

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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MAR 8 1939

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March 7, 1939.

## SYKES TO QUIT FCC FOR PRIVATE PRACTICE

Judge Eugene O. Sykes, who is one of the original members of the Federal Radio Commission, is expected to quite the Federal Communications Commission as of April 1st to enter private law practice, it was learned this week.

Commissioner Sykes, who has been a figure in the regulation of radio since March 15, 1927, when he was appointed a member of the Federal Radio Commission by President Coolidge, is understood to have sent his resignation to President Roosevelt. He would not comment on the report, however, until some word comes from the White House.

Reports, also unconfirmed, are that Judge Sykes will enter the practice of law, specializing in radio cases, with a former General Counsel of the FCC. It is believed that he may be associated with Paul D. P. Spearman, now a successful radio attorney, although Mr. Spearman declined to comment on what may happen after Judge Sykes leaves the FCC.

Judge Sykes' resignation came somewhat as a surprise in view of rumors within the radio industry that he might be one of the members of the proposed three-man Commission advocated by Chairman Frank R. McNinch, if and when the FCC is abolished.

Although a veteran member of the Commission, who several times has been under Congressional fire, Judge Sykes was probably the most popular Commissioner with the broadcasting industry. He was at one time Chairman of the Broadcast Division of the FCC and was the most sought-after speaker at meetings of organized broadcasters.

His close association with Chairman McNinch in recent months has surprised some of his associates, but his popularity has continued undiminished.

Whether or not his resignation will have the effect of taking him out of any Congressional investigation of the FCC and the radio industry that may be ordered is conjectural. At any rate he will escape the full blast of any criticism that may be turned on the Commission, observers believe.

Judge Sykes, who came to Washington from Jackson, Miss., has several times represented the United States at international radio conventions and has served in varying capacities on the Commission itself. He was its Chairman for a period shortly before it was abolished to make way for the FCC. Thereafter he was Chairman of the Broadcast Division until it too was abolished by Mr. McNinch.

Currently he has been sitting as a member of the FCC Committee conducting the chain-monopoly investigation.

Before coming to the Commission, Judge Sykes was one of the South's leading lawyers. Coming from a family in which the practice of law was a tradition, he was at one time a Justice of the Mississippi Supreme Court.

After studying at St. John's College and the U. S. Naval Academy, Annapolis, he obtained an LL.B degree from the University of Mississippi in 1897 and began the practice of law in Aberdeen, Miss., where he was born. He was Democratic presidential elector-at-large from Mississippi in 1904.

He is a member of the Delta Kappa Epsilon fraternity, a Mason and an Elk, and a member of the Sons of Confederate Veterans.

Actually Judge Sykes was the first Acting Chairman of the Federal Radio Commission. Admiral Bullard, who was appointed Chairman by President Coolidge, was in the Far East at the time, so that Judge Sykes called the first meeting and functioned as Chairman until Bullard's return to Washington.

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NBC, MBS SALES RISE, CBS OFF FOR FEBRUARY

Time sales by the National Broadcasting Company and the Mutual Broadcasting System were higher for last February than for the corresponding month in 1939, reports disclosed this week, while the Columbia Broadcasting System fell a little short of its all-time record for February, 1938.

Gross expenditures by advertisers on the NBC networks showed an increase for the fifteenth successive month. Total for February was \$3,748,695, an increase of 7.2 percent over February, 1938, when the total was \$3,498,053. Cumulative total for the first two months of 1939 was \$7,782,595, an increase of 6.7 percent over the comparable 1938 figure. That the February, 1939, totals are lower than those of the preceding month is accounted for by the fact of the three-day shorter month.

An increase of 9.2 percent in billings was reported for the Mutual Broadcasting System. Mutual's February 1939 billings totalled \$276,605. The billings for February, 1938, were \$253,250. Total billings for the first two months of 1939 were \$591,683 representing an increase of 13.1 percent over the cumulative billings of the first two months of the previous year, when the total was \$523,144.

Gross billings to advertising agencies for the sale of time on the Columbia Network during February totaled \$2,541,542. A year ago, when CBS was setting an all-time record for the first quarter of any year on any network, February grossed \$2,680,335. The cumulative total for 1939 to date is \$5,215,599.

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## WHITE ASKS PROBE OF FCC AND CENSORSHIP

Senator Wallace White (R.), of Maine, on Monday introduced a resolution in the Senate calling for an investigation by the Senate Committee on Interstate Commerce of the Federal Communications Committee, complaints of censorship, and other phases of radio regulation.

The resolution reads as follows:

"Resolved, That the Committee on Interstate Commerce or a subcommittee thereof, as the committee may determine, is authorized and directed to make a thorough and complete investigation of:

"1. The acts, rules, regulations, organization, and policies of the Federal Communications Commission.

"2. Whether a censorship of communications has been practiced in the United States, the character and extent, and the principles which have been followed in the exercise thereof; whether the same has been exercised by the Commission, or has been influenced by other governmental departments, agencies, or officials or by licensees and against whom directed; whether broadcasting stations have been requested or influenced by the Commission or other governmental departments, agencies, or officials in any manner or degree to broadcast or to refuse to broadcast programs or parts thereof, or to permit or refuse opportunity for particular persons to broadcast; and in what circumstances, to what extent, and in what jurisdiction a broadcasting station shall be jointly or severally liable for words broadcast through its facilities, or by its officers or employees or whether stations shall be exempted from liability for words broadcast by its facilities.

"3. The terms for which radio licenses for all classes of stations shall be issued and, in particular, whether a minimum length of term shall be fixed by statute for all classes of radio stations.

"4. Whether a system of license fees shall be established, designed to produce sufficient revenue to meet the cost of maintenance of the Federal Communications Commission, or whether some other system of taxation for this specific purpose shall be enacted into law.

"5. The extent to which and the circumstances under which the ownership, control, management, or interest in more than a single broadcasting station has become vested in any person or group of persons; whether such concentration of ownership, control, management, or interest has come about through assignment of licenses, through leases, stock ownership, arrangements with respect to management, or by other means and devices, and whether such transfers of ownership, control management or interest in whatsoever form effected have been submitted to the Commission for approval and have received Commission approval or acquiescence;

and whether such arrangements have seemed to recognize a right in a license or a frequency other than specified in the terms, conditions, and time of the license and beyond statutory limitations.

"6. The extent to which broadcast stations are owned, controlled by, or are affiliated with newspapers or other publishing interests or by other media of information or entertainment, and the effect of such ownership, control, or affiliation upon competing newspapers not possessing such facilities and upon the public interest.

"7. The development and present facts concerning broadcasting networks or chains, including the effects of chain association upon the licensee's control of his station; the effect of chain operations upon the financial results and status of chain-affiliated stations and of independent stations; the ability of chain owned or affiliated stations to render a local service, both sustaining and commercial; the duplication of broadcasting programs through chain broadcasting; and the desirability of special regulations governing chains and stations engaged in chain broadcasting.

"8. The effects upon the broadcasting systems of the United States of the use of high power by broadcasting stations and whether there should be a limitation by statute or by regulation upon the power to be used; the experience of other countries in the use of super-power; and the effects of high power upon local stations and the service by them.

"9. The character and extent of information required of licensees of broadcasting stations by the Communications Commission upon the filing of applications for construction permits, licenses, modifications or renewals of licenses, or assignments thereof or at other times.

"10. Competition between communication companies in domestic service and competition between companies, both wire and radio, in communication between the United States and foreign countries; the financial results thereof to the competing companies; whether these results threaten the financial soundness of any of the companies, loss of employment, or other adverse effect upon labor; the efficiency of said companies; and in particular, whether the merger or consolidation of communication carrier companies within the United States and in the field of foreign communications should be permitted in the public interest; and if to be permitted, the terms and conditions thereof.

"11. Said committee is further authorized and directed to make a study of the policies and principles which should be declared and made effective in legislation providing for the regulation and control of communications by wire or radio, whether interstate or foreign.

"For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and to act at such times and places,

either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate during the Seventy-sixth Congress; to require by subpoena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents; and to administer such oaths and to take such testimony as it may deem advisable.

"Upon the conclusion of its hearings and study, or from time to time during the progress thereof, the committee shall report to the Senate the results of its studies and its recommendations as to legislation it deems advisable."

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### SHEPARD LICENSES RENEWED AS CASE COLLAPSES

The Federal Communications Commission this week renewed the radio licenses of John Shepard, III, President of the Yankee Network, for the operation of his two Boston stations, WAAB and WNAC, after charges made by a disgruntled employee were withdrawn.

Mr. Shepard's stations had been operating with temporary licenses since the charges were filed early last Fall, and the FCC has conducted its investigation with the utmost secrecy. The employee in affidavits had charged Mr. Shepard with violation of several provisions of the Communications Act.

One of the charges was that Mr. Shepard had conducted a crusade over the stations in a local fight with politicians. Others involved provisions governing lotteries and the use of profanity.

The case proved too hot for the FCC from the first, especially after reliable reports became current that Thomas G. Corcoran was interested in quashing the charges. After postponing action several times, the FCC yesterday cancelled hearings and renewed the license on the ground that the charges had been withdrawn.

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### UNLICENSED STATION OPERATORS ARE FINED

Following an investigation by Inspectors of the Federal Communications Commission of the operation of unlicensed radio stations in San Francisco, California, Edward Maleski and Edward Rittler were indicted for violations of Sections 310 and 318 of the Communications Act of 1934, as amended.

On February 28, 1939, Edward Maleski, following a plea of guilty, was sentenced in the United States District Court for the Northern District of California to one year probation and a fine of \$100.00. The other defendant, Edward Rittler, also plead guilty to such unlawful radio operation and was to have been sentenced by the Court on March 2, 1939.

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FCC PUBLICITY SERVICE CONTINUED UNTIL APRIL 1

The Federal Communications Commission this week voted to continue the special publicity services of Marion L. Ramsay and aides under the direction of Chairman Frank R. McNinch until April 1 despite the fact that the Commission is rapidly running short of funds with no appropriation in sight.

Commissioner T.A.M. Craven moved to have the "study" concluded as too expensive, but he was over-ruled. Commissioner Case offered an amendment, which was adopted, to ask for Mr. Ramsay's report by March 15 but to continue his service until April 1.

Mr. Ramsay was hired at \$7,200 a year upon the suggestion of Chairman McNinch following the "purge" of Franklin G. Wisner, who was paid only \$4,800. He has since hired an assistant at \$3,200. His task, under the supervision of the Chairman, was to study the publicity needs of the FCC and to make recommendations for a permanent set-up. His 90-day tenure has been extended twice.

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FCC REVERSED IN DENIAL OF C.P.

The Courier-Post Publishing Co., a Missouri corporation, this week won its fight in the United States Court of Appeals of the District of Columbia, for a permit to construct a new radio broadcasting station at Hannibal, Mo., to operate on a frequency of 1310 kilocycles with a power of 250 watts daytime and 100 watts nighttime.

The Appellate tribunal reversed and remanded the case to the Federal Communications Commission. The company had appealed from the Commission's decision, which had denied its application for a permit to build the station.

The court held that the appellant has sustained the burden of proof that there is a public need for a local station in Hannibal and ruled that the finding by the Commission that public convenience, interest and necessity would not be served in granting the permit for a local station is "in law arbitrary and capricious".

The opinion was written by Associate Justice Fred M. Vinson, who, with Chief Justice D. Lawrence Groner and Associate Justice Justin Miller, heard the case.

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## G.E. DEVELOPS NEW TELEVISION ANTENNA

A new type antenna, cubical in shape and radical in design, has been developed by General Electric's radio engineers for use in the company's new 10-kilowatt television station nearing completion in the Helderberg hills, 12 miles outside of Albany. This consists of eight hollow copper bars, each four inches in diameter and about seven feet, or one-half wave, in length, arranged so as to form a perfect cube.

The antenna is designed to radiate a horizontal polarized wave, carrying both picture and voice on the  $4\frac{1}{2}$ -meter band, with good signal strength for a distance of 40 miles or more, or to the horizon.

"Literally this antenna will be a radio lighthouse atop the 1500-foot mountain, radiating a signal that will cover the entire Capital District of New York State", explained H. P. Thomas, engineer who created this unique antenna. "Hills will be the only interference. In this respect the radio waves compare to light waves; and where shadows would fall, were the antenna a light, there may be a weakened signal. However, I don't believe there will be any shadows deep enough to cause total dead spots for television reception within the 40-mile radius of the station."

Work is being rushed in the erection of the station. However, since considerable engineering investigation must take place before programs are broadcast, it probably will be early Summer before the station will begin its actual programs for public reception, according to the company's statement. The station has been licensed under the call letters of W2XB, with W2XH assigned to the low-powered 1.9 meter transmitter being built atop the studio building in the city of Schenectady, which will relay the programs out to the main transmitter, an aerial distance of 12 miles. Equipment is now being installed in the studio and it should be ready within the next two months for experimental tests.

Because of its ideal location atop a 1500-foot hill and the fact that it will radiate considerably more signal power than any existing television station in America, it promises to surpass any station in the country, both in range and reception strength.

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Recently the House of Commons Official Report stated that the British Broadcasting Corporation's capital expenditure incurred on television service up to September 30, 1938, less depreciation written off, was approximately £126,000 and that the revenue expenditure up to that date, including depreciation and program, engineering, and staff costs, was approximately £660,000.

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## PORTABLE POLICE RADIOS COVERED IN NEW FCC RULES

Newly adopted revisions of the Emergency Service Rules of the Federal Communications Commission promise improved operation of police radio systems which now protect many millions of citizens against crime and other perils, the FCC stated this week.

The rules will affect police radio services of more than 650 of the larger cities, embracing the bulk of the nation's urban population, and services maintained by police forces of about half the States, the Commission announced today.

Specific provision is made in the rules for the use of low powered portable and mobile transmitters which may be carried by a man on foot. This type of equipment is especially useful in hunting for criminals or lost persons in broken country where radiocommunication will permit searching parties to keep in constant touch with each other.

Clarifying changes made in the rules are expected to regulate more effectively the use of ultra-high frequency transmitters installed in police cars for the purpose of providing two-way radiocommunication with police headquarters. Use of these mobile transmitters has spread rapidly until more than 2500 are now in use by approximately 500 municipalities. Several cities have 70 or 80 of these installations. Two have signified their intention of placing more than 200 transmitter-equipped police cars in use by the end of this year.

Present installations are so arranged that upon lifting a hand microphone from the dashboard of the car, the transmitter is immediately turned on, enabling the officer in the car to talk at once with headquarters.

All calls made from headquarters may be acknowledged by each car equipped with a transmitter, removing any uncertainty as to actual performance of the assignment. Patrol car officers may call for an ambulance or other assistance in emergencies, when minutes are all-important.

By 1929 a considerable number of municipalities had requested police radio facilities so that it became necessary for the Federal Radio Commission to allocate eight frequencies in the band 1600 to 2500 kilocycles for this purpose. Later more frequencies were allocated to meet the growing demand and a nationwide plan was adopted so that each section of the country might have its own frequency for use in broadcasting timely police items from a headquarters station to police cars. Sixty-seven channels are now available for police use.

Radio broadcasts to police mobile units are now so vital to the functioning of police agencies that the majority of police cars, motorcycles, and patrol wagons for large police departments are delivered factory-equipped with a suitably adjusted receiver.

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While a large volume of police messages destined for mobile units originate at police headquarters, many messages originate in other municipalities or in other States. To meet this situation a point-to-point police radiotelegraph communication system was established. "Zone" and "interzone" police stations are licensed. Normally zone stations exchange police messages with similar stations within that zone, the boundaries of which usually coincide with State boundaries. Interzone police stations act as clearing agents for messages going from one zone to another.

In many instances officers in two-way equipped cars have noted suspicious incidents which upon being reported at once to headquarters led to the solution of crimes. Car crews also obtain through headquarters quick checks on the license tag number of suspicious cars, and in a chase, the patrol car may notify headquarters to dispatch additional cars to block all avenues of escape.

Police radio dates from 1921, when one of the large cities in the Midwest established a radio station in an attempt to broadcast police messages to several cars equipped with receivers. Inasmuch as the receiving installations were rather cumbersome and contained fragile tubes, it was several years before their use was extended. However, with the development of methods of reducing ignition interference as well as the inception of more rugged receiving equipment, it became apparent that radio might play an important part in the suppression of crime.

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#### BROWN TALKS ON RADIO ON GREAT LAKES

Commissioner Thad H. Brown, who has been designated by the Federal Communications Commission to have charge of the Great Lakes and Inland Water Survey, spoke Friday night at Ohio State University, Columbus, Ohio, over Station WOSU.

Discussing "Radio Communications on the Great Lakes", Commissioner Brown, who is both a native of Ohio and an alumnus of Ohio State University, spoke of the tremendous amount of commerce which is carried on by means of the Great Lakes. Pointing out that until the coming of radio, "a ship was a floating mechanism detached completely from the land it left behind" the Commissioner stated that the survey was being conducted to determine the radio requirements necessary or desirable for the protection of life and property on the Great Lakes and inland waters.

