he was attending a Directors' meeting in New York City.

Washington correspondents covering the all-day session generally agreed that a majority of the business men attending had declined to cooperate in the formation of an industrial council to outline future policies. Labor organizations, however, seemed inclined to aid Major Berry.

In a radio speech following the turbulent meetings at which the lie was passed, Major Berry stated that he intended to go ahead with the idea of forming an industrial council despite the opposition of most organized industries.

On an elaborate chart which set forth the meeting places of representatives from various industries, radio was scheduled to meet at a room in the Shoreham Hotel. So far as could be learned, however, no one showed up for the conference, further emphasizing radio's lack of interest in the undertaking.

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## ST. LOUIS COMMITTEE FAILS TO REPORT ON AUTO RADIO BAN

Adding credence to the belief that the ban on auto radios proposed by the St. Louis Police Commissioner, Maj. A. J. Lambert, has been pigeon-holed, the Public Safety Committee of the Board of Aldermen failed to make a report at a fortnightly meeting of the City Council on December 6.

While a report may be forthcoming later, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, who led the fight against the proposed ordinance, expressed the belief that the ban will never be ordered.

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EXCISE TAXES, LABOR REPORT REFLECT PROSPERITY OF RADIO

An increase of 129 per cent in the radio excise taxes collected by the Internal Revenue Bureau and a rise of 19.2 per cent in radio factory employment reflect the prosperity the radio manufacturing industry is now enjoying.

During October, according to the latest official report of the Internal Revenue Bureau of collections of the 5 per cent excise tax on radio and phonograph apparatus, radio manufacturers paid \$643,440.02 as compared with \$280,699.11 during October, 1934. This did not include excise taxes on automobile radio which are not separately reported and are included among automobile accessories taxable at 2 per cent. For the ten months' period ending October, 1935, the total excise taxes collected on radio and phonograph apparatus were \$3,134,941.04, compared with \$2,490,099.01 during the same ten months of 1934, an increase of 25.9 per cent.

The September report of the Labor Department shows an increase of 19.2 per cent in radio factory employment over August and, although seasonal, it evidences the large annual increase in radio employment, payrolls and production.

The 19.2 per cent increase is comparable with an increase of only 15.9 per cent over radio employment during September, 1934. During September there was an increase of 154.9 in employment over the official three-year average of 1923.25.

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PROGRAMS BROADCAST IN 29 LANGUAGES IN U. S.

Although the United States can't compare with Europe as a Babel of Tongues, radio programs are broadcast in 29 languages in this country, preliminary results of a survey being made by the Conquest Alliance Company show. The data are being obtained from querying stations.

Italian is the leading foreign language indicated in the returns, with German, and Spanish next. These three, with French, are the foreign tongues most broadcast. The number of languages, as well as some of them, were quite surprising, those taking in such as Icelandic, Croatian, Welsh and Athenian. Others were Polish, Lithuanian, Russian, Yiddish, Norwegian, Swedish, Serbian, Danish, Hungarian, Greek, Slovak, Bohemian, Portuguese, Ukrainian, Dutch, Syrian, Finnish, Mexican, Hebrew, Scandinavian and Austrian.

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## NEWSPAPER ORGAN RAPS PUBLISHERS FOR ATTITUDE ON RADIO

Predicting the day when the radio broadcasting industry will be dominated by newspaper interests, Newsdom, a newspaper published for newspapers, in its current issue devotes much space to criticizing the attitude of many publishers who still fight radio as a rival in the fields of news and advertising.

"Today the publishers of the country represent the largest single group of radio station owners", the paper states, "and it is only a matter of time when the radio industry will be dominated by the newspaper interests."

Newsdom denies the contention of anti-radio publishers that the broadcasting of news cuts into the circulation of newspapers.

"Despite the claims of those who maintain that newspaper circulation has suffered because of news broadcasting, figures compiled by Newsdom conclusively show that these claims are without foundation", it states.

"In all but a few isolated cases newspapers increased their circulation during the year. And this in the face of the so-called radio threat advanced by those publishers who refuse to admit that benefits are derived from radio.

"The broadcasting of news has been a stimulus to the circulation departments of practically all the newspapers. Tremendous circulation gains were obtained as the result of the radio flashes of the Roger-Post crash. The increase in the circulation on the day of the catastrophe ranged from 25 to 35 per cent - a feat impossible with all the extra boys in the world on the streets."

The publication also carries signed stories by H. V. Kaltenborn, news commentator, and James Stewart, a staff writer, praising the manner of news broadcasts.

"Radio news broadcasting is kept clean, impartial and above all is kept exceedingly accurate" Stewart writes.

"Publishers and editors communicating with Newsdom in the past few months have been either misinformed or have obtained false impressions of the radiocast of news."

Kaltenborn, in recalling that he predicted two years ago that the Press-Radio Bureau would fail, forecasts that it will be "either completely transformed or abandoned" when it comes up again for renewal next Spring.

"Radio provides the press with a new and larger opportunity to stimulate cumulative interest", he said. "Has broadcasting football games reduced gate receipts? Has newspaper

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circulation declined since broadcasting began? Radio advertising has had an enormous pickup from December, 1934, to December, 1935. Has newspaper advertising lineage failed to keep pace? Of course not,

"Smart publishers use radio instead of ignoring or fighting the broadcasters. They serve their readers by publishing news about radio programs and personalities. They serve themselves by persuading radio stations to give them time on the air.

"Every publisher can easily develop one or more daily radio programs which will both appeal to listeners and advertise his newspaper. He does not need to own the station. He need only realize the community of interest between the local station and the local newspaper."

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#### CHILE ABSORBS MANY U.S. RADIO SETS DURING THE DEPRESSION

When the depression kept down radio receiver sales in this country a year or so ago, Chile proved an excellent market for American manufacturers, Consul R. S. McNiece, stationed at Valparaiso, reported to the Department of Commerce.

Total imports of radio receiving sets into Chile during 1934 amounted to 189,984 kilograms valued at \$477,350. In the first nine months of 1935 imports totaled 157,028 kilograms valued at \$392,888. These latter figures record an average monthly importation of 17,447 kilograms and if imports are continued on the same scale during the remainder of the year, the total imports for 1935 will exceed those of the preceding year, the report states.

Approximately 95 per cent of the radios imported into Chile are of United States origin.

There is reason to believe, the Consul said, that the Chilean market for radios has nearly reached the saturation point and it is likely that in the future there will be a leveling off of the demand.

The strong demand of the past two years is noteworthy when consideration is given to the fact that the population of the country is only four and one-half million and that the depreciation of the currency has made imported articles unusually expensive in terms of pesos, the report states.

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## NO GREAT BENEFITS SEEN FOR RADIO IN CANADIAN-U.S. TREATY

The United States radio industry is not likely to benefit greatly from the new reciprocal trade treaty between this country and Canada, according to opinions received from both American and Canadian manufacturers by Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association.

American parts and accessory manufacturers and, to some extent, tube makers, promise to be the principal beneficiaries, according to information obtained by Geddes.

"Radio tariffs in the new treaty will be reduced about one-sixth", said Mr. Geddes, "and additional reduction will be effected by the promised modification by Canada of the arbitrary valuation plan heretofore in effect. However, neither American nor Canadian manufacturers regard the new treaty as a material benefit to American manufacturers.

"The treaty provides a reduction in Canadian import rates from 30 per cent to 25 per cent ad valorem, or about one-sixth, on 'electric wireless or radio apparatus and parts.'

"The one-sixth reduction in the Canadian tariff on radio sets is not expected to materially increase American set sales in Canada. The Canadian set manufacturers are well protected by their radio patent license organization. Licenses of American manufacturers do not provide for sales in Canada, where set manufacturers must secure separate Canadian licenses. Several American manufacturers have virtually Canadian branch factories and these, together with Canadian set manufactures, will be benefited by their ability, under the new treaty, to secure cheaper American parts and accessories. The reduced tariff on American radio parts and accessories, therefore, promises to be the principal result of the new treaty so far as the American industry is concerned."

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## SARNOFF SEES NO TELEVISION FOR PUBLIC EARLIER THAN 1940

Despite reports of notable progress in television experiments and the optimistic predictions of Philo T. Farnsworth, Philadelphia inventor, and others, David Sarnoff, President of the Radio Corporation of America sticks to his story of last Spring that visual broadcasting for public consumption is still a few years off.

Mr. Sarnoff is being widely quoted in the press, which apparently is eager to delay television as long as possible, fearing another rival in the fields of news and advertising.

The New York Times and the North American Newspaper Alliance on December 9 carried a copyrighted interview with the RCA President in which he predicted the arrival of television within five years but not much before 1940.

"Television is now in about the stage that sound-broadcasting was when we were still using earphones instead of loud-speakers", Sarnoff is quoted by the NANA.

The newspapers' newspaper, Newsdom, states in its current issue that its "investigators" have attended all sorts of television demonstrations during the last year "and examination of their reports disclose that the most sane statements have come from David Sarnoff, President of the Radio Corporation of America."

Owen P. White, writing in the November 30th issue of Colliers, adduces from an interview with Sarnoff "that it will probably be quite a while yet before a television set that is of real value to the public is on the market". He quotes Sarnoff as saying:

"In the laboratory sense television is here, but as a system for the transmission of pictures, it is not here, nor is it around the corner."

A similar view was expressed by Sarnoff as early as May 7, 1935, in a report to his stockholders. At that time he also emphasized that television, when it does arrive, will not supplant sound broadcasting but rather supplement it.

Nevertheless, RCA, along with other radio manufacturers, is going ahead with its experiments in television and plans to launch new experiments from a station atop the Empire State Building early next year.

The RCA is also on the ground floor in its request for permission to experiment with visual broadcasting on the coaxial cable as soon as the Federal Communications Commission decides how this new development of the Bell Laboratories is to be regulated.

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#### GERMAN STATIONS USE RECORDED PROGRAMS EXTENSIVELY

Radio programs of a mechanical nature, or recorded programs as they are called in this country, are used extensively in Germany, a report to the Commerce Department from its Berlin office states.

The three main systems used for sound recording for radio broadcast purposes are: (1) reproduction on records,

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(2) reproduction on sound films, and (3) reproduction on magnetized steel ribbon. All three systems are in constant use and, although they vary in performance, each one seems admirably fitted for certain distinct purposes.

In all of these systems, German radio authorities have been working to develop the greatest possible reliability of service, the smallest possible distortion, the greatest possible clearance of strays, and the longest possible duration of playing time. Technicians are keeping a very careful check on the efficiency of the various types of recording, the report states.

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#### CURTAILMENT OF CANADIAN RADIO COMMISSION SEEN

Restriction of the powers of the Canadian Radio Commission, if not its abolishment, and the slackening of present curtailments on radio advertising, are predicted by a Canadian correspondent.

The new Canadian government, the correspondent says, is considering the whole problem of broadcasting. One of the proposals studied is the levying of a stamp tax on radio tubes instead of the present \$2 license fee on receiving sets.

"Abolition of the Canadian Radio Commission, or at least the splitting of this Federal-appointed body's functions, is being pressed by Canadian national advertisers as well as those whose parent companies are in the United States", the correspondent states. "Claim is that the majority of stations have an absolute monopoly of the air in their own area, that the three line companies controlling means of transmitting programs are charging exorbitant rates, and that station and line rates must be lowered.\* \* \*Proposal is to allow the Canadian Radio Commission, if it must stay in existence, to remain a regulating body insofar as supervising rules under which stations operate, keeping the ether clear of interference, and aligning wavelengths that will give Canadian listeners comprehensive coverage.

"Belief of the previous administration that advertising was obnoxious in a policy of nationalized radio and should be prohibited to the extent that radio revenue should be just such as to operate the government stations after taking the \$1,500,000 license-fee revenue into consideration, is supplanted by the new government's attitude that added radio revenue is needed from commercial sources and that present restrictions must be made more reasonable."

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## ARCTURUS INTRODUCES METAL TUBE LINE

The Arcturus Radio Tube Company, Newark, N. J., announces its "Coronet" Metal Tube line, utilizing a new and exclusive principle in receiving tube structure. It is claimed that the "Coronet" seal in these tubes enables the application of the manufacturing technique perfected by the industry over the past 28 years.

"By using the tried and proved advantages of the vacuum tube art in the manufacture of "Coronet" metal tubes, the inherent weaknesses of the original metal tube are overcome," a statement from the Arcturus Company goes on. "This special construction also results in a material reduction of the input and output capacities and makes possible uniformity in inter-element capacities. A special process has been developed to permit proper bombardment of the inner elements to the temperature necessary to dispense with residual gas troubles. The "Coronet" seal also precludes the possibility of shorts between wires and ground.

"In addition to the foregoing advantages of Arcturus "Coronet" metal tubes, the manufacturer claims that they have more dependable vacuum than the original metal tube; lower operating temperatures permitting closer arrangement of chassis components; rugged structure eliminating metallic sleighbells and resulting in quiet operation.