Hearings on the Great Lakes and Inland Waters Survey are to be resumed in Cleveland, Ohio, on March 6th. Congress has instructed the Commission to "report its recommendation, and the reason therefor, to the Congress, not later than December 31, 1939". Commissioner Brown will conduct the hearings in Cleveland.

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## RADIO TELEPHONE RESEARCH PUSHED BY A. T. & T.

Notable progress is being made by the Bell Telephone Laboratories of the American Telephone & Telegraph Company in the study of radio telephone transmission, according to the annual report of the A. T. & T.

"Research in the field of radio telephone transmission", the report states, "has been pushed particularly in the direction of increasing the efficiency and reliability of transoceanic circuits in anticipation of the adverse conditions likely to obtain in 1940 and 1941 at the time of expected maximum effect of sun spot disturbance. Notable in this work is the single side band method previously mentioned and the development of a highly efficient adjustable directional antenna. One of these antennae two miles long is now being installed on the transatlantic route.

"Annihilation of distance as a barrier to telephony could not have been achieved except through the creation by research of new methods of wire and radio transmission which now make possible a complete mingling of methods for the best results in any particular service.

"Out of the radio work in 1938 and as a result of the interest in assisting in the improvement of civil and military aeronautics, came two noteworthy achievements. One was the development of an accurate instantaneous terrain clearance indicator by which the pilot is at all times apprised of his height above the ground. The other was the development of an aeroplane locator for use at ground stations. By dialing the frequency of the aeroplane radio, the airport operator may see on a map the direction of any aeroplane within range. These should be of great value in reducing hazard to planes in bad weather.

"Improvements in transmission are grounded in improvements in transmitters, receivers and other parts of subscribers' equipment and in the improved transmitting characteristics of circuits. The almost instantaneous establishment of any telephone connection, which has come about in the past few years, would be impossible were it not for improvement in the reliable functioning of switching and control devices - many of them entirely new - and in the development of efficient and economical transmission channels. Further, everything must be so reliable that operating methods dependent on reliability can be established.

"All these and numerous other major factors, however, would not be sufficient to give the people of the United States the kind of service they have at the price they pay for it, were they not reinforced by a very great number of other physical things all directed to the maintenance of reliable operation, to the elimination of extraneous interferences, and to long life. Essential are the developments of control signals and the like which enable trained operators to expedite and guard service in the interest of the user and of preventive maintenance appliances which enable the plant forces to detect and correct incipient troubles before they become hazards to service. These are the things the Bell Telephone Laboratories is maintained to do in addition to pioneering the use of the new things of science in the field of communication."

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: : : TRADE NOTES : : :  
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At its meeting last week the Board of Directors of the National Association of Broadcasters formally approved the establishment of a Bureau of Radio Advertising. The Bureau will undertake to (1) promote radio as an advertising medium, (2) serve as a clearing house for the collection and use of basic industry information and surveys of direct and indirect benefit to commercial representatives of member stations, (3) establish closer relations with trade and advertising groups, and the trade press, (4) prepare proper material which can be used in sales presentations, dealer and distributor meetings, and in auditions.

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Three 100-watt Minnesota stations, to be known as the Minnesota Network, will become affiliated with the National Broadcasting Company on March 6. They are KYSM, Mankato; KROC, Rochester, and KFAM, St. Cloud. Until the termination of NBC-affiliations with WWNC, Asheville, N.C., on April 1, and KOIL, Omaha, Neb., on April 29, NBC stations will total 173. WKBO, Harrisburg, Pa., was announced as the 170th affiliate.

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The Federal Communications Commission has made public a letter to the Pennsylvania Shipping Company, of Philadelphia, Pa., granting the company's request for a waiver to allow the cargo vessel, S.S. ANTIETAM, to sail March 4 for San Pedro and return with a 50 watt transmitter, instead of the 200 watt transmitter required under the Ship Radio Telegraph Safety Rules. The Commission in granting a 30 day waiver noted that this cargo ship is certified by the Bureau of Marine Inspection and Navigation as "ocean-going, unlimited".

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A radio sound-effects kit which may be used by "youngsters" of all ages in staging realistic radio dramas at home and an "electronic" kit for building a number of electronic devices are now being introduced by the RCA Manufacturing Company to the nation's toy buyers at their annual two-week "preview of playthings" in New York.

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Effective immediately, WKBO, Harrisburg, Pa., will become the 170th affiliate of the National Broadcasting Company, as an optional station to the Red and Blue basic networks. Owned by the Keystone Broadcasting Corporation, the station operates on 1200 kc. with 250 watts daytime power and 100 watts at night. The 169th NBC affiliate, KSCJ, Sioux City, Iowa, already announced, joins the basic Blue Network as an optional station on September 24.

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## FCC MORALE AT NEW LOW; WORK AT A STANDSTILL

Because of the uncertainty of the reorganization of the Federal Communications Commission and the bitter feud between Chairman Frank R. McNinch and Commissioner T.A.M. Craven the morale of the FCC and its staff has reached a new low.

Work of the Law Department and other divisions of the Commission organization has come almost to a standstill as employees have no assurance of jobs after the shake-up. Decisions of the Commission under the new set-up instituted by Chairman McNinch following the abolition of the Examining Division have been few and far between.

Meanwhile, members of the Commission are at the mercy of members of Congress who believe in taking advantage of the situation to promote the interests of their constituents.

Despite the fact that Chairman McNinch announced a year and a half ago that a "gold fish bowl" policy would be followed by the Commission and that all communications from members of Congress would be made public, members of the FCC are being annoyed daily with calls in persons and on the telephone. One Commissioner stated that never before in his experience on the Commission has so much pressure been brought to bear on individual Commissioners by politicians.

With the Wheeler-McNinch and the White reorganization bills lying idle on Capitol Hill and with no appropriation for the FCC in sight, the outlook for radio regulation is indeed bleak.

Observers believe that the only solution to the dilemma is a thorough airing of the whole FCC affair before a Congressional committee. Most members of the Commission feel that the White resolution is the answer.

Rumors that President Roosevelt will again take a hand in straightening out the muddle continue to circulate around Washington. With Judge Eugene C. Sykes due to step down after 12 years' service next month, broadcasters are wondering if that may now be just the beginning of a general exodus from the Commission.

The one big question mark in the minds of broadcasters, however, is whether or not Chairman McNinch still has the backing of the President. Senator Wheeler (D.), of Montana, has noticeably cooled toward the Chairman and his three-man plan, but so far there has been no definite indication from the White House as to the Chief Executive's attitude on the reorganization plan.

The recent outburst of Chairman McNinch against Commander Craven has served to muddy the waters more than ever although the reaction was far more unfavorable to the Chairman than to the dissenting Commissioner.

The frank criticism of FCC policies and some of Mr. McNinch's pet ideas by Elliott Roosevelt this week while testifying in the chain-monopoly investigation was little comfort to the Chairman although it was apparent that the President's son was speaking his own mind as a broadcaster rather than for the Administration.

The consensus of newspaper correspondents and even members of the Commission was that the lid was apt to blow off at any moment and that "anything may happen".

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#### RADIO CRITICS TO BE HEARD BY FCC NEXT WEEK

With the chain-monopoly investigation of the Federal Communications Commission nearing an end, the FCC committee next week will hear some critics of commercial radio after completing its inquiry into the regional network operations.

Appearances have been filed by the following persons and organizations:

American Civil Liberties Union, American Guild of Musical Artists, Inc., Norman Baker, Congress of Industrial Organization, L. L. Corvell & Son, Independent Radio Networks Affiliates, National Committee on Education by Radio.

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#### NEW STATION GRANTED NEWSPAPER IN ATLANTIC CITY

A construction permit for erection of a broadcasting station in Atlantic City was granted this week by the Federal Communications Commission to the Press-Union Publishing Company. The facilities granted are 1200 kc. with 100-250 watts power, unlimited hours.

The applicant publishes morning and evening newspapers in Atlantic City. The only other station in the resort city is WPG.

At the same time the FCC reaffirmed its grant of a construction permit to the Amarillo Broadcasting Corporation, Amarillo, Texas, by denying a rehearing plea by W. C. Irvin, of Amarillo.

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## WHEELER PROPOSES PROBE OF TELEGRAPH INDUSTRY

Chairman Wheeler, of the Senate Interstate Commerce Committee, this week introduced a resolution for a Senate investigation of the telegraph industry, which comes under the jurisdiction of the Federal Communications Commission. The resolution reads:

"Whereas the telegraph industry plays an important role in the economic life of the Nation and is an arm of the national defense; and

"Whereas the telegraph industry is in a precarious financial and economic state and the corporations engaged in such industry are possibly contemplating a merger or consolidation which would result in the creation of a monopoly detrimental to the public, the industry, and labor: Therefore be it

"Resolved, That the Committee on Interstate Commerce is authorized and directed to make a thorough and complete study of the telegraph industry in the United States, including the economic conditions of the telegraph carriers, their relation to corporations engaged in other forms of communications, and the tendencies toward consolidation and monopoly in such industry. The committee shall report to the Senate as soon as possible the results of its study, together with its recommendations for the enactment of any remedial legislation it may deem necessary for the best interests of the public, the industry, and labor.

"For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places, either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate in the Seventy-sixth Congress; to employ such experts, and clerical stenographic, and other assistants; to require by subpoena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents; to administer such oaths; and to take such testimony and to make such expenditures as it deems advisable. The expenses of the committee, which shall not exceed \_\_\_\_\_, shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman."

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The Australian Broadcasting Commission, in its sixth annual report, for the year ended June 30 last, estimates that there are now wireless receiving sets in 65 percent of the dwellings throughout the Commonwealth. On June 30 there were 1,057,911 licenses in force, which raised the percentage of licenses to population to 15.40, compared with 13.78 in the previous year. Australia still holds sixth place in the world in the percentage of licenses to population.

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## ELLIOTT ROOSEVELT RAPS FCC "CENSORSHIP"

The voice of young Elliott Roosevelt, son of the President and a broadcaster in his own right, this week was added to the growing cries against indirect censorship of radio by the Federal Communications Commission.

Appearing before the FCC chain-monopoly hearing for parts of two days, Mr. Roosevelt complained against the six-months license period, the insecurity of the broadcasting business, and objected to the suggestion that a "bureau of standards" be set up as a yardstick for programs.

Mr. Roosevelt said that "a censorship of fear" exists in radio. He told the FCC that radio, "for the good of free speech and private initiative" in this country, "needs a law that will allow a broadcaster to operate without fear, even though his worst enemy administers it".

The present requirement that radio stations renew their licenses every six months, Mr. Roosevelt said, "tends to act as a restriction upon free speech".

"Free speech, generally speaking, is enjoyed only in America", he went on. "The totalitarian States have not only a controlled press, but a controlled radio, and this trend is to be feared in America. This censorship may be unintended. It is none the less real."

On the second day, under questioning by Chairman Frank R. McNinch, the President's son said he had not meant to charge the FCC with exercising censorship but had intended to point out its potential danger.

Instead of requiring stations to make periodical license renewals, although he said it mattered little whether the period was every six months, as required by the FCC, or every three years, the maximum allowed by the Communications Act, Mr. Roosevelt urged:

A certificate permitting a station to continue so long as it operates for the public good. Such a certification would be revokable for cause.

Mr. Roosevelt is President and Chairman of the Board of the Texas State Network, Inc., and head of Hearst Radio, Inc.

Because of the license renewal and station sale regulations, he testified, radio had been unable to obtain financing from banks.

"Because of the uncertainty of continued operation", he said, "no bank could justify a loan.

"As a result, the people who went into radio were those willing to gamble rather large sums of money."

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Chairman McNinch, chief questioner, asked the witness what "threat" there can be if the Commission denies license renewals only in "extraordinary cases".

Mr. Roosevelt replied that this fact makes no difference to bankers so long as operators must make regular renewals of licenses and are not allowed to place any value on the license.

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#### SUB-COMMITTEE NAMED ON LIQUOR ADVERTISING BILL

Chairman Wheeler of the Senate Interstate Commerce Committee, announced this week the appointment of a sub-committee of Senators Andrews of Florida, Johnson of Colorado, and Gurney of South Dakota to consider S 517, "a bill to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, and for other purposes", introduced by Senator Johnson of Colorado.

The purpose of Senator Johnson's bill is to prohibit any advertisement of, or information concerning, any alcoholic beverage, such advertisement or information is broadcast with the intent of inducing the purchase or use of any alcoholic beverage.

The Federal Alcohol Administration in each of their yearly reports have recommended that the Congress take such action. Senator Johnson says he is hopeful of getting action on his bill at this session of Congress.

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#### INTERFERENCE ERADICATORS GIVEN AWAY IN COPENHAGEN

The Danish State Radio Monopoly is now in a position to offer Copenhagen listeners, gratis, suppression of motor noise radio interference through a grant of 50,000 crowns in the last budget, according to the American Commercial Attache, Copenhagen. Hitherto the listeners themselves were obliged to meet the expenses incurred in suppressing interference by motors, etc. installed prior to 1931, the effective date of the current radio law. In the future all work in eliminating sources of interference will be done free of charge by the radio authorities.

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## NBC ISSUES COMMERCIAL TELEVISION BOOKLET

The National Broadcasting Company has mailed the first booklet dealing with television exclusively from an advertising standpoint to more than 5200 advertisers and agencies throughout the country. The booklet, compiled by E.P.H. James, NBC Sales Promotion Manager, is called "Television in Advertising", and summarizes the present status and future of television as an advertising medium. Also being mailed at the same time is another booklet called "RCA Television", which contains a short history of television development and a condensed description of the RCA electronic system.

The points covered in the booklet of particular interest to advertisers are: (1) That the cost of production remains the greatest problem to be solved, and in any event will, on the average, exceed that of present sound broadcasting; (2) that NBC, while not planning any immediate sale of time, is following the policy of creating as much program variety as possible in order to build up a fund of experience of future value to advertisers; (3) that the addition of sight to sound will give more than twice the flexibility of present day sound broadcasting for commercial purposes and can be expected to be many more times as effective in actual sales appeal, and (4) that for more than four years NBC has employed special observers whose task it has been to watch and chart the development of television in relation to its possibilities as an advertising medium.

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## U. S. RADIO SET SALES ABROAD FALL IN JANUARY

Sale of American-made receiving sets abroad, which aggregated 55,000 units valued at \$1,271,674 in December, dropped to 35,081 sets valued at \$808,842 for January of this year, the Commerce Department reports. Foreign sales of receiving set accessories, recorded at \$32,299, reached the lowest point in more than a year. Sales abroad from the United States of "radio receiving tubes" and "receiving set components" classifications decreased from a value of \$368,362 to \$156,355 and \$535,276 to \$265,461, respectively. Exports of "transmitting sets, tubes and parts" also decreased from the December figure of \$304,196 to \$165,225 for January.

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## DENIES NAZIS DROWN U. S. WAVES IN PUERTO RICO

Reception of American broadcasting stations in Puerto Rico is not hampered by Nazi or other European transmissions, according to first-hand advice received by S. T. Thompson, of the Zenith Radio Corporation, Chicago, despite a statement to the contrary by the Rev. Jarvis S. Morris, President of the Polytechnic Institute of Puerto Rico.

The Rev. Mr. Morris' statement was reported in the New York Times as having been made in a New York City church recently and was reprinted in the Heintz News Letter.

"I arranged with our Export Department", Mr. Thompson writes, "to communicate with a friend in Puerto Rico, and I think it only fair that we send you a copy of his reply so that you may see that the situation, insofar as German propaganda is concerned, is not universally the way it was reported by the Rev. Morris. It is quite possible that in an isolated case and with a receiver incapable of receiving short wave reception properly, he may have stumbled across a condition that disturbed him. Evidently it is not a general condition, and if it exists at all, is isolated."

In reply to Mr. Thompson's inquiry, Hijos de Ricardo Vela wrote as follows, in part:

"We have your letter of January 26th in which you want our comments in reference to an item in Heintz Radio Business Letter in which it is informed that according to the Rev. Jarvis S. Morris the Nazi Propaganda Broadcasts are drowning out educational programs from your country in Puerto Rico making almost impossible for radio listeners in Puerto Rico to tune in either local or United States stations. We wish to inform you that this is absolutely incorrect and that there is no interference from the German or any other European broadcaster with the transmissions from the local or U.S. stations. We have not heard absolutely any complaints from anybody here regarding this interference and the writer, who is an ardent radio listener, tunes every day the American programs day and night without interference from European stations. He has a Zenith radio in his home and nightly tunes in the principal programs from the U.S. short wave stations not only those directed to South America but also the principal programs from the Columbia and the National Broadcasting system with absolute regularity and clarity.

"During the daytime we can tune in on the American stations on 13, 16 and 19 meters with good volume without interference from other stations. The station at Bound Brook, New Jersey, W3XAL at 16 meters starts a program at 6 P.M. every day that is heard here with splendid volume and clarity without absolutely any interference, also during the night time the Columbia Broadcasting System with its stations W3XE and KDKA at Pittsburgh, Pa., both on 25 meters, are heard with very good volume and clarity transmitting the chain programs and programs directed to Latin America.