"The types already in production are 5Z4, 6A8, 6C5, 6F5, 6F6, 6H6, 6J7, 6K7 and 6L7."

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## CBS SPONSORS RUN THROUGH ALPHABET IN NOVEL ADVERTISEMENT

Reproducing an advertisement that will appear in the January issue of Fortune, the Columbia Broadcasting System has sent out a huge folder listing its sponsors in alphabet fashion, together with their length of sponsorships, etc.

On the back of the folder CBS asks and answers "Six fundamental questions about radio". They are: "Just how big must a network advertiser be?", "Can radio sell this and that?", "What about radio in the daytime?", "And radio the year-round?", "Ah, and what about mortality?", "Choice of networks?"

The novel advertisement was prepared under the direction of Victor M. Ratner, Advertising and Sales Promotion Department.

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Holding that libel per se was indicated in the complaint, Superior Judge J. T. B. Warne on December 5 overruled a motion for a judgment on the pleadings in the \$500,000 action brought by KNX against the Los Angeles Times and ordered the trial to proceed. The action grows out of a bitter Press-Radio war of a year and a half ago, when KNX was criticized in a Times editorial for refusing to subscribe to the Press-Radio Bureau service, taking Transradio instead.

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The application of the Shenandoah Valley Broadcasting Corporation, Harrisonburg, Pa., to transfer control from Marion K. Gilliam to Ralph C. Powell was returned by the Federal Communications Commission on December 7 at the request of counsel for the applicants.

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The Federal Trade Commission announces that John P. Winnecour, of Chicago, trading as Economy Tire and Radio Co., has agreed to stop selling radio sets marked "Victor" in any way to deceive buyers into believing that the products so marked are the output of the RCA-Victor Manufacturing Co., of Camden, N. J.

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Noting that the firm of E. Katz, newspaper representative, is "making a bid for the radio sales representation", Variety says: "It has caused a flurry among the other newspaper reps and they are hurriedly calling special meetings to decide whether or not to follow the lead of the Katz organization in the radio rep invasion."

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The December 14th issue of Editor & Publisher will be devoted to the topic of discussion, radio and the press. Among the subjects to be covered are:

"What, and why, is the value of news as a radio commodity?", "With 20 daily papers applying for stations - and more coming - what will be the result of legislative efforts to divorce the press from radio?", "Whose idea was governmental radio control - where is it heading?", "What are the chief values of a broadcasting station as a newspaper department?" "Radio's big 1935 boom", "Air aims of the chain newspapers", "Pioneering in high frequency", "New ways to disseminate news without the rotary press", "What will the 1936 session of Congress do on communications questions?"

Sales of automobile radios have passed the million mark for the first time and will probably reach a total of 1,100,000 for the year, according to an estimate to be published in the forthcoming December issue of Radio Retailing. This compares with a total of 780,000 sets sold last year.

According to the same authority the total retail value of auto radio sets sold this year will exceed \$53,000,000, while the total retail billings for auto radios in 1934, including tubes, was \$32,500,000 indicating a gain of 64 per cent in retail billings this year.

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#### RADIO WAVES POP CORN IN G. E. EXHIBITION

Mystifying tricks and novelties with light, sound, electricity and radio were shown last week at a preview of the House of Magic in the General Electric Building, New York City.

The demonstrations, accompanied by non-technical descriptions by William A. Gluesing of the General Electric Company, were similar to those shown at the Century of Progress in Chicago and at the San Diego Exposition.

Some of the demonstrations, looking like magic, but actually the result of scientific research, showed how corn could be popped by the use of radio waves generating a high heat yet failing to warm the vessel containing the popcorn; how stroboscope light makes rapidly moving objects appear to stand still and how the "electric eye" transfers the music of a phonograph record from one talking machine to another by projecting it over a beam of light across the stage.

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#### RADIO DEVICE SEES THROUGH FOG AT SEA

Two French engineers have constructed and perfected a device by the means of which obstacles at sea can be detected in fog or darkness. This device is based on the principle of the reflection of radioelectric waves. It is placed forward on the ship and by a rotation movement covers the space ahead within a fairly wide angle.

The experiments made on board the S.S. "Normandie" have been fully satisfactory. The apparatus is so sensitive that even an obstacle as small as a fishing boat was detected within a radio of 3 kilometers and a buoy at 1,500 meters.

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## NEW PROGRESS IN CONQUEST OF RADIO FADING SEEN

Evidence of new progress in the conquest of radio fading, one of the principal obstacles in effective short-wave communication, is presented in the current issue of Science by Dr. Harry Rowe Mimno of Cruft Laboratory, Harvard University.

Supporting the evidence presented recently by Dr. J. H. Dellinger, Chief of the Radio Section of the U. S. Bureau of Standards that fading periods are predictable on the basis of the rotation periods of the sun and that sharp fading cycles of fifteen minutes duration occur at intervals of two periods of the sun's rotation (fifty-four days) - Dr. Mimno went a step further by presenting records tending to show that the fading cycle noted by Dr. Dellinger occurs regularly every sun rotation of twenty-seven days.

Dr. Dellinger recently gathered data with which he accurately predicted the recurrence of a fifteen-minute period of strong fading that came on Oct. 24. He deduced this from the fact that other disturbances appeared on March 20, May 12, July 6, and Aug. 30. The peak of the fading occurs in daylight on the illuminated side of the globe.

Dr. Mimno, in Science, asserts that continuous automatic records of short-wave reception are indispensable to the exhaustive study of the phenomenon. Dr. Dellinger's theories, he said, are in general supported by records made in 1933 of radio echoes reflected from the ionosphere. He says it is unfortunate that no continuous automatic records could be obtained during the 1935 period, covered by Dr. Dellinger's report.

"During the past sixteen months the Federal Communications Commission has repeatedly postponed the rephrasing of certain obsolete regulations limiting the use of automatic apparatus which effectively block the continuation of fundamental research", Dr. Mimno writes. "The Commission freely admits that the ancient clause in the regulations has no engineering justification whatever when extended to our new experiments, and has therefore repeatedly promised remedial action. Already an important part of the sun-spot cycle has been completely lost by governmental decree.

"At the peak of the disturbance, transmission conditions are changing so rapidly that it is difficult to imagine that any long-distance short-wave communication could be successful, though the interruptions might be so brief that they would escape casual observation.

"Until the apparent double period of 54 days, indicated by Dr. Dellinger's 1935 communication records, is further substantiated, we prefer to consider that it is somewhat fortuitous and that brief intervening disturbances at the 27-day points may have escaped observation. In any case, it is probable that the 1935 'storm' has lasted about as long as it is likely to endure, and that further extensions of the sequence of dates need not be expected."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

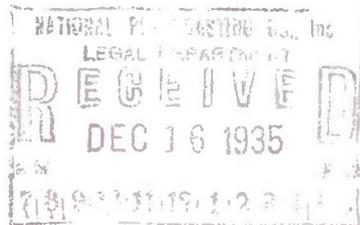
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No. 885

*Excluded no #886*  
*letter of May 14, 1937*  
*from D. R. Lawrence*  
*L. M. ...*  
*P.*



## U. S. EXPERT SEES MARVELS IN THE WAKE OF TELEVISION

A preview of what may follow in the wake of television was given by Andrew W. Cruse, Chief of the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce, in an address December 12 before the combined engineering societies of Schenectady, N. Y.

Among the possibilities he outlined are:

Elimination of noise by "sound conditioning" of dwellings, factories, hospitals, and public buildings.

Transmission of celestial scenes picked up by giant telescopes at widely divergent points, thus greatly aiding astronomical studies.

Utilization of television high speed transmission by communications companies.

Military and naval observation service, immediate transmission to headquarters of war scenes photographed from airplanes, and the silencing of gun fire.

Facilitation of under-water salvage operations with the assistance of illumination strong enough to permit a rapid search of the sea floor without endangering the lives of human divers.

Cruse suggested that "sound conditioning" of dwellings "may some day become as common as air conditioning through the simple expedient of placing microphones around the room, each feeding into an amplifier and thereby immediately producing a sound track on the retina of an iconoscope which as scanned would actuate an oscillator in such a fashion as to produce an out-of-phase frequency on the same level dampening the original actuating sound or noise frequency.

"Think that one over", he said, "and perhaps with development we may be able to secure zero sound level - a silence so profound you could not hear a pin drop! What an accomplishment that would be. Silent machinery without sacrificing mechanical efficiency - silent hospital rooms with windows open, silent gun fire, and I might even go so far as to say silent conference rooms and silent lecture halls."

Astronomy may benefit greatly from the development of television, he said, because of the possibility of viewing the current aspects of heavenly bodies, not only as shown by modern telescopes, but with the binocular effect resulting from the

simultaneous use of two telescopes which might be situated as much as a thousand miles apart. It would enable astronomers to study to better advantage heavenly events such as eclipses. This would also enable astronomers to gather for observation and analysis occurrences that now can be viewed from only a small portion of the earth.

The benefits of television to communications companies, Cruse pointed out, lie in the possibilities for speedier transmission. Since laboratories can now handle 60 complete pictures per second and a message could be sent complete in one picture, the 3,600 pictures a minute would greatly outstrip the present transmission speed.

Defensive use of television by armies in the field was described as being particularly helpful in revealing weak points in the offensive maneuvers. Under the plan, television "camera's" or iconoscopes would be concealed along the line of retreat and convey by wire to headquarters or to a radio transmitter for broadcasting to headquarters, actual pictures of what might be happening to the rear of retiring troops. Observation planes could fly at higher altitudes in greater safety if the observations were made by means of iconoscopes trailed far below, viewing the ground for radio transmission to tactical headquarters.

The under-water salvage operations phase suggests, he said, the possibility of scanning the bottom of the sea as the salvage ship steams on at high speed, thereby increasing vastly the territory that can be covered in search of wrecks. The service also would facilitate the exploration of new discoveries.

Quieting the fears of Hollywood that television might put the movies out of business, Mr. Cruse predicted that the new visual art would "make the motion picture industry a bigger and better industry than it has ever in its wildest dreams hoped to be."

He pointed out that the total of output and imports of films for the U.S. constitute just enough for a few hours daily entertainment. He said that at the present stage of development, television does not respond to the social purposes for which people attend the movies, but that it offers possibilities for greatly increasing theatre patronage. The necessity for perfect performance of television artists, in contrast to the retake possibilities in the motion picture industry will require the development of a higher type of talent, he added, which will result in the increase of more first class performers for the motion picture screen.

Recalling his tour of England, Germany, France, and Holland last Summer to study European television first hand, Mr. Cruse expressed confidence in the "ability of our engineers to keep this country fully abreast of other countries in this field."

In England he found work proceeding on two high definition television transmitters to be installed in Alexandra Palace, London, and scheduled to begin transmissions next March. British Post Office officials revealed ultimate plans for the erection of twelve visual broadcasting transmitters to cover the principal population centers of Great Britain. Four of five of these, they said, will be in service by the end of 1937.

"The confidence and optimism of the prospective manufacturers of television receivers is reflected in their estimate that 50,000 of these sets will be in service at the end of 1936 and from five to ten times that many more by the end of 1937", he said.

Mr. Cruse noted significantly the transfer of television experiments from the German-owned broadcasting system to the German War Ministry. The transfer "undoubtedly would not have been accomplished", he declared, "if it were not the purpose of the German government to recognize and utilize television as a very important branch of aviation, particularly military aviation."

The original German television plan called for construction of twenty-five 20 KW ultra short-wave transmitters, which will cover all of Germany.

France is striving to catch up with England and Germany in television experiments and is now working on a 10 KW transmitter for the Eiffel Tower. It is scheduled for service by March, 1936. Research is being carried on also in Russia, Italy, and Japan.

"The question which I am most frequently asked is, 'When are we going to see television over here?'" Mr. Cruse concluded. "Approximately 27 experimental television transmitters have already been licensed by the Federal Communications Commission, but I think it will be some time before we can hope to parallel our present broadcasting networks with a similar network of visual transmitters. Work is progressing rapidly, however, and I believe that within the next twelve months we may see experimental television transmissions on a fairly large scale in at least one of our centers of population.

"Television on a commercial scale - serving millions of people in all or most, of our large population centers will not, I am sure, materialize within five years. In this connection I think that within the very near future this new television industry of ours - which will probably become known as the Sixth Estate - will have to do something with regard to a program of standardization in order that the pioneer observers will be given some assurance that their receiving sets will not become obsolete before they get them out of the packing cases in which they are delivered."

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## ASCAP ADVISES USE OF W-B MUSIC; BROADCASTERS MAY DROP IT

With the Directors of the National Association of Broadcasters in recess until Monday, December 16, awaiting developments in the muddled music copyright situation, broadcasters were admittedly in a dilemma as January 1st approaches with the scheduled withdrawal of the Warner Brothers' music publishers from the American Society of Composers, Authors, and Publishers.