On 31 meters we have the Schenectady stations and also another station at Bound Brook in 30 meters. These are received also very well. The only complaint we would make against the U. S. is that they transmit too much in Portuguese when out of 20 countries in Latin America there is only one who speaks Portuguese. The best received European station here at night is the English station on 31 meters and it does not interfere with any other station. During the day time all U. S. short wave stations are received here with much greater strength and clarity than any European broadcaster, and is only during the night time that the English station on 31 meters excels the U. S. stations and these are on a par with the German stations as to volume and clarity.

"We know there is a movement in the U.S. to have the government erect a powerful station to counteract German propaganda and probably Rev. Morris' sermon was more of a propaganda nature than a desire to state the true facts, or maybe Rev. Morris does not have a Zenith.

"Of course, the German stations are very well received here, and there are many people, in Puerto Rico, just as in the States, that prefer to tune the German broadcast to any others, but this cannot be avoided, just as it cannot be avoided that others prefer and tune only Cuban, American, Italian, English or Spanish broadcasters."

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#### PORTABLE TELEVISION TRANSMITTER EXHIBITED

A portable television transmitter weighing about 450 pounds, developed by engineers of the Philco Radio and Television Corporation, which can be rolled about on wheels and used to televise either studio programs or outdoor athletic or news events, was demonstrated this week on the first day of the company's "All Year 'Round" convention at the Savoy-Plaza Hotel, New York City.

Standing about five and one-half feet tall and measuring about one-and-a-half feet in width, the apparatus, which picks up both sight and sound, can be moved easily by two or three men and is able to transmit over a distance of 150 feet under its present low power. Compact, in spite of its eighty-three tubes, it is made up of 12,000 individual parts, and is equipped with a battery of lights for use indoors, which are detachable. Only a plug-in to a nearby electric outlet is needed to place it in operation. A sound box is attached to the side of the transmitter and is adjustable to it, in much the same way a motion picture sound track is adjusted to a film.

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 ::: TRADE NOTES :::  
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The average price of radio sets in 1938 was 73 percent below the average 1929 price and radio tubes 50 percent lower, David Sarnoff, President of the Radio Corporation of America, estimates from reports in the trade this week.

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A. D. Willard, Jr., General Manager of the Columbia Broadcasting Company's District of Columbia division said this week that the ace sports commentator, Arch McDonald, will leave Washington not later than April 1 to take up a similar assignment in New York.

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NBC President Lenox R. Lohr has announced a new personnel training plan for Radio City guides and pages, designed to give them a more intensive preparation for careers in the broadcasting business. In addition to the inauguration of special classes and discussion groups, the plan will permit rotation of all junior employees on the guest relations staff in the various positions of the division.

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More than a hundred manufacturers have contracted for over 130 booths in the National Radio Parts Show at the Stevens Hotel, June 14-17, which is sponsored jointly by the Radio Manufacturers' Association and the Sales Managers Clubs. The number of exhibitors, as well as the space contracted for, is ahead of last year's record, and the programs both for the RMA convention and the parts show are being prepared.

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WNYC, New York City-owned transmitter, will serve hometown news to New York World Fair visitors this Summer through tie-ups with out-of-town newspapers. Local items will be condensed into a daily news report, with each paper given credit. It's tentatively titled "Your Home Town News".

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The reduction in power of WLW, Cincinnati, from 500 KW. to 50 KW. has not affected a single account, according to James D. Shouse, General Manager of WLW and Vice President of the Crosley Corporation in charge of broadcasting.

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## GERMANS DEVELOP TUBE TO COMPETE WITH U. S. IMPORTS

German scientists have developed a radio tube that promises to compete favorably with American imports, according to the office of the American Commercial Attache at Berlin.

At a recent meeting at Mannheim of the German Association of Radio Amateurs (Verband des Deutschen Amateur-Sende und Empfangs-Dienstes) Professor Dr. Wesch of the Lenard Institute of Heidelberg read a paper on two new types of radio tubes developed by this Institute, the report stated. Professor Wesch claimed that, apart from technical advantages, these tubes can be manufactured at a cost which would be in line with the present prices of American tubes and asserted that the new invention "would break the American radio tube monopoly".

Professor Wesch said both of the new radio tubes are so-called pentodes. The first of the two types represents an improvement of the universal tube EF 14 which can be put to many different uses and has wide possibilities of amplification. Its principal use will be for short wave amateur sets. It is also of importance as a power tube for broadcasting stations up to 100 watts and can serve as oscillation generator with back-connection with the controlling grid ("echo connection"). Owing to its construction it produces an absolutely silent oscillation with an efficiency of 70 percent.

Of still greater importance for amateur radio sets is the new "German Standard Sending Tube", Professor Wesch asserted. It presents the same advantages as the first tube and can be used even for the smallest waves (down to 10 meters for amateur sets). Other characteristics are its very small dimensions and its extraordinary reserve capacity - 50 watts outgoing out of 75 watts reception. Its efficiency is 74 percent.

There is reason to believe, Professor Wesch asserted, that the new tubes will put an end to the dominant position of America in the world radio tube market. As the German industry will take no special profits according to Professor Wesch, it will be possible to produce the new tube, which will make its appearance in the German market early in the new year, at a cost corresponding to present American prices, quite apart from the fact that the quality of the new German tubes will be higher than the corresponding American product.

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Dear Miss Sprague:

There apparently is no No. 1106. That number apparently was skipped but I am sending March 14th issue in case you do not have that. We only get out the letter on Tuesdays and Fridays so you have not missed any if you have No. 1107.

Donna K. Lawrence  
Secretary to Mr. Heinl

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1107

No. 1106

March 14, 1939.

#### FOUR MORE WEEKS OF CHAIN-MONOPOLY QUIZ

Releasing a revised schedule of hearings in the chain-monopoly investigation, the Federal Communications Commission this week revealed that the inquiry will continue for at least four weeks more. This week the FCC is hearing critics of the radio system, including complaints from the Civil Liberties Union, the C.I.O., and Norman Baker, who lost his license several years ago.

The FCC Committee stated that next week it would begin hearings regarding so-called "lease" and "management" contracts and related matters.

Broadcast licensees and others will be called by the Committee to submit evidence with reference to contracts, agreements, and arrangements relating to the management, control, and operation of stations. The Committee will inquire particularly into the manner in which stations are operated so that actual operating practices may be considered in connection with contracts and arrangements entered into by licensees for station management, program production, and sale or lease of station time.

Licensees and others who will be called to present evidence include the following.

National Broadcasting Co., Inc.; Westinghouse Electric & Mfg. Co., (KDKA; KYW; WBZ; WBZA); General Electric Company (WGY); North Texas Broadcasting Co., (KPLT); City of Camden (WCAM); John H. Stenger (WBAZ); Regan & Bostwick (WQDM); The Associated Broadcasters, Inc. (KSFO); Columbia Broadcasting System, Inc.; St. Lawrence University (WCAD); Racine Broadcasting Corp. (WRJN); Loyola University (WWL); Moody Bible Institute (WMBI); The Cable Broadcasting Co., (WFBG); Cornell University (WESG); Monumental Radio Co., (WCAO); Baltimore Radio Show, Inc., (WFBR); James R. Doss, Jr., (WJRD); Educational Broadcasting Corp., (KROW); C. C. Morris (KADA).

Hearings relating to the ultimate ownership and the multiple ownership of broadcast stations will be held during the week of March 28th. Under the head of ultimate ownership the FCC Committee will receive evidence regarding ownership of stations which has been concealed or not disclosed fully. Multiple ownership is concerned with the ownership of two or more stations by the same or common interest.

Much information has been gathered on this subject from various parties including a number of brokers who hold stock in

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corporations in the broadcast field often as nominees for other parties, and sometimes as nominees for other brokers who in turn are nominees for other parties.

During the week of April 4, the transcription phase of the broadcasting industry will be investigated, it was announced by S. King Funkhouser, temporary special counsel assisting in the investigation of chain and network broadcasting and monopoly.

Among those who are scheduled to appear are: the National Broadcasting Company, Columbia Broadcasting System, Mutual Broadcasting System, and Associated Music Publishers, Inc. Gerald King, of Radio Transcription Producer's Association of Hollywood, California, will appear before the Committee on Tuesday, (today), March 14, to enable him to return to California immediately.

The Committee plans to look into the use, availability and quality of transcription programs as well as their relation to advertising agencies and station representatives.

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#### AFA BAN ON WPA JOKES NOT APPLIED TO RADIO

Emily Holt, Executive Secretary of AFRA, and Ralph Whitehead, Executive Secretary of the American Federation of Actors, assured the National Association of Broadcasters last week that AFA's ban on WPA jokes would not affect broadcasting.

Many AFRA members also belong to AFA, the vaudeville and night club union. When AFA ordered its members to stop making any cracks about the WPA, there was some question as to whether AFA members would refuse to read radio scripts that included WPA jokes.

Mr. Whitehead joined Mrs. Holt, however, in saying that the rule applied only when AFA members were working in AFA territory, that is, in night clubs and vaudeville.

In AFRA's jurisdiction, actors took the scripts that were given to them, Mrs. Holt added. AFRA had no intention of making a similar rule, she said.

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### SYKES RESIGNATION ACCEPTED; SUCCESSOR DOUBTFUL

President Roosevelt announced at his press conference last Friday afternoon that he would accept the resignation of Judge Eugene O. Sykes, veteran member of the Federal Communications Commission, as of April 1st, but he gave no hint as to whether or not he would appoint a successor.

Because of the pending legislation for reorganization of the Commission, it was believed unlikely that the President would fill the vacancy immediately.

He is expected, however, to take a hand in expediting the reorganization very shortly.

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### FCC ESTABLISHES POLICY ON HIGH FREQUENCY RENEWALS

The Federal Communications Commission last week announced a policy in regard to the consideration of applications for renewal of licenses of all the existing high frequency broadcasting stations. The Commission has licensed 49 high frequency broadcasting stations, all on an experimental basis. The licenses expire April 1.

The Commission set down three principles for its guidance in studying the applications for renewal. They are as follows:

1. When the applicant does not show that it has carried on any worthwhile experimental work during the last period, the application be designated for hearing.
2. If some work has been done, but of no great significance, then the licensee be informed of the work it must do during the next period and a commitment be obtained from the licensee before granting the renewal.
3. When the applicant has carried on a reasonably diligent experimental program and proposes to continue this work, a letter be prepared reviewing this course and making any suggestions for work that may be done during the next license period.

Of the 49 high frequency broadcasting stations licensed, 42 use amplitude modulation and 7 use frequency modulation.

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## NEWSPAPER CONTROL ISSUE SET FOR HEARING

For the first time since the controversy over newspaper control of radio stations started, the Federal Communications Commission has set for hearing a clear-cut case before deciding whether or not an application should be rejected solely on the grounds that it would give a newspaper publisher control of all news dissemination in a community.

The FCC this week set for hearing the application of WSAN, Inc., and the Lehigh Valley Broadcasting Co., of Allentown, Pa., for the merger of the town's two stations, WSAN and WCBA, which now share time on 1440 kc.

The Law Department, after the customary examination, reported that there are no legal, financial, or technical obstacles to the merger. The only question at issue, it was explained, is whether a publisher, the Allentown Call Publishing Company, which owns the two local papers, should control the sole radio station as well.

The newspaper already owns WSAN, while WCBA is owned by a church, which wishes to seel the majority stock. Under the proposed merger, the publisher would own 65 percent of the stock of the consolidated station and the church or its minister 35 percent.

While the FCC in the past has favored the merger of stations sharing a single channel, the majority members balked at granting the Allentown application. Chairman Frank R. McNinch and Paul A. Walker openly expressed the view at the FCC meeting that the granting of the application would not be in the public interest.

Commissioners T.A.M. Craven and Norman Case voted against setting the application for hearing, while Eugene O. Sykes and George Henry Payne voted with McNinch and Walker. Thad H. Brown was absent.

The FCC stated that the action was taken "to determine whether the granting of the applications to consolidate two existing stations would result in, or trend toward, a monopoly in radio broadcasting and its immediate environs, and to determine if the operation of the stations by the Lehigh Valley Broadcasting Company would be in the public interest".

Commander Craven submitted a minority opinion in which he contended that the Commission has no authority under the Communications Act to deny a newspaper control of a radio station if all other conditions are met. He predicted, moreover, that if the FCC denies the pending application it will be compelled to reopen the cases of all of the 200 odd newspaper-owned radio stations.

The hearing will be held in Allentown, the FCC stated, "if the Commission's budget permits".

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## FCC ENGINEERS SEE HOPE IN SUN SPOT STUDIES

As the radio services grow and congestion increases, due to the limited frequencies available, studies of the sun spot cycle offer great hope for the improvement of all radio services in the near future. This view was expressed this week by engineers of the Federal Communications Commission in reporting upon "sunspots" and their effect on radio wave transmission.

"Sunspot activity constitutes one of the most interesting and at the same time troublesome phases of radio today", a FCC release states. "The National Bureau of Standards, the Army, the Navy, and the Coast Guard are cooperating with the Commission in a continuous study on land and sea of the effect of the solar sunspot cycle on radio.

"Sunspots are no more than the name implies - dark spots on the surface of the sun which come and go. The number of these spots has been found to vary periodically over a period of 11 years. It is believed that these spots are the centers of violent electromagnetic eruptions or disturbances on the sun's surface. With the coming of radio, it was found that these periods within which violent outbreaks of sunspots occurred on the sun - often called magnetic storms - had a pronounced effect on radio transmission. In addition it was also determined that a certain correlation could be made between the general trend of radio transmission and the number of sunspots occurring throughout the 11 year period. It is this period which is called the solar sunspot cycle.

"High frequency waves such as those used for international broadcasting are always weakened, and sometimes blotted out completely for many hours or even days during the course of one of these magnetic storms. Radio engineers and the managers of radio stations are thus able, with the knowledge of the cycle or period of activity of magnetic storms, to choose their program time in advance in the case of international broadcasts, in such manner as to avoid, whenever possible, those times when interruptions to their service appear to be most likely.

"As the average number of sunspots varies in a regular manner over this period of 11 years and since there is a definite relationship between them and the transmission of radio waves, the importance and necessity of continuous experimental observations is readily understandable.

"The magnitude of the work involved is not so generally appreciated, however. In a survey made for broadcasting by the Federal Communications Commission in 1935, in which the radio industry cooperated, 58 field intensity meters were operated at 11 different locations in the United States for a period of six months. Over 4000 continuous 24-hour records of the field intensity of clear channel stations in the United States were obtained over some 500 different paths, varying in distance from 60 to 2700 miles. It took a staff of the Commission's Engineering Department over 6 months to make a statistical analysis of the most important part of

this data. In a more recent survey, made by the Commission for the marine service, data were secured on somewhat more than 100 vessels, and measurements of field intensity and noise covering another period of six months were made on a number of vessels on voyages throughout the world.

"The information obtained in this way is used by the Commission in assigning the frequencies and powers of broadcast stations and in fixing the minimum distances between stations operating on the same or adjacent frequencies. It is also used in prescribing the power of stations in the marine service in order that the statutes of law, enacted by Congress with respect to safety of life and property, will be observed by American vessels.

"This information is essential in formulating the standards of good engineering practice for all radio services and is of particular importance in the regulation of broadcasting and the safety services, such as marine, aviation, and police, where the interest and safety of the public are the Commission's chief concern."

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#### EXCERPTS FROM ELLIOTT ROOSEVELT'S TESTIMONY

Following are excerpts from the testimony given by Elliott Roosevelt, son of the President, before the chain-monopoly committee of the Federal Communications Commission last week, highlights of which were reported in last Friday's news release:

"There has been lots of loose talk about trafficking in licenses and the broadcasters realizing high profits from the sale of licenses. This talk, in my opinion, is largely engendered by a lack of appreciation of the difference between trafficking in licenses and the legitimate sale of the stations. I feel that trafficking in licenses would seem to me to take place in one of two ways, first of all, where a person secures a construction permit to build a station with no intent to construct or operate that station, and, secondly, those who seek to sell this right to others for a profit after securing the permit, or else where the man buys a station with no intent of operating it but for the sole purpose of disposing of the station at a profit.

"On the other hand, a legitimate sale of a station is where a person in good faith constructs and operates it or purchases and operates it and builds up the business on the station and then, through circumstances, is forced to sell the station. He may, for any number of reasons, wish to dispose of the station, and, say he has built up a business which brings him a substantial yearly profit, then if he is required to suffer a loss in disposing of the station because in the minds of some he might be trafficking in a license, he is really in a position where it is very difficult for many of us to feel that there is a real reason to build up a station because we don't know whether we are able to dispose of the

"After all, this is not the Commission's primary interest - rather I feel that it is the Commission's primary interest, and that is, insuring the people of the United States the best radio service which this country is capable of producing. If the buyer of the station can continue to render a high grade radio service and can improve upon that service I cannot see what difference it makes whether the station sells for a dime or for a million dollars, as long as you continue to regulate the buyer just as you do the seller, and make sure that the type of operation is such that it is in the best interest of the public.