Members of the NAB, it was learned from a reliable source, are disposed to stop using all Warner Brothers' music after January 1st despite advice from E. C. Mills, General Manager of ASCAP, that any broadcaster holding a contract with ASCAP will be entitled to continue using the W-B compositions.

After two days' session, Monday and Tuesday, the NAB Directors left a delegation in New York City to continue conferences and to await developments. This delegation comprised Arthur Church, of KMBC; H. K. Carpenter, WHK; Joe Maland, WHO; Ed Allen, WPHR, and ex-officio members, James W. Baldwin, Managing Director of NAB, and Leo Fitzpatrick, Chairman of the Copyright Committee.

The delegation called on Mr. Mills last Tuesday and then reported back to the Board. ASCAP takes the position, it was authoritatively reported, not only that Warner Brothers cannot legally withdraw from the Society, but that many of its composers are under life contracts with ASCAP.

Mr. Mills also is understood to have told the Directors that ASCAP controls 1,200,000 musical compositions and has 1,000 new ones coming in daily, whereas Warner Brothers holds but 25,000 titles.

Considerable litigation appears almost inevitable at this stage, but broadcasters are reported to be obtaining the list of W-B controlled music so as to avoid using it after January 1st and thereby evade any possible damage suits. A reliable informant predicted that few, if any, will sign separate W-B contracts.

The Columbia Broadcasting System, it was learned, is already making up its advance sustaining recordings without W-B music as they will be released after the first of the year.

Because of the attitude of ASCAP, it is not likely that reduced rates will be offered broadcasters despite the withdrawal of Warner Brothers.

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12/13/35

## CONGRESSMAN'S HOME TOWN MAY GET STATION

The Federal Communications Commission this week was advised by its Examiners to authorize construction of a 100-watt station in Abilene, Texas, the home town of fiery Representative Thomas L. Blanton, and to grant another 100-watt station permit providing the station does not link itself with a network.

After listening to the arguments of Matthew Blanton, son of the Congressman, Examiner John P. Bramhall recommended that the Reporter Broadcasting Co., of Abilene, be granted a permit to operate on 1420 kc. with unlimited time. He advised denial of a similar application by William O. Ansley, Jr.

Chief Examiner David G. Arnold, in recommending the granting of a construction permit to Clark Standiford, of Visalia, Calif., attached the unusual condition "with the understanding that the station is to remain a local station and not engage in chain broadcasting."

The report explained that Visalia gets no local service at present and that its closest station is KMJ, Fresno, Calif., which devotes about 75 per cent of its time to CBS and Don Lee chain programs.

The frequency requested is 1310 kc. with unlimited time and 100 watts power.

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## QUICK SALE OF WJR STOCK POINTS TO MORE PUBLIC OWNERSHIP

The rapidity with which the 28,065 shares of \$5 par stock in WJR, Detroit, were gobbled up at \$26 a share when placed on the Stock Exchange by W. E. Hotton, stock brokers, is expected to result in other stations following the lead and more widespread public investments in broadcasting outlets.

As listeners acquire substantial interests in broadcasting outlets, public opposition to government-ownership of the ether frequencies will proportionally increase, broadcasters believe.

WJR gained 400 new stockholders by the sale, the average purchase being 70 shares. The block of shares went on sale at 10 A.M. and was sold out by noon.

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12/13/35

WATER DAMAGES FCC OFFICES IN EARLY MORNING P. O. FIRE

The offices of Anning S. Prall, Chairman, and Herbert L. Pettey, Secretary of the Federal Communications Commission, were badly damaged by water and smoke early this morning (Friday, December 13) when fire broke out in the Interstate Commerce Department files on the sixth floor of the new \$10,000,000 Post Office Building.

Commission officials said that no valuable papers or records were damaged but the furnishings and incidental papers of the two offices were ruined. The records in the telephone investigation escaped damage as they were not in that section of the building.

The fire started around midnight and was not brought under control until about 5 A.M. Damage was estimated at \$300,000.

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RADIO PERSONALITIES AT SEASON'S FIRST WHITE HOUSE DINNER

Among the guests at the first official dinner in the White House as the National Capital opened its social season were "Amos 'n' Andy", listed on the social list as Mr. Charles C. Correll, with Mrs. Correll, and Mr. Freeman T. Gosden, with Mrs. Gosden. The dinner was in honor of the President's Cabinet.

William S. Paley, President of the Columbia Broadcasting System, and Mrs. Paley, and Col. Sosthenes Behn, President of the International Telephone & Telegraph Co., and Mrs. Behn, were likewise the guests of President and Mrs. Roosevelt.

"Amos 'n' Andy" had to leave the White House in the midst of the party to meet their 11 o'clock broadcast over NBC for Western listeners. They were put on the air by Carlton Smith, of Washington NBC studios. After the program they returned to the White House.

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## POLITICAL SCRAP SEEN IN TEXAS FIGHT OVER STATION TRANSFER

A fight that has developed over the proposed removal of Station KGKO from Wichita Falls to Fort Worth is interpreted in Washington as a political contest for control of Texas broadcasting in which members of Congress and other leaders in the State Democratic organization are taking sides.

The Federal Communications Commission at first granted the request of Amon Carter, prominent Texas politician and newspaper publisher, to move the station and then subsequently scheduled a hearing on it in Texas in January because of vigorous objections. Carter already controls two stations in Fort Worth. KTAT, another Fort Worth station, operated by the Southwest Broadcasting Co., raised the first official protest.

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## BRITISH VISITOR ASSAILS USE OF RADIO FOR PROPAGANDA

Felix Greene, representative of the British Broadcasting Company, in New York, deplored the use of broadcasting facilities abroad, in a luncheon address this week at the Radio Institute of Audible Arts gathering at the Bankers Club, New York City. He suggested that radio should be used properly to foster amity and good-will among the nations.

"Radio's use should be for the very reverse of mass suggestion, to stimulate men's minds to free and individual thought", he said. "To use its power otherwise is to my mind a prostitution of its rightful purpose. If broadcasting as a means of propaganda within the boundaries of the State has already become a reality, it will not be long before it is used as a means of national propaganda directed at countries lying beyond the boundaries of the State."

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## STEEL RIBBON USED TO RECORD FRENCH PROGRAMS

A new recording scheme for broadcasters has been tried successfully in France. Recently the speech made at the League of Nations by Mr. Pierre Laval was put on the air by all the French radio stations utilizing for the first time a new system by which programs can be recorded not only on records as has been heretofore done, but on a steel ribbon allowing an unbroken performance of long programs. The Recording Center is connected with all French stations, as well as with the newly created "Centre d'Ecoute". Since the new device has been put into regular use on the Paris P.T.T. station, three broadcasts of the morning newspaper news are given.

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## SEES SELECTIVE NEW SETS REVIVING OLD DX'ING

Because the newer radio receiving sets have achieved a high standard of selectivity and tone fidelity, Paul S. Ellison, of the Hygrade Sylvania Corporation in the New York City office, believes that they will revive interest in long distance listening and that newspapers should be encouraged to carry more programs of independent distant stations.

"The radioindustry today is putting out the most selective and sensitive sets which have ever been built", Mr. Ellison declared. "Moreover, advanced engineering design in both broadcasting and receiving apparatus has greatly increased the degree of fidelity with which programs may be heard.

"All of which is preliminary to saying that I think people can be encouraged to get a lot more pleasure from their sets and use them more than they are at present."

Mr. Ellison thinks, for instance, that a listing of the stations carrying all football games during the season would be particularly valuable to listeners as many fans would be more interested in tuning in on their alma mater's game than on one of the Big Ten.

Citing the findings of the Cooperative Analysis of Broadcasting by Crossley, that there is a distinct falling off of listening about 10 P.M., he says:

"In fact, in many areas this falling off begins at 9:30. Aside from people's ordinary retiring habits, it is probably largely due to the cessation of important chain programs.

"Let us leave our public on the point of going to bed and consider that in almost every large city there are feature programs which are not put on the chains and which are immensely popular locally. In some cases, this may be a high-class musical organization such as the Minneapolis Symphony and other symphony groups. It may be a humerous dialogue feature or it may be a well-known dance band. The vicarious thrill of the DXer made radio commercially successful in the days when programs were poor. I believe that this DXing interest can be revived, if the public is told about high-spot programs from stations within the range of their radios but not in the local area to which they usually listen."

From the standpoint of a newspaper, Mr. Ellison is of the opinion this should be a very acceptable feature, since it means that the radio set owner will learn to consult his newspaper more frequently and for longer periods, thereby increasing its effectiveness as an advertising medium.

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"I do not need to point out how desirable increased listening would be to both the radio manufacturing industry and the broadcasting interests", Mr. Ellison concluded.

"Of course, the idea in connection with football games is only one phase of the larger thought outlined above. All of our large colleges have alumni groups in every State, as well as thousands of people who follow their teams for other reasons. A graduate of Michigan, living in New York, may not be at all excited about a game between Princeton and Navy, but he would give anything to hear a broadcast of the Michigan-Ohio State game, etc., etc."

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#### ST. LOUIS STATION IS KEY FOR RELIGIOUS NET OF 7 OUTLETS

Station KFZO, owned and operated by the Evangelical Lutheran Church, St. Louis, Mo., is the key station for "The Lutheran Hour", which is carried every Sunday afternoon over a network including seven additional stations. It is the only religious station in the world with such an extensive hookup, according to Rev. Herman H. Hohenstein, Director.

"The Lutheran Hour", a 30-minute program consisting of a religious message and sacred music, is available to 75 per cent of the country's population on the basis of the coverage of the network. It is carried at 12:30 P.M., CST, in St. Louis, Chicago (WJJD), and St. Paul (KSTP), and at 1:30 P.M. EST, in Cincinnati (WLW), Cleveland (WGAR), Detroit (CKLW), Pittsburgh (WCAE), and New York (WINS).

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#### WARING-WDAS SUIT GETS UNDER WAY

The trial of the suit of Fred Waring, orchestra leader, against WDAS, Philadelphia, got under way December 12 before Judge Harry A. McDevitt in the Court of Common Pleas. The action is an initial move sponsored by the National Association of Performing Artists, an organization of stage and radio celebrities, of which Mr. Waring is president. The issue is whether the station has the legal right to broadcast phonograph recordings under ASCAP contracts without the specific authorization of the artist.

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12/18/35

APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WCAZ, Superior Broadcasting Service, Inc., Carthage, Ill., CP to move transmitter site locally in Carthage, and make changes in equipment; KWK, Thomas Patrick, Inc., St. Louis, Mo., CP to make changes in equipment, move transmitter from Kirkwood to outside city; WPRP, Julio M. Conesa, Ponce, P. R., Mod. of CP to extend completion date from 12/18/35 to 1/18/36; WIS, Station WIS, Inc., Columbia, S. C., Mod. of CP to extend completion date from 12/10/35 to 2/10/36; WFMD, The Monocacy Broadcasting Co., Frederick, Md., Mod. of CP approving composite equipment; WMEAN, A. M. Rowe, Inc., Fairmont, W. Va., MOD. of CP approving transmitter and studio sites, make antenna changes, extend commencement date to 30 days after grant and completion date to 180 days thereafter; WEST, Asso. Broadcasters, Inc., Easton, Pa., Mod. of CP for antenna changes and approving transmitter site at Williams Township, Pa.; KBTM, W. J. Beard (Beard's Temple of Music), Jonesboro, Ark., license to cover CP, frequency 1200 kc., 100 w. daytime.

Also, WCOL, WCOL, Inc., Columbus, Ohio; license to cover CP, 1210 kc., 100 watts, unlimited time; KWG, Portable Wireless Tel. Co., Inc., Stockton, Cal., license to cover CP, 1200 kc, 100 watts, unlimited time; WHFC, WHFC, Inc., Cicero, Ill., Mod. of license to change specified hours to add one additional hour operating time from 7 to 8 A.M., Sundays only; WDZ, James L. Bush, Tuscola, Ill., Consent to voluntary assignment of permit and license from James L. Bush to WDZ Broadcasting Co. (freq. 1070 kc., 100 w. daytime only; CP for 1020 kc. 250 w. daytime); WDZ, WDZ Broadcasting Co., Tuscola, Ill., Mod. of CP to make changes in equipment, extend commencement date to 30 days after grant and completion date to 180 days thereafter; KUOA, John Brown University, Fayetteville, Ark., consent for transfer of control of KUOA, Inc., by number of shares of stock (200) from Roberta Fulbright, Helen Fulbright, Douglas and Roberta E. Fulbright to John Brown University.

Also, WNEL, Juan Piza, San Juan, P. R., CP to make changes in equipment and increase power from 500 w. night and day to 1 KW night, 2½ KW day; KTRH, KTRH Broadcasting Co., Houston, Tex., CP to make changes in equipment; KGVO, Mosby's, Inc., Missoula, Mont., Mod. of CP to extend completion date from 12/16/35 to 1/16/36; KFRC, Don Lee Broadcasting System, San Francisco, Cal., authority to determine operating power by direct measurement of antenna power; KMBC, Midland Broadcasting Co., Kansas City, Mo., license to cover CP, heretofore set for hearing, 950 kc., 1 KW night, 5 KW day, unlimited time.

Also, New, Oregon State Agr. College, Portable-Mobile (Corvallis, Ore.) CP (Exp. Gen. Exp.), freqs, 31100, 34600, 37600, 40600 kc., 5 watts; New, WTAR Radio Corp., Portable-Mobile (Norfolk, Va.); New, National Broadcasting Co., Portable-Mobile (New York City), CP and license (Exp. Gen. Exp.) freqs. 31100, 34600, 37600, 40600 kc., 20 watts; Radio Station WSCC, Inc., Portable-Mobile (Charlotte, N.C.) and The Reynolds Radio Co., Inc., Portable-Mobile (Denver) CP (Exp. Gen. Exp.), freqs. 31100, 34600, 37600, 40600 kc., 2 watts and 1 watt respectively.

ACTION ON EXAMINERS' REPORTS

New, Quincy A. Brackett, Lewis B. Breed & Edmund A. Laport, d/b as Connecticut Valley Broadcasting Co., Springfield, Mass., granted CP for new station to operate on frequency 1140 kc., 500 watts, limited time, sustaining Examiner Melvin Dalberg, Order effective Feb. 4, 1936; New, Worcester Broadcasting Co., Inc., Worcester, Mass., denied CP for new station to operate on 1200 kc., 100 watts, unlimited time. Examiner Dalberg sustained; New, Hartford Broadcasting Co., Inc., Hartford, Conn., denied CP for new station to operate on 1200 kc., 100 watts, unlimited time, sustaining Examiner Dalberg; New, The Hartford Times, Inc., Hartford, Conn., granted CP for new broadcast station to operate on 1200 kc., 100 watts, daytime only, sustaining Examiner Dalberg. Order effective February 4, 1936; New, Oklahoma Press Publishing Co., Muskogee, Okla., granted CP for new broadcast station to operate on 1500 kc., 100 watts, unlimited time, subject to Rules 131, 132 and 139; Examiner John P. Bramhall sustained; Order effective Feb. 11, 1936.

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## SOME RECENT NEW COLUMBIA BROADCASTING BUSINESS

The Pompeian Co., Bloomfield, N. J., started Dec. 2, 1935, Mon. Wed. & Fri., 4:45 to 5 P.M. EST; Network; 26 stations coast to coast; Originates Hotel Ritz Carlton, Palm Room, N. Y.; Program: Tea at the Ritz: Harold Stern's orchestra, Margaret Santry, interviews; Jerry Cooper, baritone; Agency: Topping & Lloyd, Inc., New York;

Mohawk Carpet Mills, Inc., Amsterdam, N. Y. (Renewal) Started Dec. 9, 1935; Air time: Mon. to Fri. 12:45 to 1 P.M. EST, network of 22 stations coast to coast; Originates WABC; Program: Five Star Jones; Agency: Blakett-Semple-Hummert, Inc., New York.

Ford Motor Co., Dearborn, Mich., Lincoln-Zephyr cars, started Dec. 1, Sun. 2:30 to 3 P.M., rebroadcast 5:30 to 6 P.M., EST; network of 43 stations coast to coast; Originates Detroit, Mich.; Program: Jose Manzanares and his South American Orchestra with Delores; Agency - N. W. Ayer & Son, Inc., New York City.

D. A. Schulte, Inc., New York, Schulte Retail Stores and Schulte products; started Dec. 3, 1935, Tues., Thurs., 7:15 to 7:30 P.M. EST, network of 16 stations; Originates WABC; Program: Rube Goldberg, Vera Van and Waldo Mayo's orchestra; Agency: Frank Presbrey Co., New York City.

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Representative Sirovich (Democrat), of New York, is quoted by the Associated Press on December 10 as accusing three groups of leading electrical corporations as holding a corner on certain patents. He listed the three groups as: (1) Western Electric, Bell Laboratories, and Electrical Research Products Corp.; (2) General Electric and Westinghouse; and (3) Radio Corporation of America.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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December 17, 1935

ICKES CITES AID OF RADIO IN INTERIOR DEPARTMENT REPORT

The aid given by networks and broadcasting stations, particularly in publicizing the national parks, is noted by Secretary Harold L. Ickes in his annual report for the Interior Department, released on December 16. *etc etc*

In the section dealing with the National Park Service, the report reads:

\* "Probably the widest publicity given to the national parks and monuments during the past year resulted from the expanded radio programs. Through the courtesy of the National Broadcasting Company, a series of 14 Nation-wide broadcasts was given in the late Spring and early Summer, with half-hour programs. The Secretary of the Interior opened the series; Mrs. Roosevelt gave an interesting talk on practical phases of park trips, such as the safety of horseback riding and desirable costuming; and officials of cooperating Federal bureaus joined National Park Service officials in the discussion of many phases of park work. The Marine Band cooperated by playing on 6 of the programs, the Navy Band on 1, and the Army Band on 1. Vocal selections on several of the programs were given by Civilian Conservation Corps enrollees.

"Under the auspices of the State Chamber of Commerce and the Federal Business Association of California, several radio talks were given by officials of the National Park Service in the West during the months of April, May, and June.

"In addition to the Nation-wide and other special broadcasts, a series of 20 mimeographed talks on specialized park subjects was prepared in the Washington office of the National Park Service and sent to more than 200 radio stations requesting such material." *end*

*Continued* The U. S. Office of Education calls attention in its report to the weekly educational program carried by NBC.

"Interest was manifest in numerous requests for copies and for further information on the subjects of each broadcast", the report states. *end*

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## WARING-WDAS SUIT TAKEN UNDER ADVISEMENT BY COURT

The injunction suit brought by Fred Waring, leader of Waring's Pennsylvanians, against WDAS, of Philadelphia, on the ground that the station improperly broadcast his records without paying him directly, was taken under advisement by Judge Harry S. McDevitt in Common Pleas Court after a brief hearing.

Theatrical producers, composers and publishers, song-writers, orchestra conductors, musicians and restaurant managers flocked to the witness stand to give testimony in the suit. The National Association of Broadcasters was allowed to intervene as a party interested.

It was argued on behalf of Mr. Waring that the merit and popularity of many musical productions have been destroyed by indiscriminate playing of the pieces by inferior orchestras and their broadcasting from records.

While the orchestra leader was on the witness stand, the defense attempted to show that the composers and the leader had divested themselves of any right in the records made by RCA Victor Company because he had for several years made records for the Victor Company, for which he was paid, under contracts by which he assigned all his rights therein to that company.

The defense called no witnesses, but rested on copies of the contracts referred to and submitted briefs on technical questions of law involved. It was admitted that there was no special legislation on the subject to guide the court.

Whether successful or not in this litigation, the National Association of Performing Artists, of which Mr. Waring is President, will seek an amendment to the Copyright Act, similar to that now in force in several foreign countries, where the interpreter is given protection similar to that provided the copyright owner.

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## REA TO FINANCE WIRING OF FARM BUILDINGS

Of interest to radio manufacturers is the announcement that the Rural Electrification Administration will finance the wiring of houses and other farm buildings in areas where rural line construction is making electricity available. Details are obtainable at the Washington headquarters of the REA.

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## SCHUETTE ORGANIZES SHORT-WAVE INSTITUTE

To stimulate the development of short-wave radio by fostering the public interest in international broadcasting, radio telephony, radio telegraphy and television, the Shortwave Institute of America was organized in Washington, December 16th with offices in the National Press Building. The President of the Institute is Oswald F. Schuette, well known to the radio industry.

"Five million shortwave radio sets are in use in American homes and it is estimated that 5,000,000 more will be sold in 1936", Mr. Schuette said in announcing the formation of the Institute. "About 100 shortwave stations of recognized international importance are broadcasting daily. At present, however, there are no facilities for the dissemination of their complete programs. It will be one of the purposes of the Shortwave Institute to provide a clearing house for these schedules and to arrange for their distribution to set owners.

"One of the greatest achievements of wireless telegraphy", in the opinion of Mr. Schuette, "was the fact that it made possible direct communication between the United States and each of the civilized countries of the globe.

"Radio telephony has the same opportunity for direct communication and, in addition, the enormous advantage of enabling the people of one country to speak directly, by word of mouth, to the people of another.

"This direct communication has been achieved even more dramatically by today's short-wave broadcasting. Short-wave set owners in the United States can listen, in their homes, to daily broadcasts of the voices of these distant lands. In this way, radio bids fair to create a universal language and therein lies the greatest possibility for true international understanding", he went on.

"With the achievement of television, shortwave radio communication will be the most powerful single influence in modern civilization. Its possibilities are unlimited. The scientific achievements which it has to its credit are but the beginning of an art whose influence on the future of our civilization no one dares to estimate."

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## WPA TO FINANCE TWO NEW TOWERS FOR NEW YORK CITY'S WNYC

The Works Progress Administration will furnish funds for construction of two 304-foot radio towers for Station WNYC, New York City's municipal radio outlet. The towers will be located in Brooklyn at the site of the old Greenpoint ferry terminal.

Plans for the project, which will cost \$54,000, include erection of a one-story brick and stucco building, with basement, to house the radio transmitting, control, and operating equipment.

WNYC is now on the 25th floor of the Municipal Building in Manhattan, but it is being removed because tall buildings in the vicinity cause a loss in coverage and reception.

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## RADIO LEADERS DINE WITH GRIDIRONERS

Those from the radio and allied industries invited to the December Gridiron Dinner in Washington were:

M. H. Aylesworth, President National Broadcasting Company; Gene Buck, President, American Society of Composers; Louis G. Caldwell, formerly General Counsel of the Federal Radio Commission; Vincent F. Callahan, National Broadcasting Co., Washington; James G. Harbord, Radio Corporation of America; Frank C. Page, International Telephone and Telegraph Company; George Henry Payne, Federal Communications Commissioner; F. M. Russell, National Broadcasting Company; Anning S. Prall, Chairman of the Federal Communications Commission; David Sarnoff, President, Radio Corporation of America; Eugene O. Sykes, Federal Communications Commission.

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## TWO NORTH DAKOTA STATIONS RECOMMENDED BY FCC EXAMINER

Construction permits for the establishment of two 100-watt broadcasting stations in North Dakota, one at Jamestown and the other at Williston, were recommended this week in reports submitted by Examiners to the Federal Communications Commission.

The applications favored were filed by the Roberts-MacNab Co., of Jamestown, for permission to use the 1310 kc. wave with unlimited time, and by D. A. Gibbs, Jr., and E. H. Shemorry, of Williston, for the 1500 kc. channel with specified hours.

Favorable action also was recommended on the applications of WJAR, Providence, R. I., for authority to increase its power from 250 watts nighttime and 500 watts daytime to 1 KW on its same frequency of 890 kc. The Examiner attached a condition that a directional antenna be required so as to protect other stations.

At the same time, KARK, Little Rock, Ark., which operates on the same channel, was recommended for an increase in power from 250 watts nighttime and 500 watts daytime to 500 watts nighttime and 1 KW daytime.

Denials were recommended for the following applicants for new facilities: Chicago Broadcasting Association, seeking 1500 kc., with 100 watts, unlimited time; Washington Broadcasting Co., Washington, Pa., 1350 kc., 250 watts, daytime; D. B. Sutton, Miami, Fla., 1210 kc., 100 watts, unlimited time; Pat Whitaker, Tampa, Fla., 1370 kc., 100 watts, unlimited time; St. Petersburg Chamber of Commerce, St. Petersburg, Fla., 1310 kc., 100 watts, unlimited time.

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#### APPELLATE COURT ORDERS INJUNCTION IN "NEWS PIRACY" CASE

The United States District Court at Seattle was ordered December 16th by the Ninth Circuit Court of Appeals to enjoin Station KVOB, Bellingham, Wash., from "pirating" news gathered by the Associated Press, former Senator C. C. Dill, of Washington, counsel for the station was informed.

Senator Dill said that he would await instructions from the KVOB management before proceeding, but he predicted that the case will be carried to the United States Supreme Court in view of the fact that the station won the decision of the trial court, which denied the Associated Press an injunction.

Circuit Judge William Denman, in holding that the taking of wire service news and broadcasting it in sponsored programs is unfair competition, said in part:

"The first amendment of the Federal Constitution has recognized the public function of the press in the provision for its freedom.

"While no constitutional right is here involved, this constitutional recognition emphasized the exceptional character of the right which is sought to be protected in a Federal Court sitting in equity.