"I don't know of a single industry of comparable size which is required to apply each six months for the right to continue in business. The railroads, for instance, and the airlines are given certificates of convenience and necessity which allow them assurance of continuation, and I feel that it has not lessened on their operations in any degree the regulatory authority exercised by the government over them in the mere fact that they have a vested right in the license or certificate that is given to them. The government can step in and take it away from them at any time that they don't operate in the public convenience and necessity.

"Over and above that, it is my feeling that if we were allowed to secure assurance of continued life so long as we operate in accordance with the law and the regulations of the Commission that we should be placed on a sound basis like every other business. We feel, and I know that it is the sentiment of most of the smaller radio station operators in the country - I can't speak for the larger stations because I don't happen to be in that end of the business - but I know that if we were allowed to be honest and place a direct valuation on the license which we have, which after all is the good-will and the type of operation which we build up in our community, if we can place a valuation on that and the banks can be made to see the investment possibilities that there are on radio, that it will go a long way toward making radio a very much better industry for the people of the United States as a whole.

"I feel that the Commission, as such, really could recommend to Congress that legislation should be enacted to give radio stations certificates to operate which are revokable upon showing that they have failed to operate according to the law and I also feel that the regulations should be clarified, more clearly defined as to what is failing in operation in the public interest, convenience and necessity. After all, I notice that in the Act there is the phrase, 'public interest, convenience and necessity', but I have yet to have it explained to me exactly what public convenience is in a radio station and I would like also to have somebody explain to me what the public necessity of a radio station is, outside of the educational and entertainment values, and religious and so forth values that we have in bringing messages directly into the homes of the people of this country.

"If the regulatory right of the United States Government is not diminished, what logical reason can be advanced for holding the radio industry under such a short lease of life? We should be made the most stable industry in the country if we are to be able to be worthy of the tremendous trust which is given to us when we are given such a tremendously important method of reaching the people and are told you must operate this on behalf of the people."

The following exchange took place:

Mr. Roosevelt,

The Witness: I should like to make this statement with regard to censorship. I believe that there is - although the Commission may not realize - a censorship of fear at the present time operating in the radio industry. That is largely regulated and exists because of a lack of knowledge of just exactly what can be done and can't be done in the way of radio broadcasting today. There are no set rules, and I believe that many stations are today fearful of what rights they actually have and do not have, that if they carry certain types of programs that they may be in danger of reclamation, in the form of possibly losing their license, if the Commission did not happen to think that that program was in the public interest.

Chairman McNinch: You are, of course, familiar with the fact that Section 326 carries this language, Mr. Roosevelt: 'Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication.'

Do you not know that if the Commission should take any action that would be contrary to that section of the statute that the courts would very promptly give relief against it?

The Witness: Yes, sir, I believe that is true. I am merely stating what is the general feeling in the industry, that there should be a more clear definition of just what would be regarded as a program which is not in the public interest. Today, we have no laws in this country which protect the radio stations in any way; we have no libel laws which would enable us to be exempt from being subject to suit for what someone else says over our radio stations, and we are today in a position where we have to request copy in advance on political broadcasts, for instance, in order to make sure that there is nothing in there which is of a libelous nature which might hurt us. Yet, at the same time, we feel that actually that may be operating in the direction of an actual censorship of what is said, even though we have no clear definition of what is right and what is wrong that can be said over the air. And we have no limit of our liability for what the other fellow said.

Chairman McNinch: If exercised at all in the direction of censorship, that would be a censorship exercised by the station though, would it not?

The Witness: Yes, sir. I think though that there should be something in the law with regard to limiting the liability of radio stations for what might be said by someone departing from their script and making remarks over the air about an individual or group which were of a defamatory character and which could be construed as not being in the public interest.

Chairman McNinch: I am not prepared at all to take issue with you about that. But to do that, you would want some sort of limitation, would you not, put upon the power of the station in the selection of material?

The Witness: How is that, again, Sir?

Chairman McNinch: In order to afford you the protection against libel that you refer to, would you want a statute to put some limitations upon the right of the station management in the selection of its material that goes over the air?

The Witness: I believe that the station management should be required by statute to properly label all material that goes out over the air, and they should be held responsible for proper labeling. Once having done that, if someone then utilizes that air in a manner which is deemed as being libelous, I believe that then that person should be held liable and not the station itself.

Chairman McNinch: What I was inquiring about, and am very much interested in, is to know how better you would suggest that the prohibition of censorship by the Commission - not by the station - can be stated than in the emphatic language that is in the Act, when it denounces censorship, saying that there shall be no power, nor shall the Commission devise any rules or regulations which would interfere with free speech or amount to censorship? Can you add anything of substance or meaning to that statutory prohibition?

The Witness: Well, we feel this way; that the law is emphatic in its statement to a certain extent, but we do feel that there is, to a certain extent, the possibility that if a type of program should be broadcast which did not meet the approval of the Commission - that there still is a possibility and not that this Commission has ever utilized that power - through the power of taking away a license, the Commission could exercise a form of censorship.

Chairman McNinch: But the Commission has not, so far as you know?

The Witness: No, sir.

Chairman McNinch: Now, would you want to take the position that, regardless of the character of program material, the Commission in determining whether or not a station has been operated in the public interest during the preceding six months should be deprived of any power to say that programs had not been in the public interest?

The Witness: I believe that the Commission should primarily concern itself with seeing that nothing of a profane, defamatory, or unclean type of broadcast should get out over the air, and beyond that point, I do not think that the Commission should be particularly interested in the regulation of the type of program.

Chairman McNinch: Take your term "unclean" which is not in the statute - the statute denounces matters which are obscene, or vulgar, or profane, but you say "unclean".

The Witness: Well, that is merely another word for those three.

Chairman McNinch: Well, but is it? May not a thing be unclean in the estimation of the general public but not be vulgar, not be profane and not be obscene? May it not be suggestive, and so suggestive, as to be offensive to the whole public?

The Witness: I think that anything of a suggestive nature comes under the term of a vulgar type of program.

Chairman McNinch: But unless it did come under that, unless the courts would sustain it as being suggestiveness of a vulgar type, then the Commission would not have any authority under the present statute, according to your -

The Witness: I believe though that any court would sustain that.

Chairman McNinch: That is speculation. We often miss our guesses on what courts will do. But you believe that outside of those three categories, the station should be entirely free and should never be called to account for program material, if it is not obscene, vulgar, or profane within the meaning of the statute?

The Witness: Yes, sir, as long as it properly labels its broadcasts.

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:::: TRADE NOTES ::::  
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 :::: TRADE NOTES ::::

The Western Union Telegraph Company has agreed to file with the Federal Communications Commission the tariffs on inbound traffic from foreign countries. The company had previously refused to file such tariffs.

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Gordon Selfridge, Jr., of Selfridge & Co., Ltd., blamed sponsored radio for the slow advance of television in the United States, in an interview in London last week with Richard Burbidge, Managing Director of Harrods, Ltd., during a Selfridge television program. Interviewed afterward, Mr Selfridge said sponsored television could not come until costs were reduced, and he hoped it would not come for some time, "otherwise we will all be broke."

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The Federal Communications Commission has announced that a hearing would be called during the Fall of 1939 to correct the evils of the Alaskan aviation communication system and that all licensees and applicants for aviation service in Alaska would be made parties to this meeting. The Commission stated that on the basis of the population, which approximates 60,000, the air passenger traffic in Alaska is now  $16\frac{1}{2}$  times greater than in the United States. The keen competition resulting from the fact that the aeroplane represents the quickest and only reliable means of transportation during the Winter has made it impossible for the companies to organize an aviation communications system among themselves.

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Ten new radios, three new types of portable air-conditioning units, and a complete line of Conservador refrigeration, together with a new line of dry batteries and auto radios, were announced by Philco Radio & Television Corporation at its Mid-Winter Convention at the Palm Beach, Fla., Biltmore Hotel on March 16, 17 and 18.

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The Federal Communications Commission announced this week it had granted the few applications which have been made by broadcast licensees for extensions of time within which to file annual financial reports due from them on March 15, 1939. The extensions vary in length, in accordance with individual need. The reports affected cover the calendar year 1938. The Commission authorized that further applications for extensions be granted in individual cases for reasonable cause shown.

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## ELECTRICAL TRADE PARLEY PROGRAM COMPLETED

The Department of Commerce has completed arrangements for a two-day "open house" for executives of the electrical goods manufacturing industry, to be held on March 30 and 31.

The conference, sponsored by the National Electrical Manufacturers' Association, is designed to acquaint this large section of the American industrial system with the research and trade promotion facilities offered to business by the Department of Commerce. It will be held in the Department of Commerce auditorium.

The electrical goods group embraces seventy major industries, producing products ranging from commercial radio equipment to turbine generators and household refrigerators. During 1938 it employed more than 250,000 persons, with the value of its products approximating \$1,600,000,000.

The two-day conference will be opened Thursday morning by an address by Secretary Harry L. Hopkins. He will be followed during the course of the two days by 26 officials of the Commerce Department who will detail their various activities, especially as they pertain to the electrical goods industry.

The discussion of foreign trade, with which the industry is concerned to the extent of more than \$100,000,000 a year in sales abroad, will be introduced on Friday afternoon with a preliminary statement by Assistant Director F. H. Rawls, of the Bureau of Foreign and Domestic Commerce. John H. Payne, Chief, Electrical Division, will outline the special services available primarily for electrical manufacturers and exporters. Other foreign trade services will be explained by the chiefs of the various Bureau divisions; Commercial Intelligence, Commercial Laws, Finance, Foreign Tariffs, and Foreign Trade Statistics. The chief of the District offices will then outline the services available to business in all parts of the country.

Copies of the program may be obtained from the National Electrical Manufacturers' Association in New York, or from the Bureau of Foreign and Domestic Commerce, Washington, D. C.

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MRS. FRED D. WILLIAMS, WIFE OF EX-RMA HEAD, DIES

Mrs. Fred D. Williams, wife of a former President of the Radio Manufacturers' Association and now associated with the Philco Radio & Television Corporation as its representative in London, died Sunday in Wayne, Pa., a suburb of Philadelphia. Mr. Williams was in London at the time.

Bond Geddes, Executive Vice President of RMA, sent flowers on behalf of the Association, to the funeral, which was held this (Tuesday) afternoon.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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MAR 20 1939  
7:19 AM

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No. 1108

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## MILLS WARNS THAT RADIO MAY BE DENIED MUSIC

As the Copyright Committee of the National Association of Broadcasters prepared to tackle the music copyright problem again at a meeting in New York, beginning next Monday, E. C. Mills, Chairman of the Administrative Committee of the American Society of Composers, Authors, and Publishers, charged the NAB with fostering ill will and State acts to hamper the copyright owners.

Asserting that the NAB "with characteristic stupidity and short-sightedness" is making the broadcasting industry "the goat", Mr. Mills said that "it is not conceivable that if the present policy and campaign of attack and vilification continues to be pursued, that when 1940 arrives the song-writers of America and the rest of the world will refuse to license the use of their works by any broadcasting station."

The statement by Mr. Mills came on the heels of enactment of anti-ASCAP legislation by two more States - North Dakota and New Mexico - and his return after a Western trip to battle such State legislation

"These bills apparently all had a common authorship - Andrew W. Bennett and his associates in the NAB", Mr. Mills said. "Notwithstanding the often repeated assertion of NAB and its spokesmen to the effect that it does not sponsor or approve anti-ASCAP legislation in the various States, the fact remains that it does, more or less secretly, not only sponsor but financially support where necessary movements to introduce and enact such laws.

"Broadcasters generally, with an oily disregard for the facts, pretend that what they want is some sort of a law which will safeguard them from the commission of 'innocent infringements'. Therefore, they protest that if they can enact laws which will require ASCAP to file lists in the various States of all the compositions of which it controls the performing rights, they will then be able to refer to those lists in the offices of their respective Secretaries of State, and thus protect themselves against 'innocent infringements'. Of course, this is just hokum - because two years ago I offered every one of them, absolutely free of charge, a copy of The ASCAP Index, which covers every musical composition used by broadcasting stations and is being added to constantly so that now it is inclusive of all compositions used by broadcasters in the years 1934-1935-1936, as well as the complete record of all musical compositions copyrighted during 1937.

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"The ASCAP Index covers not only works of which the Society controls the performing rights, but as well, compositions controlled by SESAC, AMP and independent owners not affiliated with any organization. Less than two hundred of the stations were sufficiently interested to accept The ASCAP Index and buy the filing cases in which to install it. Yet these same people who profess such an overwhelming desire for just exactly this sort of a record propose to duplicate in forty-eight States the records maintained in the office of the Register of Copyrights at Washington. They apparently care nothing for the burden thus to be placed upon the Treasuries of their respective States, and the whole plan of attack upon the part of the broadcasters seems to have as its objective the thought that ASCAP will be frightened, and at the end of 1940 will be so soft and pliable that the broadcasters can then dictate much better terms for renewal of licensing agreements than might otherwise be the case.

"With characteristic stupidity and shortsightedness, the NAB is proceeding in just exactly the wrong way - they are making the industry of broadcasting the 'goat' in that they are not only building up a tremendous ill-will upon the part of the songwriters of the whole world, but they are creating a public impression that what the broadcasters most desire is an opportunity to pirate and confiscate the music which is the vital essential to the successful operation of their commercial enterprises.

"Broadcasters in their propaganda in behalf of these State anti-ASCAP bills profess to be abused in that they 'pay ASCAP fees on programs which do not use ASCAP music'. Of course, this statement is utterly at variance with the true facts when, after weeks of discussion in 1932, NAB's Board of Directors approved this very formula and in 1935 approved and accepted a renewal of the same formula.

"It is not inconceivable that if the present policy and campaign of attack and vilification continues to be pursued, that when 1940 arrives, the songwriters of America and the rest of the world will refuse to license the use of their works by any broadcasting station. Broadcasters create no music and are parasites as far as music itself is concerned. What they do is to make purely commercial profits by capitalizing upon the music created by others and interpreted by the great artists. Unfortunately, spokesmen for the broadcasters and the leaders in that industry generally have seen fit to so resent the fact that the men and women who create the product most essential to their successful commercial operation demand to be paid fairly for the use of their material, that in their propaganda to State Legislatures they term these men and women, who are helpless and hopeless to protect themselves as individuals, 'racketeers' and worse because through collectively exercising their rights, they have succeeded in building an organization which is in a position to protect them.

"In not one single State where ASCAP has had a fair opportunity to present its case before committees to which anti-ASCAP legislation has been referred has the State subsequently enacted the hostile statute. Only where under the duress of 'rail-roading' tactics by broadcasters and political pressure brought to bear through threats of retaliation at future elections as to such State Legislators who did not support their cause have the broadcasters been successful in procuring enactment of these laws.

"At no time has ASCAP been in the slightest doubt as to the outcome nor is it in any doubt now. It does seem strange that an industry which enjoys a free franchise from the United States Government to utilize the air in such a manner as will earn for it a staggering annual income taken out of the pockets of the public by the advertisers should pursue such short-sighted policies. The broadcasters are ASCAP's best customers. The product which ASCAP's members create is a vital essential to their successful operation. Whether they like it or not, these two parties will have to get along.

"Songwriters today could not live without the income from radio. Radio could not live without the output of the songwriters. If it could, it would. And, if finally, in order to test the merits both in the public opinion and in the minds of the lawmakers and to the satisfaction of the broadcasters themselves, it becomes necessary for the songwriters to entirely withhold their product, the broadcasters will have only themselves to blame for a condition brought about as a result of their years of consistent and continued and amply financed efforts in the National Congress, through the Department of Justice and in State Legislatures to destroy the protective organization which the songwriters have created, and without the protection of which they would be helpless and hopeless to protect their lawful rights."

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PAN AMERICAN STATION BILL DEAD, SAYS VINSON

Despite rumors that President Roosevelt intended to promote legislation for construction of a Pan American short-wave station at this session of Congress, Chairman Vinson of the House Naval Affairs Committee, stated this week that the Celler bill is "pigeon-holed" for this year.

Although long overdue, there has been no indication, moreover, as to when the report of the Inter-departmental Committee studying the subject of U. S. Broadcasts to Latin America will be released. Chairman Frank R. McNinch, of the Federal Communications Commission, heads the Committee.

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## FCC MAKES CHANGES IN HIGH FREQUENCY ALLOCATIONS

The Federal Communications Commission issued this week a report covering the allocation of frequencies throughout the radio spectrum from 30,000 to 300,000 kilocycles. The Commission also made public the table of allocations to the specific services.

In addition to announcing various changes in the allocation to these specific services, the report, by its terms, accomplishes the following:

1. Extends the outstanding instruments of authorization for frequencies above 60,000 kilocycles except those operating in the broadcast service (television, facsimile, relay, high-frequency and experimental broadcast) to October 1, 1939.

2. Provides that applications for renewal which are due to be filed on August 1, 1939, shall specify frequencies in accordance with the new allocation.

3. Provides that applicants for new instruments of authorization after the effective date of this order (April 13, 1939) shall request frequencies in accordance with the new table of allocations.

### Broadcasting:

The allocation of frequencies above 30,000 kilocycles vitally affects several important broadcast services; namely, television, facsimile, relay, high frequency and experimental broadcast.

The action taken by the Commission with respect to television is in general accord with the action taken on October 13, 1937, in that the same 19 bands are reserved for television; however, three of the bands, namely, 162,000-168,000 kc., 210,000-216,000 kc., and 264,000-270,000 kc., may be used also for general or specific research and experimentation in the radio art along lines which are not specifically directed toward any established service. These stations will be required to vacate these bands if operation thereon results in interference to any television station.

The Commission believes that in order to permit television to be inaugurated on a nationwide basis a minimum of 19 channels should be reserved below 300 megacycles. This does not mean that the minimum number of channels allocated by this order will eventually provide channels for a completely competitive nationwide service. Undoubtedly additional channels above 300 megacycles or some rearrangement of the present plan will be necessary at a later date, the FCC stated.

"The action taken by the Commission is merely one step toward the development of the television service", it added. "The question of proper standards of design and operation are now being studied and will receive appropriate action with the least possible delay. All outstanding authorizations for television service are experimental."

In the band 41,000-44,000 kc., 75 channels are made available for assignment to aural broadcasting and facsimile broadcasting stations. Twenty-five of these channels have already been allocated to non-commercial educational broadcast stations. The revised order does not change the existing broadcast allocation in this band nor does it change the allocation to broadcasting on frequencies below 41,000 kc.

Order 19 originally provided for broadcasting in the band 142,000-144,000 kc. In order to provide frequencies for the aviation service, it was necessary to shift broadcasting to the band 116,000-118,000 kc. which was formerly tentatively assigned to amateurs.

Frequencies will be provided in each of the broadcast bands above 40,000 kc. for experimentation in frequency modulation as well as amplitude modulation in order that the relative merits of the two types of modulation may be properly evaluated by the Commission at an early date. It is anticipated that as a result of such experimentation proper standards will be eventually developed.

The action of the Commission in revising Order 19 provides a total of 12 channels for broadcasting service, such as, for example, relay broadcasting, in the frequency band 132,000-140,000 kc. These channels are in substantial accord with the original allocation.

#### Police Service:

The police service has been allocated eight channels between 132,000-140,000 kc. to supplement the frequencies which have previously been allocated to this service within the band 30,000-40,000 kc. At the present time there is only a small number of police stations operating experimentally above 100 megacycles.

Municipal and county governments as in the past will be required to cooperate to the fullest extent and coordinate their needs for radio communication service in order that interference may be minimized. These frequencies will be maintained experimentally until such time as developments may determine which manner they may be best used by this service.

#### Aviation Service:

In order to provide additional frequencies for the aviation service, which is essentially a safety service, and may not be served by any other method of communication, the frequency band 140,000-143,880 kilocycles has been allocated to this service. Many of the present problems which confront the aviation industry through its employment of medium frequencies may be solved through the use of the ultra-high frequencies. These frequencies are of utmost importance to the aviation service in that they are comparatively free from atmospheric interference and electrical disturbances, which render communication on medium frequencies impossible at times. Because of the natural limitations of these frequencies in their transmission

and reception range, duplication of use of a given frequency will be possible at intervals of about 500 miles.

The frequency band 129,000-132,000 kilocycles remains unchanged and will be available for airport traffic control. Six airport frequencies separated by approximately 500 kilocycles will be available for use at various airports throughout the country. Where there are several airports in the same locality, such as New York, the use of a separate and distinct frequency may be authorized. The intervening guard bands are provided in order to avoid interference and thus give the maximum degree of safety possible.

#### Fixed Service:

The fixed service has been allocated 14 channels in the band 132,000-140,000 kilocycles. In view of the decided and extensive demand for frequencies for the various classes of service which by their very nature are dependent on radio communication rather than wire lines, it is only possible to provide frequencies for the fixed service for use in areas where wire facilities are not available, or, due to circuitous wire routing or emergency circumstances, the use of radio may be found justified. Consequently, a limited number of frequencies have been made available for fixed service.

#### Experimental Service:

The experimental service has been allocated, in addition to the frequencies previously assigned, the shared use of those frequencies allocated to the special services. These additional channels which are interspersed throughout the frequency range 30,000-40,000 kilocycles and 132,000-140,000 kilocycles are primarily for general experimentation which is not directed specifically to any established service.

In addition, the order provides that all frequencies between 129,000 and 144,000 kilocycles are also available for assignment on an experimental basis to stations engaged in the development of a specific service in accordance with the rules and regulations governing that service. For example, should a municipality desire to experiment in the police service on frequencies above 130 megacycles, the frequencies allocated to the police service would be used.

There are also made available to the experimental service three bands of frequencies which have been allocated primarily for television broadcasting. These bands are separated approximately 50 megacycles apart, commencing with a band 162,000 kilocycles. Frequencies within these bands are available on a temporary basis only for general or specific research and experimentation in the development of the radio art along lines which are not specifically directed toward any established service. The holder of any general experimental instrument of authorization for any frequency or frequencies within these bands must vacate such frequency or frequencies if interference results to the television service. The assignments to experimental stations will be made upon the approximate 0.1% channeling system.

Relay Press Service:

The term "relay press" station has been adopted by the Commission since Order 19 was first promulgated. Frequencies above 30,000 kc. formerly designated as "mobile press" are now designated "relay press". A relay press station is limited to the transmission of news for publication, or orders, instructions or inquiries concerning such news to be published by the licensee and other publishers of the same news, or to be disseminated by the news association with which the licensee is regularly affiliated. Licenses for relay press stations are granted for communication to or from points where other communication facilities are not available. The frequencies provided in the revised order for relay press stations fall within the bands 30,000-40,000 and 132,000-140,000 kc.

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"BACK DOOR" CENSORSHIP CHARGED TO FCC

Charges that the Federal Communications Commission is exercising a "back door" censorship on radio programs and that the large broadcasting companies are exerting influence on the FCC to retain desirable frequencies were made this week in the chain-monopoly inquiry.

Roger N. Baldwin, Director of the American Civil Liberties Union, accused the Commission of suppressing freedom of speech through "backdoor" censorship.

"Commission opinions as well as speeches and letters of Commissioners have the effect of duress on program content", Mr. Baldwin told an FCC committee investigating monopolistic tendencies in radio. "Thus the Commission is doing through the backdoor what the Congress has prohibited it from doing through the front door."

Mr. Baldwin referred to the specific provision in the Communications Act providing that the Commission shall not censor radio. He said the Union's chief complaint was the Commission's practice of licensing stations for six-month period instead of for three years as allowed by the Act. Forcing a station off the air, he said, should be by revoking its license rather than failing to renew it. He said the Commission then would have to prove the station was not operating in public interest.

Mr. Baldwin criticized commercially sponsored news comments by Elliott Roosevelt, son of President Roosevelt and President of the Texas State network. He said that a network official should refrain from discussing controversial topics.

S. Howard Evans, Secretary of the National Committee on Education by Radio, which represents educational associations, read a paper in which he asserted the present system of station allocation imposes "a severe limitation on any possible opportunity for freedom of speech on the air". He said the system invited lobbying and pressure methods on the part of the large broadcasting companies.

S. King Funkhauser, special counsel for the Commission, challenged the latter statement. At one point questions were injected by Commissioner Paul A. Walker and by Chairman Frank R. McNinch. In the end Funkhauser had to content himself with Evans' admission that he had no knowledge of influence, except that he knew that high-priced lawyers and engineers of the broadcasting companies spend a great deal of time in Washington in contact with the Commission's employees.

"I make no charges that monopoly does exist", Mr. Evans said. "But there is danger that it will develop, for the favorable channel assignments are aligned with the chain broadcasting companies, and the chain broadcasters maintain a lobby in Washington to create a state of mind in the Commission so that they will give favorable assignments. They are willing to spend considerable money for legal and technical representatives to advise with the people in the Commission."

"Do you know that anyone has spent money for that?" Mr. Funkhauser asked.

"Yes - R. C. A.", Mr. Evans answered. "And as long as the Commission favors certain stations against other stations, they are inviting that sort of pressure."

"You say they spend money to get favorable assignments?"

"No, to maintain favorable assignments."

"Name them."

"WEAF, WJZ, WNAQ, KOA."

"You say they maintain these stations by spending money?" Mr. Funkhauser asked.

"No", Mr. Evans answered, "They maintain talent necessary to keep those assignments. They are here to confer with the Commission's engineers, lawyers and employees, and they have succeeded in having the Commission refer to regular broadcast bands, as regular commercial broadcast bands. They are here to create the psychology of looking on it as commercial broadcasting."

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SIROVICH DEFENDS ASCAP IN CONGRESSIONAL RECORD

Representative Sirovich (D.), of New York, on Thursday inserted in the appendix of the Congressional Record, a lengthy defense he made of American authors and composers, including the ASCAP, from what he termed unfair copyright legislation in reprinting an address he made on the House floor in 1936.

Among other things, he defended the \$250 minimum damage fee carried in the 1909 Copyright Act, which composers may impose on anyone using their copyrighted music without permission.

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 ::: TRADE NOTES :::  
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CBS Rate Card 25, effective April 1, 1939, was announced this week by William C. Gittinger, Sales Manager of the Columbia Broadcasting System. It includes seven new CBS stations, bringing the current total for the network to 115 stations.

A unique process, developed in France, for printing colors on metallic paper is being used in the commercial field here for the first time on the cover of the NBC quarterly network program book for March. The cover is the work of J. Makowsky of Paris. Being mailed to advertisers and agencies throughout the country, the new program book is divided into three sections, including a summary of industries represented on the NBC networks; a list of sponsored programs with the name of the sponsor, program title, time on the air, network and agency, and a selected line-up of sustaining programs with a description of the program, time on the air and network. The book also points out that NBC network revenue in 1938 was larger than that of any other single medium in the advertising field.

The Union of South Africa, Brazil and Mexico were the largest foreign purchasers of radio receiving sets from the United States during the month of January, according to the Commerce Department. In the order named, they accounted for purchases amounting to \$131,462, \$82,706 and \$74,866.

An unusual advertisement which linked newspaper, radio and poster advertising, appeared recently in William Allen White's Emporia (Kan.) Gazette. It was five and one-half inch copy on three columns placed by the Emporia Poster Advertising Company, illustrating and telling about the big, five-color posters used about town by the new local radio station, KTSW, to advertise itself. Station KTSW has never advertised in the Gazette but many radio advertisers are buying Gazette space to call attention to their radio time.

BBC finances for 1938 show new high in income, actual gross being a trifle beyond \$19,000,000, of which 90% derived from radio licenses, according to Variety. Payoffs aggregated \$17,764,000 and balance sheet shows Corporation's full assets registered at around \$25,600,000. Half of total expenditures were spent on programs. Breakdown of licenses shows that of money subscribed by the public, BBC gets only roughly 75%.

Marshall Field & Co., Chicago, will cease to use the radio as an advertising medium at the conclusion of its "Musical Clock" program on Saturday after nine years of continuous use, six mornings a week.

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## NEWSPAPER CASE ENLIVENS CRAVEN-McNINCH FEUD

The minority report of Commissioner T.A.M. Craven in the Allentown newspaper-monopoly case which the Federal Communications Commission set for hearing early this week (see last news letter) widened the breach between Commander Craven and Chairman Frank R. McNinch.

Chairman McNinch's only comment on the case, which may lead to a declaration of policy on newspaper control of broadcasting stations, was:

"What objection can there be to allowing the people directly affected by a proposed local monopoly of communications to say what they want in an open hearing? All the Commission has done is to set this case for a hearing at Allentown."

Commissioner Craven, in his minority report said, in part:

"If these applications are to be set for hearing on this issue it can only be because a majority of the Commission have already adopted in their own minds, or contemplate adopting as a result of these proceedings, a principle that ownership of broadcast stations by newspaper publishers, or by certain kinds or classes thereof, is contrary to public interest, convenience and necessity, and justifies or requires the denial of any application involving such ownership.

"The adoption of such a policy represents a radical change in a policy which has been uniformly and consistently followed by the Government of the United States since the earliest days of broadcasting \* \* \* Prominent among those who pioneered in broadcasting in 1921 and 1922 were newspaper publishers, and, as a group, second perhaps only to manufacturers of electrical equipment, they have contributed ever since to the establishment and advance of our broadcasting system.

"In the most vigorous manner at my command", Commissioner Craven told the Commission, "I desire to record my vote against the adoption of such a policy and to state my reasons for so voting. In my opinion (1) The Commission has no power under the Communications Act of 1934 to adopt such a policy; (2) even assuming that the Commission has discretion in the matter, such a policy would be contrary to public interest, convenience and necessity; (3) a hearing on particular applications is not a proper or fair method of determining whether such policy would be adopted.

"The question directly affects some 240 licensees of existing stations scattered over the length and breadth of this country. It involves evidence to be drawn from some 18 years of experience with newspaper-owned stations, from practically every State in the Union, and from a wide variety of witnesses. It involves considerations drawn from the regulation of other industries, and of complicated social and economic factors. The parties affected are entitled to notice that the Commission contemplates so important a change in principle and to adequate opportunity to be heard.

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"It might develop - although I doubt it - that newspaper publishers owning stations should be sub-classified, and that one or more sub-classes should be barred and others not. There are several different situations among newspaper-owned stations, varying from the case where such a station is one of several competitive stations serving the same community to the case where the only newspapers and the only stations are owned by the same interests. Many publishers have only one station each. Others have two or more, sometimes in the same city and sometimes in different cities. If there is to be a sub-classification, it must be clearly defined and based on a reasonable distinction that has some relation to the welfare of broadcasting service."

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#### PARENT-TEACHER GROUP PROTESTS CHILDREN'S PROGRAMS

The Federal Communications Commission this week received protests from the Blow-Webb School Parent-Teacher Association, of Washington, against the Tom Mix, Buck Rogers and Gang Busters radio programs.

Mrs. J. M. Selby, who headed the Parent-teacher delegation, said she considered the programs undesirable and too exciting for the children at whom they are directed.

However, Mrs. Selby, who told S. King Funkhouser, counsel for the Commission, that she infrequently listened to the radio herself, said that the Parent-Teacher group would have no objection to Gang Busters if it were put on the air after small children had retired.

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#### CHARLIE'S "KIDNAPPING" GIVES N.Y. A START

The "kidnapping" of Charlie McCarthy gave blase New York a slight shock this week, but the irrepressible dummy was restored so quickly to Edgar Bergen at the Hotel Waldorf Astoria that no one, not even Edgar, lost any sleep.

After some anxious hours, Charlies was returned intact to the ventriloquist by Frank Farrell, night club reporter for the World-Telegram, who had used a note signed by Bergen to get hold of Charlie while his companion was seeing New York night life. Bergen insisted it was a publicity stunt but that he had nothing to do with it. Hereafter, he said, he will keep Charlie under lock and key.

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March 21, 1939.

## FCC RESIGNATION RUMORS RAMPANT; F.D.R. SILENT

While Congress and the Federal Communications Commission looked vainly to the White House for word from President Roosevelt as to the proposed reorganization of the FCC or at least a successor to Eugene O. Sykes, resignation rumors jumped from one member to another without stopping long enough for verification.

The highlight of these rumors was one, current on Capitol Hill, that Chairman Frank R. McNinch would be "kicked up stairs" shortly to a place on the U. S. Board of Tax Appeals.

Earlier there had been reports that Paul Walker and Thad Brown, staunch supporters of the Chairman, were planning to follow the example of Judge Sykes. Commissioner Walker, although his term expires in June, formally denied the report as to himself.

Oddly enough, the reports of resignations had switched from the minority to the majority members. Last Fall, during the height of the McNinch "purge", stories that T.A.M. Craven and George Henry Payne would resign or be dismissed by Executive Order were current. Yet Commissioner Payne, at least, has continued his resistance to the Chairman's policies, when he considered them wrong, and has brought the wrath of the doughty North Carolinian down upon his head, once by formal statement.

At this stage, however, Commander Craven appears to be more firmly entrenched than ever in his job, whereas Chairman McNinch seems ready to jump in any one of several directions.

The reorganization of the Commission by legislative enactment apparently is dead for this session. Chairman Wheeler, of the Senate Interstate Commerce Committee, has made no effort to bring the issue to a head by scheduling public hearings despite his early support of McNinch's three-man bill.

If Congress takes any hand in the FCC mess, the best guess is that it will authorize a sweeping investigation either in the Senate or House.

So far President Roosevelt, except for his early outburst that he was thoroughly dissatisfied with conditions on the Commission, has remained strangely silent. While friends of Chairman McNinch still insist that he has the backing of the President, there has been no official intimation at the White House that this is true.

Probably the only member of the Commission who is not greatly disturbed by the turn of events is Norman S. Case, former Governor of Rhode Island, whose nomination for another seven-year term was confirmed by the Senate this session. A minority member and yet an intimate friend of the President, Commissioner Case, like Mark Twain, has friends "in both places". Moreover, he is well enough fixed financially not to be dependent upon the \$10,000 a year job.

Many names have been suggested as possible successors to Judge Sykes, who leaves the Commission on April 1st to practice law, but none appears to have the right-of-way at this time.