"When the Constitution speaks of the freedom of the press, it refers to the freedom of private and non-government persons or bodies, engaged in news gathering and dissemination, from interference by governmental agencies. That is to say,

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that the public function in the gathering and dissemination of news is presumed by the Constitution to be in private hands.

"Under our capitalistic system, this means that news distribution as a public function will be in large part by business men acting under the inducement of the profit motive.

"The public, therefore, has an interest in protecting the business of news gathering and disseminating agencies against the impairment of their efficiency by the inevitable reduction of their business income through the misappropriating of news prior to the expiration of the time during which the Supreme Court has held there exists in it a 'quasi property' interest."

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#### BETTER CHILDREN'S PROGRAMS, BROADER RURAL OUTLOOK ARE NOTED

Improvement in the content and quality of radio programs for children and development by the farmer of a broader point of view through radio are noted in surveys just published by the Radio Institute of the Audible Arts, founded by the Philco Radio & Television Corporation.

The survey of children's programs was conducted by the Radio Committee of the Child Study Association of America under the direction of Mrs. Sidonie Matsner Gruenberg, Director of the Association.

While stressing the need for a "more creative approach" to the possibilities of radio as a medium of education and entertainment, the Committee reported "distinct evidence of efforts to improve the radio's offerings along the lines demanded by an increasingly informed public."

Among the recommended children's programs which the Committee felt met its suggested standards of emotional emphasis, good taste, truthfulness, attitudes and sentiment, language and quality, and advertising, were the following: Singing Lady, Billy and Betty, Bobby Benson and Sunny Jim, Buck Rogers in the Twenty-Fifth Century, Popeye the Sailor, Let's Pretend, Girl Scouts, and Junior Radio Journal.

Among the adult programs of interest to children, the following are listed: Alexander Woollcott, Hendrik Willem Van Loon, Roses and Drums, Dream Drama, Vanished Voices, Albert Payson Terhune's Dog Dramas, Little Known Facts About Well-Known People, Echoes of New York Town, and News and Sports commentators, while special interests are represented by such programs as Animal Close-ups, Chats About Dogs, and Bird Talk.

In its survey of "Radio and Rural Life", the Institute predicted that the farmer, because of his broader outlook developed by radio, will make his influence felt in the Capitol more than ever before.

As well as making him a better informed citizen, the radio has also strengthened the farmer's economic position, the Institute found in its survey of which 250 agricultural leaders throughout the country participated.

The symposium and survey indicates that market and weather reports over the radio are among the most significant aids to the farmer. Millions of dollars are saved annually by announcements of price changes and variations in climatic conditions.

Among those who contributed their views to the survey were: Representative Fred Biermann, Iowa; Senator Arthur Capper, Kansas; Representative John W. Flanagan, Jr., Virginia; Senator Lynn J. Frazier, North Dakota; Representative Fred C. Gilchrist, Iowa; Senator James P. Pope, Idaho; Miss Ruth Van Deman, Bureau of Home Economics, U. S. Department of Agriculture; and Louis J. Taber, Master, The National Grange; C. W. Warburton, Director of Extension Work, Department of Agriculture; M. C. Wilson, in Charge of Extension Studies and Teaching, U. S. Department of Agriculture.

Senator Capper stated that radio has aided in removing "hit-or-miss" methods in farming. "It is a splendid thing", he said, "for farmers to learn what the scientists in the government service are doing and what the executives in charge of the Department of Agriculture think about the agricultural situation from time to time."

"I believe that the radio has been one of the greatest blessings that the farmers of my part of the country have received during my lifetime", said Representative Biermann. "It has enabled them to keep in touch as closely with the affairs of government, business and culture as people in the cities. Speeches and lectures on political subjects have been of great value to the farmers in these days of stress and great change."

The results of the survey are published in a 68-page booklet by the Radio Institute with a preface, "Radio and the Farmer" by Edmund deS. Brunner, Professor of Education at Teachers College, Columbia University.

The symposium on "Radio and Rural Life" covers the following subjects:

Breaking Down Rural Isolation; Farmers Same As Other People; Radio's Special Value to Farmers; Makes Farmers Understand Place in World; Improved Practices Through Agricultural Programs; Sectional Variation in Agricultural Programs; Markets and Weather Reports; Entertainment Vital Need of Farmers; Keeping Young People on the Farm; Programs for Farm Women; Cultural and Educational Values; Farmers Use Radio Seriously; Farmers' Listening Habits; Radio Ownership Among Farmers; Suggestions Advanced by Contributors.

The booklet concludes with a summary of radio programs broadcast by the Agriculture Department and other agencies.

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### VULGAR-VOICED WOMEN BEST ON RADIO, SAY PROFS

Women with vulgar and uncouth-sounding voices are more likely to succeed as radio speakers than women with well-cultivated and refined voices, according to a survey by Dr. Gordon Allport of Harvard and Dr. Hadley Cantril of Teachers College, Columbia University.

The authors declare that the radio is regarded as a medium of entertainment on a level with vaudeville and the music halls and that the type of woman associated with such entertainments, therefore, would be the type most welcome on the air.

At the same time, the survey declares, most persons would rather listen to a man's voice than to a woman's over the air. Woman's main forte in broadcasting is poetry or other "subtle and reflective material", the authors maintain.

The listeners' chief reason for preferring male voices was that women "seemed to them affected and unnatural when they broadcast", while men were "more natural and persuasive."

"The prejudices against women's voices may be due in part to the fact that sponsors and broadcasters are not careful enough to respect listeners' tastes in their selection of female announcers", the authors declare. "High-pressure saleswomen are particularly objectionable to the average listener and his intense dislike of them may be indiscriminately transferred to other feminine voices.

"If in the future women are chosen whose voices are above reproach in respect to naturalness and if female announcers strive to overcome all suspicion that they are dressing up their speech for the occasion, prejudice against them should in time decline."

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## A. B. CHURCH ELECTED KMBC PRESIDENT; DENIES SALE RUMOR

Discrediting reports that negotiations were in progress to sell KMBC, Kansas City, the Board of Directors has elected Arthur B. Church President and General Manager of the Midland Broadcasting Co. He has been Vice-President and General Manager since the station was founded in 1921. As President, he succeeds the late Frederick B. Blair.

Mr. Church denied reports that the Kansas City Star was seeking to purchase the CBS outlet as a second station with WDAF. He immediately announced the appointment of J. Leslie Fox as Director of Sales for KMBC. The Directors elected Roland R. Blair, son of the late president, as Vice-President, and Mark H. Siegfried, Treasurer.

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## WINTERBOTTOM NOTES EFFECT OF "THE SHADOW" ON SHORT-WAVES

Radio's first "mystery drama", in which radio emissions from unknown sources mysteriously invade different parts of the short-wave band at irregular intervals, was disclosed yesterday (Dec. 16) by William A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, Inc.

Because of their unpredictable raids into marine, transoceanic, aircraft, military, naval, amateur, and probably also in the television sections of the radio spectrum, the strange radio signals have become known to engineers as "the shadow", he said.

These radio waves have not the character of telegraphic or telephonic signals, and are definitely unrelated to any "static" or cosmic ray phenomena within the experience of engineers. Unlike static, they are usually observed on definite frequencies.

Through the past year "the shadow" has been most active in the frequency band between 11,000 and 14,000 kilocycles, although it has been observed as low as 6,000 kilocycles and as high as 18,000. At stations of RCA and other radio companies in the eastern United States, the mysterious signals are most frequently observed between the hours of 9 A.M. and 6 P.M.

So far the radio communication and broadcasting companies have had no serious difficulty in circumventing the interference caused by the mystery signals, he said. But there is little doubt that the public who listen in on short-wave bands have already suffered considerable inconvenience, and may expect still more, for within the last six months "the shadow" has become increasingly active in the United States.

Engineers are confident that, from whatever source the mystery waves may come, they are not being employed in any known form of communication. It is therefore possible, if not probable, that whcever is generating the waves may be entirely unaware of the interference they are setting up.

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 : : : INDUSTRY NOTES : : :  
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WMCA, New York, was the only station to have a microphone at the ringside of the Joe Louis-Paulino Uzcudun fight December 13 in Madison Square Garden. The broadcast, arranged by Donald Flamm, was fed exclusively to the stations of the Inter-City network. The broadcast was sponsored by the makers of Blackstone cigars.

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The International Telephone and Telegraph Corporation in a statement to its stockholders reports that its consolidated net income for the nine months ending September 30, 1935, amounted to \$3,397,823 as compared with \$2,508,678 for the corresponding period in 1934. It is explained that the foregoing income account does not include the losses of the Postal Telegraph and Cable Corp. and its subsidiary companies of \$1,442,176.

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The Federal Trade Commission has issued an order to cease misrepresentation of a hair dye as a hair tonic capable of stimulating bodily functions to produce pigmentation and impart color to the hair against Vasco Products, Inc., of Brentwood, Md., and William M. Kittie M. Lea, of Tampa, Fla., formerly trading as the Lea's Tonic Co. The ban is made applicable to broadcasting and other media of advertising.

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The following quotation from Ray V. Sutcliffe, editor of Radio Retailing, was carried in the New York Times of December 15 under a copyright line of the NANA, Inc.:

"Present indications in the radio industry point to an increase in unit sales (home receivers) of 25 per cent in 1935 over 1934. Retail dollar volume will be even greater. Auto-radio sales have jumped from 780,000 last year to slightly over the million mark for 1935. Total domestic sales, therefore, will top 5,000,000 - an all-time record."

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## BROADCAST ADVERTISING FOR 1935 ESTIMATED AT \$87,000,000

That broadcast advertising has made tremendous advances in 1935 is admitted by Editor & Publisher, newspaper publishers' organ, in a current issue featuring radio and its use by newspapers. Regarding radio advertising, the publication says, in part:

"Broadcast advertising, still rushing ahead on the upgrade, is setting new records all along the line this year. Total time sales for the year, as estimated by Editor & Publisher on the basis of figures furnished by the National Association of Broadcasters for the first ten months of the year, will be between \$87,000,000 and \$88,000,000.

"Of this amount, the National Broadcasting and Columbia Broadcasting networks, on which so much outside attention is focused, will account for approximately \$48,000,000, or only about 55 per cent.

"Including the cost of program talent -- although nothing like a close estimate can be made on this -- it seems certain that 1935 broadcast advertisers will have spent at least \$115,000,000 -- possibly \$125,000,000 or \$130,000,000 -- by the time the New Year's Eve programs go rolling across the country to the Pacific Coast."

James W. Baldwin, Managing Director of the National Association of Broadcasters, in a signed article has this to say, in part, about broadcast advertising:

"Broadcast advertising volume of 1935 will total approximately \$87,000,000. This will be nearly 20 per cent better than the 1934 level and about 50 per cent ahead of the estimated 1933 total.

"Outstanding characteristic of past year has been increasing use which has been made of all portions of Broadcasting structure by advertisers. Advertising volume placed over 100-watt stations has grown at more than average rate. National non-network business and regional network advertising have prospered especially. National network volume has continued to show its usual strength. It is quite probable that these trends will continue to be among important ones in 1936.

"Several important developments have occurred in the field of advertising sponsorship. The marked rise of automotive advertising, especially in national non-network field, indicates the power of radio to sell high-priced as well as convenience goods. The food industry has shown increasing volume of advertising over all portions of the broadcasting structure.

"Estimated radio advertising by retail establishments will be no less than 35 per cent ahead of 1934 level for year just closing.

"There were no important recessions in broadcast advertising volumes during 1935, and continued growth in all fields may be expected for the coming year."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL** — Not for Publication

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## WILL RADIO BE POLITICAL FOOTBALL OF 1936 Congress?

Members of the Federal Communications Commission and broadcasters alike are wondering whether radio will again be made a political football at the second session of the 74th Congress or whether more important issues will crowd it off the calendar.

The FCC members are sharply divided in their predictions, doubtless based on hopes, over what Congress may do about broadcasting. The Broadcast Division poo-poo's the threat of any investigations or the passage of any revolutionary legislation, while Telegraph Division colleagues hint of dire consequences unless the FCC revamps the broadcasting setup voluntarily. The most outspoken of them is Commissioner George Henry Payne.

Unbiased observers are inclined to believe that more important issues will forestall any action that might upset the present commercial radio system but that individual members will seize the opportunity to assail the broadcasting allocations as unjust to the rural communities and the educational and religious institutions.

The FCC itself will offer no significant legislation and will oppose, as a body, any move toward government operation of stations or the allocation of a definite number of frequencies to educational groups.

The most sweeping of the pending bills affecting radio is that sponsored by Representative Monaghan (Democrat), of Montana, an energetic and sincere but inexperienced legislator. His measure would establish a Federal Radio Commission and authorize it to operate a government broadcasting network on which advertising and sponsored programs would be limited to two hours daily or 20 per cent of the operating time. It is not likely that Congress would take any action on such a revolutionary proposal without at least conducting a thorough inquiry, and an election year is not the most appropriate time for Congressional inquiries. Congressmen are too busy mending their political fences.