Among the reported candidates are five defeated members of Congress: Otha D. Wearin, of Iowa; David J. Lewis, of Maryland; Maury Maverick, and W. E. MacFarlane, both of Texas; and former Senator Fred Brown, of New Hampshire.

Others, whose names have been suggested, are Rear Admiral Stanford C. Hooper, who is said to have no desire to quit the Navy and sacrifice retirement pay; and Lieut. E. K. Jett, Chief Engineer.

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#### FTC COMPLAINT HITS RADIO MAIL ORDER BUSINESS

A mail order business for the sale and distribution of radios and radio parts, with places of business in five States, has been charged with making false and misleading statements, in a complaint issued by the Federal Trade Commission.

The respondents are: Wholesale Radio Service Company, Inc., of New York, New York; Wholesale Radio Service Company, Inc., of Massachusetts, Boston; Wholesale Radio Service Company, Inc., of Illinois, Chicago; Wholesale Radio Service Company, Inc., of Georgia, Atlanta; Wholesale Radio Service Company, Inc., of New Jersey, Newark, and Abraham W. Pletman, Samuel J. Novich and Max H. Kranzburg, trading as Wholesale Radio Service Company.

The complaint alleges that the respondents, by mail and through catalogs and advertisements, represented to prospective purchasers that prices listed by them were wholesale prices and that they were wholesalers. Parallel price columns quoting alleged "list prices" and "net cost" of various articles are declared in the complaint to be false and misleading, and the prices at which the products are sold to be retail and not wholesale prices.

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## CROSLEY, DON LEE TELEVISION APPLICATIONS REFERRED TO FCC COM.

The Federal Communications Commission this week referred to its Television Committee applications of The Crosley Corporation, Cincinnati, Ohio, and Don Lee Broadcasting System, San Francisco, California, for construction permits for new television broadcast stations to operate on an experimental basis.

The Crosley Corporation asked for authority to use the channel 50,000 - 56,000 kc. with aural and visual power of 1000 watts unlimited time. Don Lee Broadcasting System requested frequencies 42,000 - 56,000 kc. with aural and visual power of 1000 watts, unlimited time.

The Crosley station would be erected at Cincinnati and the Don Lee station on a site to be determined in San Francisco or the immediate vicinity.

The applications are for the purpose of developing television broadcasting as a service to the public in distinction to other outstanding authorizations which permit a development of technical systems of television with public reaction secondary. Some apparatus experimentation is contemplated. However, the primary purpose is the development of a television service to the general public and a means of building programs which will accomplish this purpose. In the case of the Crosley application, the coverage of a typical television installation in the Cincinnati area is to be investigated.

On the committee are Commissioners T.A.M. Craven, Chairman, Thad Brown and Norman S. Case.

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## 834 FORGOTTEN NAMES OF RADIO RECALLED

One thousand names of radio sets - most of them now gone and forgotten - are listed in the current March issue of Radio Today, in connection with its "reveries of radio listening". Of the entire thousand names, only 186 are still in use on current radio receivers, according to O. H. Caldwell, editor of Radio Today.

Some unusual monickers were found decorating the tombstones of radio's dead past. Here are a few of the radio names that charmed listeners into spending \$100 to \$250 for sets, back in the early days of broadcasting:

Bear Cat; Betta-Tone; Caruso; Chanticleer; Clear-o-Dyne; Crimp-O-Dyne; Gloritone; Hy-Tone; Mel-O-Dee; Phusiflex.

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## PARLEY PREPARES U.S. FOR STOCKHOLM MEETING

A conference was being held at the State Department this week (today and tomorrow, March 21 and 22) to begin the preparation for participation of the United States in the meeting of the C.C.I.R. at Stockholm, Sweden, in June of next year.

The preparatory meetings for the Conference at Stockholm are open to all individuals and agencies in the United States interested in participating in that work, the State Department said.

Following is a list of the questions to be considered:

Methods of Measuring Radio Receiver Selectivity; Methods of Measuring Radio Field Intensity and Noise; High-frequency Ship Calling Frequencies and Procedure; Sideband Suppression; Anti-fading Antennas; Receiver Selectivity Requirements; Vocabulary of Radio Terms; Measurement Methods and Tolerances for Electrical Interference; Indication of Power of Transmitter with Directional Antenna; Frequency Tolerances; Frequency Separation between Stations, in Fixed and Mobile Services.

Also, Radio Wave Propagation; Characteristics of Frequencies for Direction Finding; Field Intensities Required for Reception; Background Noise of Transmitters; Background Noise of Receivers; Sensitivity of Radio Receivers; Radio Conditions Affecting Phototelegraph Transmission; Band Width of Emissions; Amendment or Elimination of Opinions; Addition to Appendix 12 to General Radio Regulations; Universal Decimal Classification; Definition of Transmitters; Classification of Waves.

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## FRENCH LISTENERS DISLIKE CURB ON RADIO NEWS

"M. Daladier, in spite of the heavy calls upon his time, has nevertheless been taking a more active interest in wireless just lately, and particularly in the relations between the broadcasting authorities and the Press", World-Radio reports. "No doubt the promised Broadcasting Bill has something to do with this interest, but restrictions placed on news bulletins in June last year, after representations made by the Press, have not proved popular with listeners. He has also published a decree reducing the six sections of the Superior Council of Broadcasting to four by maintaining the sections of Music, Literature, and Science and by altering the sections of News, Education (Sport and Leisure), and Economy to one section entitled General Information.

"Meanwhile, M. Julien, the Minister of PTT, has also been active, and is arranging to meet wireless journalists once a month to exchange information, and his chief of staff will meet them weekly to keep them informed of any innovations."

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## TELEVISION ADAPTED FOR "BLIND" LANDINGS

A television system to enable plane pilots to make blind landings in fog has been designed by Roland John Kemp of Chelmsford, England. The device is described in a patent (No. 2,150,551) that has been assigned to the Radio Corporation of America by the U. S. Patent Office.

The system would not only give the pilot a picture of the field but also of the angle at which he must glide to earth for a safe landing.

Operation involves the use on the landing field of two transmitters - one a short-wave radio and the other a television transmitter - keyed together. On the airplane are corresponding receivers, also keyed together.

As the airplane approaches the field, an image is broadcast revealing to the pilot the name of the field, the direction of the wind and other information. The receiver picks this up and makes it visible on part of the television screen.

While the pilot is circling the field the transmitter, of the short-wave directional type that sends out a radio beam focused like the light of a searchlight, is elevated and swung around until its beam hits the airplane and is picked up by the receiver. This beam comprises a radio wave which is automatically varied in signal frequency to correspond with the angle it makes with the ground. This is the angle along which the pilot must glide in order to make a safe landing.

The radio impulses corresponding to this angle are picked up by the receiver and combined with the television signals with the result that on the television screen there also appears a series of oblique lines of the same angle as the gliding beam. These lines remain constantly visible to the pilot as long as he remains on the gliding beam, but disappear should he stray therefrom.

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## BBC ISSUES HANDBOOK FOR 1939

Copies of the 1939 Handbook of the British Broadcasting Corporation arrived in the United States this week. The handbook reviews the progress of broadcasting and television in Great Britain and presents some interesting statistics and illustrations.

Some of the chapter headings follow: Broadcasting and the Crisis; Television in 1938; Broadcasting Links with the New World; Listener Research in 1938; the Radio Commentator; Catering for the Music Lover; Broadcasting and Education, and the Wavelength Problem.

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KEN CARRIES "THE CASE FOR ASCAP"

While the Copyright Committee of the National Association of Broadcasters was meeting in New York City this week, Ken, the fortnightly magazine, appeared on the newstands with an article on "The Case for ASCAP" by Lloyd Morris.

Illustrated with pictures of ASCAP activities, the blurb of the article states:

"ASCAP was founded in 1914 to guarantee song writers financial returns from their successful efforts by preventing wholesale piracy of copyrighted songs. Today, benevolent monopolistic trust, it has a permanent corner on all tunes that count, and all renditions are licensed. The setup is equally beneficial to commercial interests and song writers alike, but Big Business doesn't see this and seethes at the restriction."

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## AIR CORPS TO TEST NEW RADIO EYE FOR FLYING

Flight tests of a new radio eye which winks 750,000,000 times each second to lead an airplane to a safe landing will be started next month at Wright Field, Dayton, Ohio.

The Civil Aeronautics Authority announced this week that arrangements had been completed with the Air Corps to use its equipment and technical experts at Wright Field in testing the device. If it is approved, they said, it might be used on commercial air lines by next Fall.

The winks of the radio eye are the oscillations of the radio waves generated on the ground and projected as a narrow beam toward an oncoming plane.

By keeping the tiny dot of light cast by the electron beam centered on a screen in the plane, the pilot can keep his airplane squarely on the glide path outlined by the radio beam and reach a safe landing in fog, or under other conditions which necessitate flying "bland".

Two other dots of light indicate to the pilot the position of his airplane with respect to the ground.

One of the highest radio frequencies ever employed in aircraft radio development is used in the instrument. The 750,000,000 winks or oscillations per second is equal to a radio wave only sixteen inches long and approaches the infra-red range in the spectrum of light. Such short waves are not affected by static resulting from lightning, snow, rain or other interference and are reliable under any conditions.

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## ITALY REPORTED TO HAVE QUIT S-W PROPAGANDA

Italian attempts to win over South and Central Americans through short-wave radio broadcasts have been abandoned in the face of Latin-American indifference to European political propaganda, Philip L. Barbour, of the International Division of the National Broadcasting Company, told members of the Export Advertising Association at a luncheon meeting in New York recently. Although Germany still keeps up her propaganda broadcasts, he added, they are just as ineffective.

Latin Americans consider we are unduly alarmed over the effects of European radio propaganda, Mr. Barbour continued, according to the New York Times.

"It may be that the retirement of Italy from the propaganda campaign in Latin America is sounder than her persistence in it", he continued. "There is an Italian proverb which, in the case of Italy's apparent action toward Latin America, would seem to indicate that 'the cost is greater than the prize'. In Germany's case it would seem that the cost might be the prize itself."

Much of the six hours taken up daily by Germany in sending broadcasts to Latin America is devoted to colorless programs or to propaganda so blatant that it frequently antagonizes listeners, Mr. Barbour said.

By contrast, broadcasting chains in the United States do a much more effective job, he said. His company, Mr. Barbour explained, devotes eight hours daily to broadcasts to Latin America giving six hours to programs in Spanish and two to broadcasts in Portuguese. Selection of material is governed by the preferences expressed by listeners and the American broadcasts by all companies are winning an increasing following in every South and Central American republic.

"I feel that I should say that to me all this means that we should not follow in the footsteps of those who overdo things", he concluded. "Commercially, exporters in this country may be at a temporary disadvantage. Let us not add political and cultural disadvantages to this. Our proper path, in my opinion, is to continue as we are doing, with a just demonstration of who and what we are, with little or no thought of combatting the propaganda of others."

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::::TRADE NOTES::::  
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The Columbia Broadcasting System this week was granted a modification of a construction permit to move the transmitter site for its new 50 KW. equipment for Station WJSV, Washington, to a point near Wheaton, Md., just outside the Capital, and to install a directional antenna.

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The appointment of Wilfred Guenther, formerly WLW Promotion Manager, as coordinator of television and facsimile activities for the Crosley Corporation, was announced this week by James D. Shouse, Vice-President in Charge of Broadcasting. Miss Beulah Strawway succeeds Mr. Guenther as Promotion Manager.

The Crosley Corporation is now broadcasting facsimile daily, on an experimental basis, and recently filed application with the Federal Communications Commission for a television construction permit.

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An appeal to self-esteem of listeners produced the best results in a test of response to various radio commercial announcements, according to experiments by C. E. Osgood, C. N. Allen and H. S. Odbert of Dartmouth College, who describe their work in The Journal of Applied Psychology. The subjects, who were college students, listened to recordings of advertising, interspersed with dance records. They were able later to recall best the product mentioned which appealed to self-esteem. The strength of other appeals, in order, was as follows: prestige, health, universality, sex, efficiency, economy, beauty, safety and comfort.

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Senator Wheeler (D.), of Montana, placed in the Congressional Record for Monday, March 20, the complete statement of S. Howard Evans, Secretary of the National Committee on Education by Radio, before the chain-monopoly hearing of the Federal Communications Commission.

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MUTUAL TO OPERATE FACSIMILE NETWORK

Plans for the formation of the first experimental facsimile chain to be known as the Mutual Facsimile Network were completed last week in Cincinnati when technical officials of three Mutual Network stations, WGN Chicago; WOR, Newark; and WLW Cincinnati, announced that regularly scheduled facsimile transmission for testing purposes will be inaugurated on March 18 among the three participating stations. A preliminary experiment of the proposed network hookup took place early Saturday (March 11) at 2:30 A.M., EST, when initial transmissions of one hour of facsimile programs originated by the three stations were tested.

With this step the Mutual network moves forward into a new field of radio broadcasting, for facsimile is the transmission of printed matter and pictures over the air for identical reproduction at receiving points.

The tentative network schedule for weekly experimental facsimile service will be from 2:30 to 3:30 A.M., EST, with 20 minute transmission from WOR, WLW and WGN in that order. Beginning March 18, until further notice, each Saturday the facsimile network will test at this time with the stations alternating in sequence as each presents its 30-minute transmission period.

Those attending the tri-station conference in Cincinnati were Powel Crosley, III, James D. Shouse, Vice-President; R. J. Rockwell, Chief Engineer, and W. Guenther of WLW; J. R. Poppele, Chief Engineer of WOR; Carl Meyers, Chief Engineer of WGN, and Fred Weber, General Manager of the Mutual Broadcasting System.

Special arrangements have been made to extend the hours of operation of existing network line facilities now used for regular Mutual programs for the experimental facsimile relay. At additional cost the facsimile transmission will immediately follow the regular day's program schedule.

Although the service is being originated at the present time by only the Newark, Chicago and Cincinnati affiliates, it is expected to be extended to all Mutual stations licensed by the Federal Communications Commission for the transmission of experimental facsimile. The tests are being conducted under the Finch system of facsimile, devised by W.G.H. Finch, former Assistant Engineer of the Federal Communications Commission and head of the Finch Telecommunications Laboratories in New York.

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## KDKA TO GET NEW TRANSMITTER SITE

In a move to provide more powerful radio reception for Pittsburgh's metropolitan area, Station KDKA will begin construction of a new transmitter headquarters within the next month near Allison Park on Route 8, Walter C. Evans, Manager of the Radio Division of the Westinghouse Electric & Manufacturing Company, has announced. Westinghouse radio engineers selected the Allison Park site after intensive tests during which they used balloons to carry experimental antennas into the sky.

Completion of the new building and transfer of the station's transmitter from Saxonburg within the next 10 months will mark its third major move since it flashed the world's pioneer broadcast from the roof of a Westinghouse building in East Pittsburgh, November 2, 1920.

In addition to bringing the transmitter within eight and one-half miles of downtown Pittsburgh, the transfer will also enable the station to broadcast its radio signal from the highest point in Allegheny County, Mr. Evans pointed out. A 718-foot steel tower antenna will surmount the hill-top site which has an elevation of approximately 1200 feet, about the same as Pittsburgh's Mount Washington.

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## BRITISH AD MAN IMPRESSED BY U.S. RADIO

During a discussion of his impressions after a five-week tour of the United States, George P. Simon, Advertisement Director of the London Daily Telegraph and Morning Post praised American newspapers, advertising and the American system of broadcasting over WMCA and NBC networks recently before sailing.

"The development of radio in the American continent for advertising purposes", he said, "is a phenomenon positively startling to an Englishman coming from a country where the British Broadcasting Corporation has the sole care of time on the air and advertising is strictly prohibited. The multiplicity and variety of your programs is no doubt due to this development. The speed and dexterity with which so many programs are dealt is a pattern of business efficiency combined with the maximum of taste and dexterity."

The chief difference between American and British advertising men, Mr. Simon said, is that the former are more accessible and "perhaps a little more ready to see the selling man's point of view". He expressed the hope that American advertisers would take wider advantage of trading opportunities offered by Great Britain under the recently signed Anglo-American trade agreement.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

RECEIVED  
MAR 25 1939

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No. 1110

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## CONNERY ATTACKS McNINCH AND RADIO MONOPOLY

Reiterating a demand for a sweeping investigation of radio, Representative Connery (D.), of Massachusetts, on Thursday assailed the "radio monopoly", the Federal Communications Commission and Chairman Frank R. McNinch in an address in the House.

He charged that funds are used by the "radio monopoly" to influence members of Congress, that this same monopoly controls 95 percent of the air waves, that a few people in New York decide what the American listeners shall have on the air, and that Mr. McNinch has trebled the cost of the FCC Publicity Division.

"A Congressional investigation of the Federal Communications Commission and the radio monopoly", he said, "will definitely show first, that the Commission has operated solely for the benefit of vested interests; secondly, that this condition was in full force and effect when the Roosevelt Administration came into power; third, that the contracts which the networks hold with affiliated stations force the affiliated stations to blindly accept such radio programs as the radio networks monopolists decide the people of every community of America must listen to, especially between the hours of six o'clock and eleven o'clock at night.

"The Congress of the United States indicated a month ago the virtual contempt which it has for the apparent malfeasance in office of those who constitute the Federal Communications Commission under the leadership of Chairman McNinch when the Congress enacted the Independent Offices Appropriation Bill without appropriating a dollar for the further support of this agency.

"The all important Appropriation Committee of the Congress of the United States has taken the position that before appropriating further funds for the support of this subservient Commission, we should enact new legislation. In view of the charges of debauchery and corruption, of virtually proven monopoly, of a condition in the Commission itself wherein the President of the United States has publicly stated that he is thoroughly dissatisfied, I do not believe that any fair-minded Member of this House can disagree that we should not enact any legislation until a full and thorough Congressional investigation is made into the many ramifications of the power which resides in those entrusted with the molding of public opinion, through the licenses granted by this governmental agency known as the Federal Communications Commission.

"During the past few months I have discussed this matter with several members of the House, and I was surprised to find that many Democratic members, while conversant with the corrupt conditions which exist and who freely admit the need of a Congressional

investigation, hesitated because they believed it would reflect upon the Roosevelt Administration. I have gone into this matter of radio at some length, and I want to say to every Member of the House that the most distressing conditions existing today in the field of radio broadcasting are the result of the power, the practices, and the licenses granted to the radio monopoly prior to the induction into office of President Roosevelt.

"Naturally, we are at fault when we entrust the issuance of radio licenses to a Chairman who was rewarded by President Hoover with appointment to Federal office because of his desertion of the Democratic Party. The present Chairman of the Federal Communications Commission rose to fame in his local community as a leader of Democracy. In 1928 he deserted Democracy and was rewarded for such desertion by appointment by President Hoover to an office in Washington which he publicly testified paid him ten times more per year than his prior average yearly earnings. This gentleman, as the records show, was accused publicly of failing to file a report of funds used in a political campaign to defeat the candidate of the Democratic Party for President of the United States; of having been appointed to a Federal position because of his treachery to a political party which had honored him with public office. For some unknown reason, shortly after Democracy came into power, this gentleman was placed at the head of first one and then another influential and powerful government agency. His administration of that agency for the past eighteen months has been such that on January 24th last, President Roosevelt publicly stated that he was thorough dissatisfied with the conditions within the Commission.

"To further indicate the attitude which President Roosevelt takes towards that Commission, I call the attention of the House to the President's recent public statement at a press conference when, as I understand, even before the President had received the resignation of one of the present members of the Communications Commission, he accepted that resignation before it was handed to him

"Many members of the Congress have demanded economy in Administration agencies. It might be of some interest for those members of the Congress to know that the clerical costs alone of running the individual office of the present Chairman of the Federal Communications Commission this year has increased, without either reason or results, more than 100% over those of his predecessor.

"In addition, the publicity division, operated last year at a cost of some \$7,000 now is operated on a basis of some \$17,000. This additional cost is due entirely to new attaches brought into the Commission by the Chairman himself.

"The radio monopoly has gone to great lengths to force all its affiliated stations to accept its judgment of what programs must be broadcast over the air. An investigation will disclose that both the National Broadcasting Company and Columbia Broadcasting System force the three hundred or more radio stations,

which they control through operation or affiliation, to blindly accept those programs which the radio monopoly itself decides shall be broadcast.

"A Congressional investigation will disclose that the radio monopolists force the affiliated radio station owner to sign a contract wherein the local station owner agrees that that station's facilities will not be permitted to broadcast any program of any network other than the one with which he is affiliated.

"Further, an investigation will disclose that prior to 1936, there existed a gentleman's agreement between the officials of the National Broadcasting Company and the Columbia Broadcasting System wherein both agreed they would not service with programs any station which had a contract or was affiliated with a so-called competitor.

"Further, an investigation will disclose that both of these radio monopolies force the local affiliate into signing a contract of exclusiveness which virtually deprives the station licensee of operating his station in the public interest; because by so contracting for the sale of time to the network, he is forced to give to a few persons in New York City, to all intents and purposes, the operation and control of his radio station.

"Were the members of the Federal Communications Commission free to function in the public interest as the Congress intended, no such contract could legally exist let alone secure the approval of this governmental agency. But the FCC has totally ignored this practice - a practice that has resulted in greater monopoly for a few.

"Shortly after a substantial number of the members of the House had indicated their lack of confidence in the Federal Communications Commission by voting for a Congressional investigation, this Commission realizing that something must be done to satisfy the public demand for the elimination of a monopoly in radio, went through the motions of investigating the radio monopoly. Imagine, if you can, those who illegally made the radio monopoly possible investigating their own activities. As was well said by a well-known news commentator, it reminded him of 'the witches going on a witch hunt'.

"There is pending before the House Rules Committee two resolutions calling for an investigation of the radio monopoly as well as an investigation of the Commission itself. I have the honor of having presented one of these resolutions. I have no pride of authorship and am perfectly content for the Rules Committee, in its wisdom, to report out either of these resolutions or its own resolution.

"I appeal to the House to investigate these charges and the entire trouble which exists in the radio broadcasting field before we try hurriedly and without due consideration to enact new radio legislation."

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## LEWIS, GRANIK IN FRONT FOR SYKES' PLACE

With the President expected to send a nomination next week to the Senate to fill the vacancy created by the resignation of Judge Eugene O. Sykes, two candidates were reported to be in the lead for the job.

They are former Representative David J. Lewis, of Maryland, and Theodore Granik, of New York, counsel to the United States Housing Authority. The name of former Senator Fred Brown, of New Hampshire, also was being mentioned as second choice.

Mr. Lewis is a lame duck member of Congress to whom the Administration is pledged to find a political job because of his New Deal fight against Senator Millard Tydings last Fall. His age and lack of knowledge of radio problems, however, are the principal obstacles to his selection.

Mr. Granik has the support of Thomas G. Corcoran, presidential advisor, and Senator Wagner, of New York. Senator Wagner called at the White House this week to endorse his candidacy.

Former Senator Brown is well liked in administration circles but has no particular radio qualifications.

President Roosevelt has indicated he would send the nomination to the Senate at the same time he accepts formally the resignation of Judge Sykes, due to become effective April 1st.

The fact that the President has recognized the need for appointing a successor to Judge Sykes is interpreted in broadcasting circles as an admission that a legislative reorganization of the Commission at the current session of Congress is extremely unlikely.

Neville Miller, President of the National Association of Broadcasters, and Mark Ethridge, former NAB head, as well as Chairman McNinch were callers at the White House this week. It is understood they were consulted with regard to the FCC appointment. Mr. Miller and Mr. Ethridge also are believed to have discussed the general radio regulation situation with the President.

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## JAPAN READY TO START TELEVISION TESTS

The Japan Broadcasting Corporation's station at Tokyo, JOAK, will start television broadcasts on an experimental basis this Spring after it moves to the new building now nearing completion at Uchisaiwai-cho, Kokimachiju, Tokyo, according to the American Commercial Attache, at Tokyo. An appropriation of 970,000 yen was made at a meeting of the Board of Directors of the corporation recently. The test broadcasts will be made at the Atagoyama studio, now being used for the regular daily radio broadcasts. Dr. Kenjiro Takayanagi, premier television researcher in Japan, will take charge of all television broadcasts.

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## VALUE OF RADIOTELEPHONE SHOWN IN GREAT LAKES SURVEY

Radiotelephone recently has come to be a worthy rival of radiotelegraph, in short range communication, as a means of protecting life and property from marine disasters, the Federal Communications Commission pointed out this week. That this is particularly true on the Great Lakes is shown in testimony received by the Great Lakes and Inland Waters Survey, the statement said.

The survey has just concluded a two weeks hearing at Cleveland, Ohio, with Commissioner Thad H. Brown of the Communications Commission presiding. Hearings will be resumed in Cleveland on April 5 for further inquiry into radio needs for marine safety in the Lakes region.

More than 80 American vessels and about 40 Canadian vessels have already installed radiotelephone equipment voluntarily, Commissioner Brown pointed out. In recognition of radiotelephone on the Great Lakes the United States Coast Guard plans to place radiotelephone transmitting and receiving equipment this year in 15 life saving stations strategically located around the Great Lakes.

At Cleveland 15 captains, representing the Lake Carriers Association and the Inter Lake Transit Company, testified to the usefulness of the radiotelephone as well as to the value of radio direction finders in preventing navigation casualties. According to testimony by the captains radiotelephone is faster than radiotelegraph in getting messages from ships to shore, and quicker communication brings speedier aid for vessels in distress. Because of its greater convenience officers of a telephone equipped ship frequently talk with vessels ahead to learn of fog and other disturbances as well as currents in difficult passages. Testimony was obtained that radiotelephone messages went through heavy static when the telegraph was unable to get through.

On the other hand evidence has been obtained from the American Communications Association that the radiotelegraph penetrates interference better than the radiotelephone. It is also argued for the telegraph that it provides a written record and, with a radiotelegrapher on duty to give his entire attention to communication, frees the master and officers for other duties. The Association urges that all commercial vessels of over 1600 gross tons should be compelled to install radiotelegraph equipment.

Virtually all of the commercial lake vessels have radio direction finders and use regularly the numerous beacons which give the navigator an accurate bearing when fog and thick weather blots out all visible landmarks, lights and buoys, the survey learned.

3/24/39

The recent hearing revealed a wide and active interest in the use of radio for safety purposes on the Great Lakes. The several radiotelephone and radio-telegraph corporations with facilities on the lakes, the Erie Chamber of Commerce, the American Communications Association, the Lake Carriers Association, and other steamship lines were particularly interested in the use of radiotelephony on the many large lake freighters which navigate the Lakes. On the other hand, the yacht associations and power squadrons in the Great Lakes area, and the Lake Huron and Lake Michigan fishing companies were interested in usefulness of radio promoting safety of smaller vessels on the Great Lakes.

The Government departments other than the Federal Communications Commission which presented evidence were the Coast Guard, the Bureau of Lighthouses and the Bureau of Marine Inspection and Navigation. The work of these departments is related to safety on the Great Lakes and they have cooperated with the Federal Communications Commission in the conduct of the present investigation of radio needs for safety purposes.

Six witnesses of the Federal Communications Commission presented comprehensive data relating to radio equipment on the Great Lakes, characteristics of Great Lakes vessels, navigation casualties over a period of 15 years and the results of engineering tests which have been conducted relating to radiotelegraphy and radiotelephony. Over a hundred exhibits based on studies and investigations of the staff of the Great Lakes and Inland Waters Survey under the direction of Commissioner Brown were introduced into the record.

Hundreds of pages of testimony including 164 exhibits were presented by 49 witnesses during the hearing.

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#### RADIO STATIONS PLAN OPEN HOUSE APRIL 17

Carrying on its joint promotion campaign, a Committee from the National Association of Broadcasters and the Radio Manufacturers' Association this week were making plans for a nationwide open house demonstration on April 17th.

Prior to this public appeal, sectional meetings of station operators and radio retailers will be held for the discussion of mutually beneficial promotion stunts.

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## TELEVISION ATTACHMENT FOR RADIOS DEVELOPED

Development of a simple television receiver which can be attached to any radio set by the Wald Radio & Television Laboratories, Inc., of New York, was announced this week by Robert Robins, Secretary of the company.

This development by George Wald, a pioneer in the field of radio, television and talking pictures, prevents the present radio receivers now in homes from becoming obsolete and makes possible the rapid conversion of the present radio audience into a television audience.

"A patent held by the Wald Corporation permits the sending of programs over hundreds of miles by means of 'mixed frequencies' without any necessity for costly relay stations", the statement added. "This will eliminate another hurdle in the expansion of television which to date has faced the problem of erecting expensive booster stations because of the limited television range extending from 25 to 50 miles from the point of broadcast origin. Another patent owned by the company enables television broadcast to be made over present radio transmitting equipment without construction of special costly television transmitters.

"The Wald Corporation will manufacture, distribute and license the use of equipment based on its patents. It has also perfected a new method of television transmission enabling use of the present broadcast band on radio receivers for television transmission.

"At present, the spectrum range allows only two available channels on the 5 meter band. Reception, therefore, has been limited to two television programs within a given area. Wald patents overcome this limitation. They utilize the present aural-broadcasting wave and enable as many television programs to be on the air as there are radio broadcasts going out at present."

Officers of the new corporation chartered at Albany last week, are George Wald, President; Robert Robins, Secretary and Treasurer; Ralph Vatner, Vice-President and General Counsel. The Wald Radio & Television Laboratories, Inc., is a closed corporation and will not make any public issue of capital stock, it was said. The company in addition to its other activities, will engage in broadcast of non-commercial television programs.

Among patents received and issued to Wald, are Facsimile Broadcasting, issued April 17, 1917; patent on method of transmission making use of present radio broadcasting band for television and capable of transmitting video or image transmission nearly the same distance as audio or sound is transmitted today, issued Dec. 31, 1935; and simultaneous transmission and reception of sound and image over one channel, either radio, wire or television carrier, issued March 15, 1938. A basic patent for film talking motion pictures was reduced to practice on June 20, 1917.

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## MAJ. ARMSTRONG BARES "MODULATION" WONDERS

Some of the hitherto unrevealed wonders of the new "frequency modulation" radio broadcast system developed by Maj. Edwin H. Armstrong, Columbia University electrical engineering professor, were demonstrated in New York Thursday night at the University at a meeting of the Radio Club of America, the New York Times reported.

Assisted by three engineers of the General Electric Company, Major Armstrong showed in a series of tests that the transmitting power of his 20,000-watt station at Alpine, N.J., twelve miles up the Hudson, and a similar 600-watt station in Yonkers, could be reduced almost to the vanishing point without appreciably affecting the quality of the program. At the same time this huge reduction in power, about 4,000 times in one case and 600 in the other, respectively, did not seem to cause an increase in static noises.

"In other words he purported to show, and seemed to succeed in showing, that with his unique system high-power stations are not necessary for perfect, noise-free reception", the Times said.

Directing the tests by telephoning to his operators at Alpine and Yonkers, Major Armstrong first showed the several hundred assembled engineers of the Club what music and sound effects "sound like" with his system blotting out the noise generally considered inherent with all types of reception. Each sound was crystal clear and life-like, and murmurs of approval were heard from the audience.

He then asked Yonkers to reduce power from 600 to one watt. Music sent over the wave thus created by scarcely as much as is required to light the bulb of a pocket flash lamp, seemed to suffer not a bit by the reduction. Next he instructed Alpine to reduce its 20,000 watts to a minimum, which he said would be five or six watts of power. The result was about the same as with Yonkers.

Major Armstrong then explained to the assemblage that "I believe this demonstration speaks for itself; certainly it tells us the system actually does step outside the realm of static. We have reduced our sending power almost to the irreducible minimum and still have transmitted music of the same quality without appreciably adding noise."

The Alpine station, erected by Major Armstrong to prove his theories that "frequency modulation will work", utilizes a wavelength of about six meters. The Yonkers station, owned and operated by C. R. Runyon, an amateur, utilizes a wave of three meters.

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## PRESS WIRELESS EXTENDS TRANSMISSION POINTS

Press Wireless, Inc. has notified the Federal Communications Commission of the commencement of transmission of multiple-address press material from its existing point-to-point radio-telegraph station WBC located at Hicksville, New York, and licensed to operate on the frequency 15,880 kilocycles, to Buenos Aires, Argentina; Santiago, Chile; Rio de Janeiro, Brazil; and Lima, Peru.

All of the above-mentioned cities are named as primary points of communication for stations licensed to Press Wireless, Inc. except Lima, Peru, which has been reported to the Commission as a multiple-address point for other stations licensed to this Company. In addition, each of these cities receives radio-telegraph communication service from either R.C.A. Communications, Inc., or Tropical Radiotelegraph Company, or both, and they also receive cable service.

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## BRINKLEY OPENS SUIT AGAINST AMA EDITOR

Del Rio, Tex.

Dr. John R. Brinkley, deposed broadcaster, testified in/ this week that his gross income dropped from about \$1,100,000 in 1937 to about \$210,000 in 1938 after publication of an article written by Dr. Morris Fishbein, editor of the Journal of the American Medical Association.

Dr. Brinkley, who said he performed about 5,000 goat gland operations before he abandoned the use of animal glands in his rejuvenation medical treatments, was called as the first witness by the defense in his \$250,000 libel suit against Dr. Fishbein.

He had been a member of the American Medical Association before he began to advertise his operations, Dr. Brinkley stated.

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## RCA INAUGURATES "PLUG" FOR COMMERCIALS

A series of announcements, designed not merely to sell one product but to urge listeners to pay close attention to all advertising announcements on the air, has been started on the RCA Magic Key program on Sunday afternoons over NBC. These announcements point out that radio advertisers are giving "hours of entertainment in return for a few minutes of commercial announcements" and ask listeners to patronize the products mentioned on the air. While radio stations have carried at various times the Advertising Federation's "Short Talks on Advertising", this is believed to be the first time that a "house ad" for all radio advertising has been heard on the air.

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## NOMINATIONS CLOSED FOR PALEY RADIO AWARD

Nomination of candidates in United States and Canada was completed this week for the third annual William S. Paley Amateur Radio Award. For the first time since the award was instituted, women "hams" have made their appearance with men as contenders for the title of outstanding 1938 amateur radio operator.