The next most radical bill is that sponsored by Representative Ruda (Democrat), of Brooklyn, which revives the old proposal of allocating a fixed percentage, in this case one-fourth, of the broadcasting facilities to non-profit making organizations. It, however, stands little chance of enactment at the approaching session for the same reason that the Monaghan bill will be held up.

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Senator Wheeler (Democrat), of Montana, Chairman of the Senate Interstate Commerce Committee, has a much better chance with his bill to repeal the Davis equalization amendment, leaving allocations to the discretion of the Federal Communications Commission.

Other pending bills touching directly on radio are:

Neely Bill to compel losing applicants for existing radio station licenses to pay full costs of proceedings.

Walsh Bill to require State Department approval of all foreign broadcasts rebroadcast in this country.

McCormack Bill to permit ships to pick up radio news reports.

Scott Bills and resolutions to amend the Communications Act with respect to political broadcasts, censorship and broadcasters' liability for utterances and to set up a Broadcasting Research Commission to investigate the industry and the demands of outside groups for facilities.

In addition there are a number of non-industry bills which nevertheless will have varying effects on broadcasting if enacted into law. Chief among these is the Copeland Bill to regulate the manufacture, sale and advertising of food, drugs, and cosmetics. This bill has passed the Senate but faces serious opposition in the House and possible amendment.

The Duffy Bill to amend the Copyright Act of 1909 and afford new protections to users of copyrights, including broadcasters, has also passed the Senate and awaits House action. The current confusion over the music copyright situation doubtless will be injected into the consideration.

The Capper Bill to prohibit the advertising of intoxicating liquors in interstate commerce, including broadcasting, probably will never emerge from its pigeon-hole at the approaching session.

Other measures would bar radio stations and newspapers from carrying advertising for companies seeking to place loans at interest rates in excess of 15 per cent a year (by Sauthoff, of Wisconsin) and would prevent promotion of frauds operated over the radio and through other interstate agencies (by Copeland et al).

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## FCC NAMES RADIO-EDUCATION GROUP; MEETING IN JANUARY

The eyes of Congress, educators, and broadcasters will be on the newly-formed Radio-Education Committee when it holds its first meeting about the middle of January. The Committee of forty was announced by the Federal Communications Commission, Broadcast Division, December 18, and Dr. John W. Studebaker, U.S. Commissioner of Education, as Chairman, immediately began drafting an agenda for the first meeting.

The Committee, which was promised by the FCC almost a year ago when it submitted a report to Congress on the place of education in broadcasting, comprises both educators and broadcasters. Its purpose will be to satisfy the demand of educational interests for time on stations and networks and at the same time refrain from encroaching on profitable commercial hours.

Upon the outcome of this rather difficult task doubtless will depend the attitude of Congress on the demands of reformers for a specified allocation of radio frequencies for non-profit educational and religious organizations.

Some educators and even members of the FCC, such as Commissioner George Henry Payne, are frankly skeptical of the ability of the Committee to settle amicably the rather delicate problem. Others believe that it will settle the controversy that has raged almost since the inception of broadcasting to the satisfaction of all concerned.

In announcing the personnel of the Committee, the FCC called attention to its inquiry in the Fall of 1934 and its subsequent report to Congress recommending against the allocation of fixed percentages of radio facilities to non-profit groups. The Commission asserted in that report that the interests of non-profit organizations would be better served by the use of existing facilities.

The Commission proposed in its report to hold an educational conference at which time plans for mutual cooperation between broadcasters and educational organizations could be made. That conference was held on May 15, 1935.

"It is the sincere belief of the Commission", a FCC statement said, "that the hearings, conferences, and constructive thought and experience given to this subject have produced a situation whereby within the present broadcast structure the educators on the one hand, and the broadcasters on the other can combine forces which will:

- "1. Eliminate controversy and misunderstanding between groups of educators and between the industry and educators.
- "2. Promote actual cooperative arrangements between educators and broadcasters on national, regional and local bases.

"A sufficient budget for expenses of the Committee has been pledged, half of it by the National Advisory Council on Radio in Education on behalf of educational interests and half by the National Association of Broadcasters on behalf of broadcast stations. It is expected that a small planning committee will be organized for the purpose of collecting and correlating data on which the main committee may base its deliberations, thus reducing to a minimum the amount of time the full committee will have to give, consistent with a fair and impartial consideration of the subject. This small committee may also undertake certain definite projects in keeping with the general purposes of the committee.

"The Commission is too familiar with the whole scope of educational broadcasting, its limitations and its possibilities, to expect any panacea, but we do believe that coordination and cooperation at this time will give results to the end that radio broadcasting can be further utilized as an effective medium for education."

The Committee, in addition to Dr. Studebaker, comprises:

Waldo Abbott, University of Michigan; Merlin H. Aylesworth, President, National Broadcasting Company; James W. Baldwin, Managing Director, National Association of Broadcasters; Edgar Bill, Station WMBD; Dr. S. Parks Cadman, Federal Council of Churches of Christ in America; Dr. Morse A. Cartwright, Director, American Association for Adult Education; Dr. W. W. Charters, Director, Bureau of Educational Research, Ohio State University; Dr. Harry W. Chase, Chancellor, New York University; Gardner Cowles, Jr., Des Moines Register; Lester E. Cox, Station KWTO; Edwin Craig, Station WSM; Dr. A. G. Crane, President, University of Wyoming; Dr. Walter Damrosch, National Broadcasting Company; Milton S. Eisenhower, Director of Information, Department of Agriculture; John Elmer, Station WCBM; O. I. Fisher, Station KOMO; Leo J. Fitzpatrick, President, National Association of Broadcasters; Willard Givens, Secretary, National Educational Association; Tom C. Gooch, Daily, Times Herald; William Green, President, American Federation of Labor.

Also, Mrs. Rose Jacobs, President, Hadassah Womens Zionist Organization; Father George W. Johnson, Catholic University of America; Dr. C. B. Jolliffe, Radio Corporation of America; Lamdin Kay, Station WSB; John F. Killeen, Director, Broadcast Division, Federal Communications Commission; Dr. Cline M. Koon, Office of Education; Mrs. B. F. Langworthy, President, National Congress of Parents and Teachers; Miss Luella S. Laudin, Women's National Radio Committee; H. B. McCarty, President, National Association of Educational Broadcasters, University of Wisconsin; A. J. McCosker, President, Bamberger Broadcasting Service, Inc.; Mrs. Harold V. Milligan, President, Women's National Radio Committee; Dr. Robert A. Millikan, President California Institute of Technology. William S. Paley, President, Columbia Broadcasting System; A. D. Ring, Assistant Chief Engineer, Federal Communications Commission; John Shepard, III, President, Shepard Broadcasting Co.; Dr. Levering Tyson, Director,

National Advisory Council on Radio in Education; Miss Judith C. Waller, Mid-West Educational Director, National Broadcasting Company; Frederick A. Willis, Columbia Broadcasting System; and George F. Zook, President, American Council on Education.

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#### STATIONS GIVE BALDWIN ATTORNEY POWER IN ASCAP PARLEYS

Daily conferences are being held between James W. Baldwin, Managing Director of the National Association of Broadcasters, and E. C. Mills, General Manager of the American Society of Authors, Composers, and Publishers, in an effort to work out a solution of the copyright muddle before January 1, when present contracts expire.

Unable to solve the enigma, the NAB Board of Directors adjourned early this week and authorized Baldwin to continue negotiations as a one-man committee. The Directors also authorized him to sign renewal contracts for station members providing their consent is obtained.

Many stations were reported to be telegraphing the power of attorney to Baldwin as he continued his negotiations. Broadcasters believe that if he obtains such authority from enough stations he will be able to get a more favorable contract renewal basis from ASCAP than the present 5 per cent of gross plus a sustaining fee.

Baldwin will remain in New York, with headquarters at the St. Regis Hotel, until January 1, or as long as necessary to reach an agreement with ASCAP.

Just what will be done with regard to separate contracts with the publishing houses controlled by Warner Brothers is conjectural. The latter has submitted a tentative proposal for three months' contracts on a basis of 2 per cent of station commercial billings and 40 per cent of the sustaining fee collected by ASCAP during the last quarter of 1935.

In a resolution adopted by the NAB Directors before adjourning stations were advised not to broadcast any musical number after January 1 unless it has either a license to broadcast that number or else "a sufficient guarantee of indemnity from a satisfactory source".

Besides recommending that stations accord Baldwin authority to act for them in further negotiations, the Board looked with favor on the "per-piece" plan of paying for copyrighted music. It recommended that:

"(1) No opportunity should be overlooked to work out a per piece or measured service plan which the NAB at its conventions for three years has requested.

"(2) Insistence on any one system, however, should not be carried to the point where it endangers the ability of stations to broadcast acceptable music on and after Jan. 1, 1936."

Meanwhile, the copyright confusion was further muddled from another source as the Attorney General of the State of Washington filed through former Senator C. C. Dill a notice of registration of all ASCAP copyrighted music with the U. S. Registrar of Copyrights in the National Capital. This action, the significance of which is still problematical, followed a victory of the State of Washington in its judicial scrap with ASCAP in the refusal of the U. S. District Court to take a hand in the case.

Washington State officials and broadcasters predicted that the ASCAP case is consequently confined to the State courts, where vigorous prosecution is promised. Some months ago a receiver was appointed for ASCAP, which had been held illegal under the State constitution. ASCAP counsel plan to appeal the case to the Circuit Court of Appeals. If necessary, according to Nathan Burkan's office, ASCAP will contest the Washington action as far as the United States Supreme Court.

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#### PRESIDENTIAL YEAR SEEN BENEFICIAL TO RADIO INDUSTRY

"The radio industry faces the New Year in a most fortunate position", says Leslie F. Muter, President of the Radio Manufacturers' Association. "Public interest has been greatly increased by the new all-wave sets and the excellent broadcasting which have resulted in the largest year in our history, with an increase far greater than that of general business. Presidential years have always been very beneficial in the past and with political interest more extensive than ever before, 1936 will undoubtedly assist us to greater heights of progress and service."

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## PAYNE ASSAILS SHORT-WAVE BROADCASTS TO LATIN AMERICAS

Federal Government officials are concerned over the "fact" that American short-wave broadcasts are "riling" the people of South American republics because of the character of their advertising and an over-emphasis of commercialism, Commissioner George Henry Payne asserted this week in an address at the University of Syracuse.

"Fortunately", said Commissioner Payne, "this disagreeable situation is about to be cleared up by the Government itself utilizing the five channels which were placed at its disposal at the conference held at Montevideo in 1932.

"The people of South America do not believe that our 'faulty elimination' and 'cure-all blackheads' programs are representative of our culture or intelligence, and even if they are, they don't like them. I am sure that any reasonable-minded person will admit that while we may not be unwilling to have blatant and objectionable stuff pumped into our own home over the radio, we haven't the right to inflict the same stuff on the people in the homes of a friendly and unoffending foreign nation.

"With the tremendous increase in all-wave receiving sets has come a corresponding increase in the interest of the ordinary broadcast listener in programs emanating by short-waves from far-off lands. It is estimated that of approximately twenty million receiving sets in this country today, at least two million are now equipped to receive long distance short-wave programs directly, and that number is increasing by leaps and bounds. Unfortunately, while the saturation limit for receiving sets is a long way off in the future, and is largely dependent upon the purchasing power of the receiving public, this is not the case for transmitting stations, and indeed the saturation limit for transmitters has been reached in the bands made available for short-wave broadcasting service.

"Is it not a matter of pride for Americans to see that programs which are addressed to international audiences in other countries are of the very highest type, and particularly that they are free of the type of objectionable advertising to which American listeners, through long suffering, are becoming inured? Of the total number of short-wave broadcasting stations in the United States 75% are affiliated with the major chains and are carrying the regular chain broadcasting programs to foreign lands together with all of its advertising. Is it not time to provide a new type of program for distribution to foreign countries which will reflect the high standards of American ideals and good taste?

"Inasmuch as I have, at various times, seemed to be a sharp critic of commercial broadcasters, I believe it is only fair that I should say, what I have said before, that they deserve great credit for some of their programs. I am personally deeply

grateful always for the two hours on Sunday of the New York Philharmonic, and other philharmonic societies elsewhere are building up respect for radio, while at the same time they are intensifying the feeling that what can be of such noble use should not be debased by a mercenary spirit and frequently vulgar high pressure salesmanship. As I said at Columbia University, I do not think this country is in favor of such a system as that in Great Britain and other countries where no advertising is permitted and where the radio is either government-owned or government-administered or dominated.

"What the people want, I believe, and I am very glad to say that in my talks with some of the important top figures in the radio industry they are inclined to consider most favorably, is some standard applied to the advertising. Surely nobody could but praise the good taste with which the Ford Motor Company puts on its programs, or the Philco, or as one educator wrote me from California, with which the Standard Oil furnishes the symphony concerts to the people on the West coast."

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#### NEW SALT LAKE CITY RADIO STATION IS RECOMMENDED

A construction permit to authorize establishment of a new 100-watt radio station in Salt Lake City, Utah, by Paul R. Heitmeyer, for operation on 1210 kc. with unlimited time was recommended this week to the Federal Communications Commission by Examiner P. W. Seward.

Salt Lake City has KSL, a 50 kw. station and KDYL, a 1 kw. station, but the Examiner held that there was a need for a purely local broadcasting outlet.

An increase in daytime power from  $2\frac{1}{2}$  kw to 5 k3 on 1320 kc., unlimited time was recommended by Examiner Melvin H. Dalberg.

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#### B.B.C. CHIEF ENGINEER TO TALK

There will be an address from overseas by the Chief Engineer of the British Broadcasting Corporation at 10 P.M., EST Wednesday, January 8th.

The talk will come from London via short-wave over GSD, 25.5 m. (11,750 kc.), or GSC, 31.3 m. (9,580 kc.), or GSL, 49.1 m. (6,110 kc.).

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## RMA DIRECTORS WILL MEET IN CHICAGO ON JANUARY 29

Radio industry promotion plans for 1936 will be considered by the RMA Board of Directors at a meeting scheduled by President Leslie F. Muter for January 29 at the Stevens Hotel in Chicago. This will be the first meeting in 1936 of the RMA governing board and on the same date Chairman Arthur T. Murray of the Set Division will hold a meeting of the set directors.

Several cooperative measures with the National Association of Broadcasters and other affiliated organizations are being promoted, including the plan for a Radio Foundation to make industry awards for outstanding achievements in 1936.

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## ELDER MICHAUX SAYS BUTCHER'S APPOINTMENT HAS DIVINE FAVOR

The recent appointment of Harry C. Butcher, of Washington, and WJSV, as Seventh Vice-President of the Columbia Broadcasting System has met with divine favor, according to Elder Lightfoot Solomon Michaux, famed colored pastor of the "Radio Church of God".

"God completes all of his work and puts his approval upon it in cycles of '7'", Elder Michaux said, "making '7' God's perfect number.

"If you'll notice in Genesis 2nd Chapter, first and second verses, that God created the heaven and earth in six days and on the seventh day He rested. And you'll also notice that in establishing His church in the earth, it was manifested by Jesus Christ by appearing in the midst of seven golden candle sticks, and holding in His right hand, seven stars, to show that the work of His church was complete in the resurrection of Jesus Christ from the dead. You'll find this in Revelations 1st chapter, 18th to 20th verses.

"You'll also notice that the book of God which held the plan of man's salvation and damnation was sealed by Him with seven seals. You'll find this in Revelations 5th chapter, 1st verse. You'll also notice that in winding up all things, the Scriptures teach that God will announce the end with seven Angels, which calls the world a great Harlot, Babylon, which means confusion. You'll find this in Revelations 17th chapter, 1st to 5th verses. I've quoted all these passages that you might see that God's work is completed in '7'".

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The Telegraph Division of the Federal Communications Commission in answer to numerous inquiries, has announced that the 1935 uniform system of accounts will remain in effect as to all telephone companies until the Commission is advised of the disposition of the case of the American Telephone & Telegraph Co. et al vs. the U. S. and the FCC.

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A brief radio market report on Liberia has been issued by the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce and may be purchased at 25 cents a copy.

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The Hearst and Scripps-Howard newspaper chains are preparing to make their syndicate features available for radio use, according to Variety. King Features, the Hearst unit, has established a radio department under the direction of J. V. Connolly, who is aided by Fred Smith, once director of WLW and later connected with "The March of Time". United Features, the Scripps-Howard subsidiary, is preparing scripts for sale to agencies under direction of Jean Grombach.

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The Federal Communications this week in general session extended the effective date of the Broadcast Division's order of October 1 in the so-called Brooklyn cases, pending consideration of the petition of WVFV for a rehearing.

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The British Broadcasting Corporation reports that its recorded programs of the more important original broadcasts have been heard via short-wave by listeners in Australia, New Zealand, Africa, India, Ceylon, Hong Kong, Shanghai, Southern Rhodesia, and Malaya.

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Colgate-Palmolive-Peet Co. early in January will inaugurate three radio features on CBS. For Palmolive shaving cream, never before advertised on a radio network, Colgate will present a weekly series on the nation's peace officers by Phillips Lord; for Palmolive soap, the "Beauty Box Theatre" will be extended to a coast-to-coast network; and for Super-Suds, Colgate will offer a new series of human interest dramas by Gertrude Berg.

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## ROPER MAY TAKE OVER NRA FUNCTIONS SOON

Because of the radio industry's refusal to participate in the recent business conferences, called by Maj. George Berry, the following comment by Raymond Clapper, political columnist on the Washington Post, should be of interest:

"Discussions are going on which look to putting the old NRA out of sight and tucking it away safely under the arm of Secretary of Commerce Roper before Congress comes back.

"Specifically, Ernest G. Draper, Assistant Secretary of Commerce, a business man of broad experience (Dromedary dates most recently), would be made custodian of the remnants.

"Specifically, also, a silencer would be put on Maj. George Berry so there would be no more scenes like the one which broke up his recent industrial conference. That show, which ended in a riot, rubbed both business and important Administration quarters the wrong way. It interfered with the breathing spell. In certain Administration quarters it is desired to get everything quieted down before Congress starts a clamor."

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## TWO STATIONS AGREE TO ABIDE BY FTC STIPULATIONS

Two broadcasting stations have agreed to abide by stipulations with the Federal Trade Commission in cases involving advertisers.

Western Broadcast Co., operator of Station KNX, Hollywood, Calif., has entered into stipulations with the FTC to abide by action taken in five cases involving advertising. The five companies which had previously entered into stipulations with the Commission to cease and desist from certain unfair advertising practices, are: Nourishine Manufacturing Co., Los Angeles; Germania Tea Co., Minneapolis; Old Mission Tablet Co., Pasadena, Calif.; King's Better Vision Institute, Los Angeles, and Tablet Sixty-Six Co., Los Angeles. In its stipulations with the Commission, the station admits broadcasting advertisements of these companies.

Truth Publishing Co., Inc., operator of Station WTRC, Elkhart, Ind., admitted broadcasting advertisements for Deuel's, of Centerville, Mich., distributor of an ointment, and agreed to abide by a stipulation previously entered into by the advertiser with the FTC.

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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]*

December 27, 1935

### LOHR NEW NBC HEAD IS SEASON'S BIG SURPRISE

Although it had been rumored that M. H. Aylesworth would be superceded as president of the National Broadcasting Company, and several names had even been mentioned as to who might be his successor, among them Richard Patterson, vice-president, the choice of Lenox Riley Lohr, general manager of Chicago's Century of Progress Exposition, as NBC president came as a complete surprise in Washington. This apparently included officials of the Federal Communications Commission who are usually in the "know" regarding contemplated changes.

Mr. Lohr is no stranger to Washingtonians because he was born here but most of the people in the radio industry never heard of him. He has had no radio experience.

Considerable significance was likewise attached to the appointment of Joseph P. Kennedy, former Chairman of the Securities and Exchange Commission to make a study of the problems relating to the Radio Corporation's capital structure.

With regard to Mr. Aylesworth an official statement issued by David Sarnoff said:

"The National Broadcasting Company, at its regular meeting of Directors held today, accepted with regret the resignation tendered by Merlin H. Aylesworth, as President. He asked to be relieved from the responsibilities of this office because of the increased duties he has assumed as Chairman of the Board of the Radio-Keith-Orpheum.

Mr. Aylesworth remains as a member of the Board of the NBC, and in order that the Company may continue to have the benefit of his long experience and advice in the field of broadcasting, he has been elected to the newly created office of Vice-Chairman of the Board of the NBC."

Mr. Lohr was graduated in 1916 with honors from Cornell University with a degree in Mechanical and Electrical Engineering and later attended Claire College at Cambridge University, England. He is forty-four years old. In 1924, he married Florence Josephine Wimsatt (M.A., M.D.) of Washington, D. C. They have three daughters and two sons.

Mr. Lohr is a life member of the National Highway Association, a member of the American Society of Civil Engineers, the Washington Academy of Science, Sigma Phi Sigma, Scabbard and Blade, National Press Club and Cherry Circle Duck Club.

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## RELIEF WORKERS TO WRITE SCRIPTS, PERFORM OVER RADIO

Just as the newly-formed Radio-Education Committee undertakes the task of studying the place of education in broadcasting, the U. S. Office of Education will be experimenting with a new kind of educational program.

Federal relief workers, enrolled with the Works Progress Administration and the Civilian Conservation Corps, will be engaged to write scripts and then perform in dramatic skits to be placed on one or more networks, and probably over independent stations via of transcriptions, as a new educational feature.

The new program is made possible through a grant of \$75,000 of work-relief funds to the Office of Education.

Four or five series of programs may be developed, according to William D. Boutwell, editor of the office's magazine, School Life, who will have charge of the broadcasts. The project will extend over from six to eight months.

"We have been besieged with requests from unemployed persons who are eager to better themselves by taking vocational education", Boutwell said.

"Inadequate personnel has handicapped us in the past. But with the \$75,000 grant we hope to be able to direct these unemployed adults to sources of vocational education."

Details of the programs have not been worked out as yet, but Boutwell said that "all the arts employed by commercial radio will be utilized if necessary."

Entertainers, as well as script writers, are available to the Office of Education among the hordes of unemployed on Federal relief rolls.

The major networks have offered their facilities to the office free of charge, and independent stations are expected to use whatever transcriptions may be produced on the same basis.

The Office of Education now presents a weekly program, "Education in the News", every Monday night at 7:30 o'clock, EST, over the NBC network. It also participates in the "Farm and Home Hour" over NBC at 12:30 p. m. on the first Monday of each month.

The new program, however, will be the most ambitious yet undertaken by the Federal government in the field of education by radio. It is believed that, should it prove successful, the policy will be to extend the activity on a permanent basis.

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The Office of Education is also taking the lead in the Radio-Education Committee named by the Federal Communication Commission. Dr. John W. Studebaker, U. S. Commissioner of Education, is Chairman of the committee.

A conference of some of the leaders of the 40-man group will be called early in January, and a general meeting will be scheduled before the end of the month.

An agenda of proposals for solving the problem of providing educational institutions and non-profit organizations with adequate time on the air without disturbing the commercial set-up will be drafted at the preliminary parley for discussion at the full committee meeting.

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#### NAVY RUNS DOWN "SHADOW"; THE DOCTORS WERE TO BLAME

The Navy Department may not have the reputation of the Justice Department's Bureau of Investigation for getting its man, but it has run down the mysterious "shadow" which has disturbed short-wave reception recently.

Right on the heels of a statement by William A. Winterbottom, vice president of RCA Communications, Inc., that radio was confronted with a "mystery drama" in the unpredictable raids into marine, transoceanic, aircraft, military, naval, and amateur radio signals by the "shadow", the Navy Department announced that the high frequency vacuum tube machines of the medical profession are to blame.

The mysterious signals had been reported from all parts of the United States, particularly from short-wave listeners, Honolulu, Nova Scotia, Puerto Rico, and the Canal Zone.

They were heard chiefly on frequencies of 11,000 to 20,000 kilocycles between 8 a. m. and 8 p. m.

The Navy, enlisting hundreds of its reservists over the country, made many observations during the last few weeks and then collected and analyzed the reports.

The information has now been turned over to the Federal Communications Commission with the request that steps be taken to eliminate the interference.

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## PUBLIC TELEVISION IN ENGLAND TO BEGIN IN MAY

Public broadcasting of television in Great Britain will probably be inaugurated next May, according to advices to the U. S. Commerce Department from its London office. The two companies which are to broadcast television for the British Broadcasting Corporation side by side at the Alexandra Palace, the report states, are busy with the construction of their equipment. The general public is showing a marked degree of indifference, a condition due probably to the policy of silence on the part of the British press.

It has been tentatively decided to broadcast television three hours a day at first, with each of the two systems on alternate weeks. The daily three hour transmission will be divided into three periods of one hour each, and each hourly period into not less than four separate programs. It is probable that "sponsored" programs will be used to take care of part of the program. This does not mean that the BBC will sell the time on the air, but that commercial firms will pay for the programs and the listener will be told that such and such a program is being sponsored by the firm in question.

Few, if any, plans have actually been formulated for the use of television outside the amusement field. Sets will be too costly at first and broadcasts from this first station cannot be received much beyond 25 miles from the Alexandra Palace.

It is estimated that the cost of the television service for the year ended December 1936 will be approximately £180,000, a total which includes the actual construction of the station, all running and maintenance costs, and, most important of all, program costs.

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## RCA-RAYTHEON CASE MUST BE TRIED IN COURT OF LAW

The United States Supreme Court on December 23, in a unanimous opinion by Justice Cardozo, affirmed a ruling of the First Circuit Court of Appeals which ordered the \$15,000,000 damage suit of the Raytheon Mfg. Co., of Massachusetts, against the Radio Corporation of America, tried in a court of law, i.e. before judge and jury, instead of a court of equity.

The Raytheon company brought the suit in 1931 in the Massachusetts Federal District Court, alleging that RCA had violated anti-trust laws and destroyed its business by a patent monopoly. RCA produced a purported agreement, which it said blocked the suit, but

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Raytheon insisted that this was obtained under "economic duress".

The Federal District Court held that the agreement released RCA from a damage suit. The Circuit Court of Appeals reversed this decision, and RCA appealed to the Supreme Court.

Effect of the Supreme Court ruling, according to Washington counsel of RCA, will place the suit back in the court of law of the Federal District Court.

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NO ISSUE DECEMBER 31

Because of the fact that government departments will be closed for the holiday there will be no issue December 31.

A Happy New Year to all!

R. D. H.

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FCC CURBS POWER OF ATTORNEYS IN CITING BROADCASTERS

Because of complaints from broadcasters, the Broadcast Division of the Federal Communications Commission has removed from its legal department the power to cite stations for violations of FCC regulations of advertising. The three commissioners henceforth will pass upon all complaints before a station may be cited for violation.

The lawyers are understood to have been reprovved for their activities in certain cases which brought forth charges of discrimination against one or more stations.

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COPYRIGHT PUZZLE STILL UNSOLVED AS DEADLINE NEARS

Negotiations for new contracts between broadcasters and the American Society of Composers, Authors, and Publishers were still under way in New York as the expiration date of present contracts, December 31, neared. James W. Baldwin, managing director of the NAB and E. C. Mills, general manager of ASCAP, are the principal negotiators.

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The two major networks, CBS and NBC, and nearly 100 independent stations meanwhile were reported to be deleting from their music libraries hundreds of songs that are controlled by the four publishing houses owned by Warner Brothers, now estranged from ASCAP.

NBC and CBS have sent letters to their advertisers explaining the copyright situation brought about by the withdrawal of the Warner Brothers houses on the ground they were not getting sufficient revenue from radio.

Warner Brothers was reported to be sending out forms of separate contracts it will offer broadcasters and a tabulation of the 36,000 compositions it controls. This new contract is said to carry a 2 per cent fee on all commercial programs and 40 per cent of the sustaining figure paid ASCAP. Stations charging \$50 or less an hour for their time would be allowed to make a deal for payment of a flat annual sum. Contracts would be for three months' periods.

Among other copyright developments that confused the situation was the dropping of the Justice Department's anti-trust suit against ASCAP from the calendar of the New York U. S. District Court. Justice Department officials said that the withdrawal from the docket does not necessarily mean the suit has been dropped.

Baldwin was reported to have several hundred powers of attorney from independent stations to strengthen his hand in making a new deal with ASCAP or Warner Brothers.

Warner Brothers issued a statement explaining the dismissal of about 50 persons from the music publishing firms which it controls on January 1.

The reduction, the statement explained, was due to (1) the inauguration of a new system of publishing and selling music and (2) the loss of income heretofore received from membership in the ASCAP.

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#### NO POLITICS IN FCC AWARDS, SAYS JUSTICE DEPARTMENT

Anning S. Prall, chairman of the Federal Communications Commission, on December 26, proudly announced that an unheralded investigation by the Justice Department had shown there is no evidence to support reports that politics plays a hand in the granting of broadcasting facilities.

Prall explained that he had requested the investigation after over-hearing a conversation in a hotel lobby that intimated that political influence was being exerted successfully on the FCC.

"I am absolutely convinced there was nothing to it at all and so is the Department of Justice", he said.

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## TWO NEW 100-WATT STATIONS APPROVED BY EXAMINER

Construction permits for two new 100-watt stations were recommended this week by examiners in reports to the Federal Communications Commission. The applications were:

Herbert Lee Blye, Lima, Ohio, for CP on 1210 kc., 100 watts, daytime.

W. A. Patterson, Chattanooga, Tenn., 1420 kc., 100 watts, daytime. Granting of this permit was made conditional by the examiner upon the denial of an application by Dudley J. Connolly and Co. for a CP to operate on 1200 kc., 100 watts power, daytime, in Chattanooga.

Renewal of the license of WEDG, Chicago, and denial of an application by Ralph Perez Perry, Santurce, Puerto Rico, for a permit to operate on 1340 kc., 250 watts power, unlimited time, were also recommended to the commission.

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## WJAY-WHK HEARING MAY PRODUCE FCC POLICY ON MERGERS

With members of the Federal Communications Commission divided on the issue of independent versus multiple ownership of broadcasting stations, a hearing scheduled for sometime in February on the application of the Cleveland Plain Dealer for authority to control WJAY and WHK is expected to produce a definite policy.

The Cleveland Plain Dealer wants to transfer control of the two stations to its holding company, the U-B Company, Inc. The news paper owns controlling interest in the Radio Air Service Corporation, operator of WHK, but control of WJAY is in the hands of the Cleveland Radio Broadcasting Co., independent of the Plain Dealer.

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## RADIO WAVES USED IN NEW BURGLAR DETECTOR

A foolproof burglar detector which enmeshes an intruder in a network of radio waves from which he cannot move without giving an alarm has been designed by Thomas S. McCaleb, instructor in the Institute of Geographical Exploration of Harvard University, according to the New York Times.

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Further development may make the device useful as a very sensitive detector of aircraft, McCaleb says.

The instrument is so sensitive that once a burglar has entered a protected room every move he makes is registered. Thus the new device is an improvement over certain types of alarm systems operated by photoelectric rays, which the intruder may evade if he is aware of their presence.

The apparatus consists of an ultra-short wave transmitter and receiver placed on opposite sides of a room. The transmitter sends out a high frequency signal of seven-tenths meter wave length. The radio waves, before reaching the receiver, are reflected back and forth by the walls of the room and the paths of the millions of waves fill up most of the room's atmosphere.

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#### EDUCATIONAL PROGRAM WINS SHOWMANSHIP COMMENDATION

While educational broadcasters are repeatedly criticized for lack of showmanship in their programs, at least one educational station is holding its own with commercial competition.

The station is WOI, operated by the Iowa State College at Ames, and, according to Chief Announcer A. G. Woolfries, it has "an educational program which has proven capable of meeting commercial competition to the extent that a nearby chain outlet posted a reward of \$50 to any one of its staff who could suggest a program capable of competing with it."

"This program," he continued, "called 'The Music Shop' has a widespread appeal. Dr. Charles Mayo, one of the famous Mayo Brothers, has mentioned it twice in newspaper stories and has entertained as his houseguest the director of the program. On the other hand, many letters are received from people poor in worldly goods and formal education. Patients in at least five sanitariums are regular listeners. A number of schools use the program each morning as their opening exercises.

"The 'Music Shop', like Topsy, 'just grewed'. It began when a laboratory model of the first electrical pickup was secured from the laboratories of the General Electric Company. To the best of our knowledge, it was the first regular program of recordings to be broadcast. At first it consisted of a haphazard selection of records played without rhyme or reason. A few letters were received, among them one requesting a tune for a child's birthday party. The selection was played. The next day there were a dozen miscellaneous requests. They were played. Then came the deluge. Altho requests for dedications were limited strictly to observances of birthday and wedding anniversaries, there were, within five months, more than a thousand requests each day. By dint of much talking and little play-

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ing it was possible to read twenty names for each of twenty records. No continuity was attainable and the program soon degenerated into a conglomeration of mountain music and marches.

"Then came the day when all requests were piled into the wastebaskets and it was announced that, as an experiment, there would be no dedications on that morning's program, which consisted of light classics with a dash of Sousa and Victor Herbert. The enthusiastic response started the 'Music Shop' on the course it has held steadily for nine years.

"Slowly the level of the program has been raised until, today, an audience, composed for the most part of rural and small-town listeners, is eagerly assimilating the greatest classics and is writing in for more. This demand has resulted in another musical program, the 'Masterwork' period, thirty to forty-five minutes in length, is devoted to the presentation of entire sonatas, quartets, concertos, and symphonies, recorded by the world's finest artists. Compositions of this type are too extended for inclusion in the faster-moving 'Music Shop'".

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#### FCC SAYS BELL SYSTEM WITHDREW TELETYPEWRITER SERVICE

Charges that certain Bell System telephone companies removed teletypewriters from some subscribers while continuing the service to others who paid no more revenue were made in a report released December 23 by the Telegraph Division of the Federal Communications Commission.

The FCC recently denied a request of the American Telephone & Telegraph Company to postpone from January 1, 1936, to January 1, 1937, the imposition of a \$30 minimum monthly charge for such service but agreed to a delay until April 1, 1936, to permit filing of new schedules.

"We are not informed as to the basis for removing some instruments and leaving others in the same revenue category, but the possibilities of discrimination are apparent," the report stated.

The FCC report found that the suspended schedules are "unjust, unreasonable, discriminatory and unlawful; and they are therefore cancelled and operation under them is prohibited."

While holding up the proposed guarantee until April 1, the commission allowed the Bell System until February 29, 1936, to file new schedules.

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A representative of the A. T. & T. Co. was quoted by the New York Times as explaining that many teletypewriters were installed originally with the understanding that they would be withdrawn from service if the volume of traffic did not warrant their continued use.

Paul Walker, of the FCC, said that hearings in the \$750,000 investigation of the operations of the A. T. & T. probably will begin in February. A staff of 215 is engaged in the inquiry, and a total of \$250,000 has already been spent by the FCC in preparation for the hearings.

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HUBBARD IS KSTP POET-LAUREATE

With telegrams by the Western Union Stanley Hubbard and the staff of KSTP of St. Paul have extended the following New Year Greeting:

"WE DON'T NEED A PAUL WHITEMAN TO PLAY IT;  
"WE DON'T NEED A JACK BENNY TO SAY IT;  
"WE DON'T NEED A CONTEST TO MOVE IT;  
"WE DON'T NEED A THEME TO IMPROVE IT.  
"THE COPY IS SHORT, AND WE'RE SURE IT'S THE SORT  
"THAT WILL MAKE ANY SPONSOR APPROVE IT:  
"IT'S A GREETING THAT'S CORDIAL AND FRIENDLY AND TRUE:  
"WE SAY THANKS AND A HAPPY NEW YEAR TO YOU."

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SAM INSULL'S RADIO COMEBACK NEWS TO FCC

If Samuel Insull, who is now 76 years old, is to attempt a comeback into the industrial field through the establishment of a radio chain FCC officials haven't been let in on it. It has become known, nevertheless, that several broadcasting stations in and around Chicago have been sounded out by him.

It is understood that Mr. Insull's concern will have a capital of \$100,000 to be raised by Mr. Insull's friends, and that there will be no sale of stock to the public. The name chosen, it is said, is the Affiliated Broadcasting Company.

Most of the stations that would be in the new group if the plans mature are in Illinois, Wisconsin, Iowa and Indiana. One of the organizers is Ota Cygi.

Among the stations known to have been approached are WCLS, Joliet, and WWAE, of Hammona. Both are 100 watt plants.

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## NEWSPAPER-STATION ASSOCIATION ENDS FIRST YEAR

The Twin City (Minneapolis and St. Paul) Association of Newspapers and Radio Stations, believed to be the only organization of its kind in the United States -- if not in the world -- has completed its first year with a record of numerous achievements.

This Association was formed primarily to decide upon advertising agency recognition in the Twin Cities and to make possible the discussion of problems of mutual interest to the members. Included in the Association are the Minneapolis Tribune, Minneapolis Star and Minneapolis Journal, and the St. Paul Pioneer Press & Dispatch and the St. Paul Daily News. Originally all four Twin City stations namely, WCCO, KSTP, WTCN and WDGY, belonged, but the latter dropped out four months ago.

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## RADIO STILL HAS YOUTHFUL OUTLOOK, SAYS SARNOFF

"The radio industry, emerging last year from a period which has been trying to all business endeavor, proved again that it has still the youthful outlook and vitality that caused it to forge swiftly to the forefront in the momentous decade that followed 1920," says David Sarnoff, president of RCA.

The last twelve months saw the introduction of one of the most revolutionary improvements of recent years in radio -- the all-metal tube. The quickness of the industry in recognizing and embracing definite advances is witnessed by the fact that 48 of the leading radio set manufacturers were using all-metal tubes before the year ended.

"A most significant development for the entire radio industry was the turn toward higher quality merchandise, after an interval in which the price trend of radio receivers has been downward.

"During the year, also, plans were made and announced for taking television from the laboratory for the first comprehensive field test in America. We are planning ahead, bearing the expense of the test of our laboratory achievements so that when television is finally introduced commercially the public shall not be disappointed."

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