Candidates were submitted by Coast Guard, Army, Navy, American Radio Relay League, short-wave publications editors and others prominently identified with short-wave operations. Nominations are being compiled in a brochure to be sent members of the Board of Award.

Foremost achievement in amateur short-wave research, technical development and operation is the basis on which the 1938 winner is chosen. Announcement of the Board's choice is expected about mid-May. Members of the Board of Award are Norman H. Davis, Chairman of American Red Cross; C. P. Edwards, Director of Radio, Canadian Department of Marine; Rear Admiral Russell Randolph Waesche, Commandant, United States Coast Guard; Dr. J. H. Dellinger, Chief of the Radio Section, U. S. Bureau of Standards, and Prof. A. E. Kennelly, Professor Emeritus of Electrical Engineering, Harvard University.

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## POWERFUL NAVAL STATIONS PLANNED BY AUSTRALIA

Two long-range radio stations which will cost about £40,000, will be erected near Darwin this year by the Commonwealth Government of Australia for use by the Royal Australian Navy, according to the American Trade Commissioner, at Sydney. It is reported that the stations, which will be among the most powerful in the world, will be able to maintain communications at almost any distance. They will be erected as one of the principal links in the chain of defense of British waters south of the tropic of Cancer, and are intended to form an important part of Australia's development of Darwin as the southern adjunct of Singapore.

The construction of the stations, one of which will receive and the other transmit, will be begun soon. The work will be carried out by the Department of Works.

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Construction will start May 1 on a new vertical radiator for WCCO, Columbia's Minneapolis station and fifth member of the network to acquire this type of transmission equipment. Of uniform cross-section design, the tower will be 640 feet high, weighing some 125,000 pounds. It will be designed and insulated for operation at 500 kilowatts power.

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National Broadcasting Company stations will total 172 on April 30 when WCOA, Pensacola, Fla., becomes a supplementary affiliate to the Red and Blue Networks. On that date also, WALA, Mobile, Ala., will no longer become individually available but only in combination with WCOA. WCOA, owned by the Pensacola Broadcasting Company, operates on a regional channel of 1340 kilocycles with 1000 watts power during the day and 500 watts at night.

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A handsome brochure announcing the engagement of Max Gordon, noted Broadway producer, for the production of television shows was issued this week by the National Broadcasting Company.

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Work on the Columbia Broadcasting System's television transmitter atop the Chrysler Building is rapidly nearing completion under the direction of Dr. Peter Goldmark, Chief Television Engineer, and G. S. McAllister, Director of Construction.

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Charles E. Saltzman, son of Maj. Gen. Charles McK. Saltzman, former Chairman of the Federal Radio Commission, this week was appointed one of four Vice-Presidents of the New York Stock Exchange. He formerly was associated with the New York Telephone Company.

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Donald Hunter Munro, Television Production Manager of the British Broadcasting Corporation, will come to New York shortly to work in an advisory capacity with Gilbert Seldes, CBS Director of Experimental Television Programs. He will spend four weeks consulting with Mr. Seldes on Columbia's development of the new science.

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The total number of radio sets registered in Denmark at the end of the year 1938 was 763,643, an increase of 57,415 sets over the 706,228 registered at the close of 1937. On this basis 20.6 percent of the total population are radio owners which means that fully 75 percent of all Danish households possess a set.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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March 28, 1939

F. I. THOMPSON NAMED TO SUCCEED SYKES ON FCC

President Roosevelt sprung a surprise at noon today (Tuesday) when he named Frederick Ingate Thompson, of Mobile, Alabama, as a member of the Federal Communications Commission, to succeed Judge E. O. Sykes. This appointment is to fill the unexpired seven-year term of Commissioner Sykes, who was named to the FCC in 1934 and whose resignation is to take effect April 5th.

Mr. Thompson, who is 63 years old, was born at Aberdeen, Mississippi, the birthplace incidentally of Judge Sykes. He was editor of the Aberdeen Weekly from 1892-95, of the Weekly Commercial Appeal, Memphis, Tenn., 1897-1902, after which he was a member of the firm of Smith & Thompson, newspaper representatives, New York and Chicago. He was chief owner and publisher of the Mobile Daily (morning) and Sunday Register, 1909-32; chief owner and publisher of the Mobile News-Item (evening) 1916-1932, also Birmingham (Ala.) Daily (morning) and Sunday Age-Herald, 1922-27. At the present time he is President and publisher of the Montgomery Journal Publishing Company which publishes the Montgomery (Ala.) Journal and Times, which is an evening newspaper.

It is through these organs and other means that he has been able to lash out at the power trusts, and since Chairman McNinch is a foe of these same power trusts, it looks as though he might have had a "finger in the pie" in the appointment of Mr. Thompson.

Mr. Thompson was appointed a member of the Alabama Educational Commission in 1919 and was a member of the Democratic National Convention in 1912, 1924 and 1928. He was appointed a Commissioner of the U. S. Shipping Board by President Wilson in 1920, re-appointed by President Harding in 1921, and by President Coolidge in 1923, from which he resigned in November, 1925. Mr. Thompson was appointed by President Roosevelt a member of the Advisory Board on Public Works in 1933, and he has been a member of the Alabama State Docks Commission since 1935.

He was educated in the public schools of Aberdeen and was married in 1900 to Miss Adrianna Ingate, of Mobile, Alabama.

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## PLANS FOR NAB-RMA PROMOTION DRIVE ANNOUNCED

Details of plans for the joint promotion campaign of the Radio Manufacturers' Association and the National Association of Broadcasters, to begin April 17, were disclosed this week in booklets sent to the industry by the two trade associations.

Thousands of dollars will be spent to promote both phases of the radio industry and to build up public good-will. The campaign is the first organized effort to effect a coordination of the activities of the broadcaster and the retail radio dealer.

Bond Geddes, Executive Vice-President of RMA, said:

"Objectives of this first joint industry promotion - not for one week but every week and continuing throughout the year - are to increase public interest in the fine programs available, to increase use of radio and hours of listening, to enlarge the listening audience, and to sell more receiving sets, tubes, and parts, and the American system of broadcasting."

Broadcasting of radio promotional programs, of the "Voice of Radio", will begin April 17. The National, Columbia, and Mutual networks have promised weekly, or more frequent, promotional broadcasts. Non-network and smaller stations will be supplied with transcriptions for such programs. "Radio Councils" - local organizations - of broadcasters, distributors and dealers, in cities where there are broadcast stations, will be organized and meetings held beginning the week of April 10.

"Another recommendation, of the joint committee and of the RMA Promotion Committee, of which James M. Skinner is Chairman, Mr. Geddes said, "is that all manufacturers using local dealer cooperative advertising, make available, to local dealers, broadcast continuity for use in local radio advertising (as well as newspaper mats or other material), leaving it up, however, to the individual newspaper solicitor and radio salesman as to which way the advertising allowance will be spent. By including broadcast continuity for use in local radio station advertising by the dealer, broadcasters will be assisted and placed on an equal selling basis with the newspaper.

"The RMA-NAB campaign will be serviced from headquarters with further information, copy, window streamers to dealers, publication of regular bulletins, keeping the campaign alive, and will be pushed by aggressive promotion methods on a year-round basis. After the campaign is introduced in April, another phase will be to enlist support of local utilities by providing space in newspapers and other ways. Moreover, in the later Spring and Summer months the campaign will emphasize - from the manufacturers' standpoint - the desirability of automobile sets and portable radio sets, as well as the multiple set idea.

"This campaign of NAB-RMA marks the first national, intensive joint effort of the broadcasting interests with the manufacturing industry. We believe you will find that it deserves the full support of every member of RMA. An essential is that every key man in your organization, including your advertising and promotion departments, especially your advertising agency, be made thoroughly aware of the complete details and broad objectives of this first all-radio national promotion."

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NAB HEAD DIRECTED TO OPEN ASCAP NEGOTIATIONS

Neville Miller, President of the National Association of Broadcasters, has been authorized to conduct negotiations with the American Society of Authors, Composers and Publishers on an agreement for new contracts.

The NAB Copyright Committee, meeting in New York last week, adopted the following resolution with regard to the copyright controversy:

"Whereas in the opinion of the National Association of Broadcasters the American Society of Composers, Authors and Publishers' present method of licensing broadcasters to use the Society's music is inequitable, inasmuch as it compels broadcasters to pay fees on programs not using ASCAP music, and

"Whereas it is imperative that the industry assure itself of an adequate supply of music on an equitable basis after the expiration on December 31, 1940, of the broadcasters' present contracts with ASCAP in order to safeguard both the industry and the public.

"Therefore, Be It Unanimously Resolved, that the Copyright Committee of the National Association of Broadcasters, consisting of representatives of all elements in the industry, authorize Neville Miller, President of the National Association of Broadcasters, in conformance with the authority already conferred upon him by the Board of Directors of the National Association of Broadcasters, to enter into immediate negotiations with ASCAP and that in conducting such negotiations he be authorized to draw upon this Committee and its membership for such assistance as he may desire, and,

"Be It Further Resolved, that such negotiations shall be predicated on the principle of paying royalties on only that revenue derived from the sale of time for programs involving the use of the ASCAP catalogues, and

"Be It, Therefore, Further Resolved that negotiations shall be carried on with the object of obtaining definite acceptance on a practical basis to the above principle from ASCAP by May 31, in order that the Copyright Committee may be fully advised so as to make a complete and definite report with recommendations at the NAB annual meeting to be held July 10, 1939."

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## FCC MAKES INFORMATION OFFICE PERMANENT

The Federal Communications Commission has authorized the establishment of a permanent Office of Information, to be responsible for the collection and dissemination of information for the press and the public regarding the Commission's decisions and other matters and to have such other functions as the Commission may determine.

The authorization was voted at a meeting late last Thursday, the Commission adopting unanimously a resolution offered by Chairman McNinch and seconded by Commissioner Walker.

The Office of Information will be headed by a Director of Information and Special Assistant to the Chairman, with an Assistant Director of Information, and will embrace the work of the Information Office, the Information Reference Room, the Press Room, and related activities. Provision was made for it to function under and be responsible directly to the Commission, replacing the Press Section, a unit in the administrative branch.

The new setup will make permanent and extend the present information arrangements, set up by M. L. Ramsay, who was borrowed from the Rural Electrification Administration to study informational needs as well as conduct the information service temporarily. It is in line with recommendations made in Mr. Ramsay's final report. Mr. Ramsay's detail ends March 31.

Under the Commission's resolution the positions authorized are to be established in accordance with the Classification Act, subject to revision by the Civil Service Commission. The Chairman was authorized, however, to seek to exempt from Civil Service the appointments to the two principal positions.

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## CENSUS OF RADIO RECEIVERS TO BE ASKED

The Federal Communications Commission plans to ask the Bureau of Census, in connection with its new census of population, to ascertain the number of radios in the homes as was done in the last census. The Commission is also going to ask for the number of radios in automobiles. There has been some discussion at the Commission as to whether or not the Census Bureau will be requested to include "radio habits" in the forthcoming census.

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## PRESIDENT ACCEPTS RESIGNATION OF SYKES

President Roosevelt this week accepted the resignation of Judge Eugene O. Sykes from the Federal Communications Commission, asking him to remain on the job until April 5th, at which time Mr. Thompson, the new appointee will doubtless take up the reins at least until 1941 at which time Judge Sykes' appointment expired.

The President's letter follows:

"At your request, I am accepting your resignation as a member of the Federal Communications Commission, effective April 5, 1939. In doing so I want to assure you of my appreciation of your long service on the Commission and to extend to you my best wishes for your future success.

"Very sincerely yours,

(Signed) Franklin D. Roosevelt."

Originally Judge Sykes, who is a charter member of the Federal Communications Commission, had asked that his resignation be accepted as of March 31st but the President requested that he remain over until April 5. Judge Sykes also had been a member of the old Radio Commission.

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## NEW RADIO PLAN FOR GREAT LAKES CONSIDERED

The Federal Communications Commission announced this week that a new plan for handling public communications on the Great Lakes is under development and will be given a trial on a temporary basis during the next season. The new plan is the outgrowth of dissatisfaction among the Great Lakes ship owners, both Canadian and American, and it carries with it the endorsement of both of these groups.

The Commission made its announcement in setting for hearing the application of the Lorain County Radio Corporation, Lorain, Ohio, for renewal of license of radiotelephone Station WMI. Numerous applications for construction permits and modifications of construction permits were set for hearing at the same time. No date has been set yet for the hearing.

The plan now in force on the Great Lakes involves the assignment of a pair of frequencies for each lake, one to be used by the ship in transmitting to shore and the other by the shore station in transmitting to the ship. The entire situation has become complicated by the demands for additional radio frequencies by certain essential services, such as the national defense services.

The Commission pointed out that the new plan has no connection with the Great Lakes and Inland Waters Survey which is being conducted under the Chairmanship of Commissioner Brown.

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## CROSLEY LEASES TOWER FOR TELEVISION PLANT

The Crosley Corporation, operators of WLW, WSAI and W8XAL, have leased the entire 48th floor of Cincinnati's Carew Tower for construction of television studios, according to James D. Shouse, Vice-President of the Crosley Corporation in charge of broadcasting.

The Carew Tower, 574 feet high, is located in the heart of downtown Cincinnati and is one of the tallest structures in the center Middle West. On clear days it commands a view of more than 25 miles, making it ideally situated for the successful transmission of television.

Crosley's application for a television license has not yet been acted upon by the Federal Communications Commission. Preparatory measures are, however, being taken. The entire top floor of the Carew Tower is being renovated to make possible the construction of studios, control rooms, observation rooms and air conditioning equipment. Tentative plans call for a projection room for motion pictures, a large studio with raised stage, in addition to a spacious room for transmission equipment. Interior decorators are planning room treatments which promise to make Crosley's new studios one of the show places of the city.

According to present plans, the original equipment of the Crosley Corporation television station will be of 1000 watts power, which, it is expected, will be increased once tests are made. The station will operate on a frequency band between 50 and 56 megacycles.

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## NAB PLANS DINNER TO HONOR JUDGE SYKES

Under sponsorship of the National Association of Broadcasters, a dinner has been planned to honor Judge Eugene O. Sykes for his 12 years' service in radio regulation. The dinner will be held April 8th at the Willard Hotel. Judge Sykes leaves the FCC the end of this week or at the latest the middle of next week.

The Committee on arrangements for the dinner includes: Neville Miller, Chairman, Sol Taishoff, Frank Roberson, Andrew D. Ring, Frank M. Russell, Harry C. Butcher, William B. Dolph, and Edwin M. Spence.

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## NAB CONSIDERS CUT IN RADIO ANNOUNCEMENTS

Reduction in the length of advertising copy on commercial radio shows will probably result from the deliberations of the Committee on Program Codes and Standards of Practice of the National Association of Broadcasters which met last week in New York, according to Neville Miller, President of the broadcasters' group.

"This is in line with the existing trend in broadcast advertising", said Mr. Miller, "and will put a greater premium on more skilled advertising writing, with briefer, more interesting and more pertinent messages about needed products and services.

"The industry is simply going to put into effect, universally, those practices of progressive advertisers which are already providing their effectiveness in achieving greater results and a higher degree of program popularity."

In praising advertising and its social contributions to the nation, Mr. Miller declared: "While everybody in this country seems to prefer advertised products over non-advertised articles from unknown sources, few, I believe, appreciate the social importance of commercial advertising to both a free American press and a free American radio, because of which neither has to rely on the dangers of a government subsidy or tax levy for its ability to operate."

The Committee meeting, representative of a cross section of both local radio independent and network operation, was called by Mr. Miller, who, shortly after becoming the first President of the reorganized NAB last July, advocated the adoption of a broad ranged policy of self-regulation of the radio industry.

Formulation of a code of commercial practices was but one of the items considered by the Committee, said Mr. Miller. The broadcasters group also analyzed an exhaustive report of its sub-committee which included the matter of radio policy in the handling of children's programs, religious broadcasts, political broadcasts, discussion of controversial public questions by radio, services to education, radio treatment of news matter and public forum broadcasting.

The code is still in the broad outline form and is subject to adoption by the industry as a whole at the annual convention of the National Association of Broadcasters, July 10, 11 and 12, in Atlantic City.

"We know it is the desire of both the broadcaster and the public", said Mr. Miller, "that radio be operated in strict accord with our democratic traditions of private and competitive operation, with fair play and equality of opportunity to all, and with wholehearted regard for our inheritances of freedom of speech, freedom of religion and freedom of assembly. These are

the policies which have guided American radio to date. This forward-looking step by the radio industry is but another indication of its ability to continue to give American listeners the freest and finest radio service in the world."

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"MAN BITES DOG" - STATION TO BUY NEWSPAPER

For the first time in the history of radio regulation a radio broadcasting station will operate a newspaper as a subsidiary, the Federal Communications Commission disclosed this week in approving the transfer of Station WCAX, Burlington, Vt., from the Burlington Daily News to the Vermont Broadcasting Corp.

Approximately 240 radio stations are now owned and operated by newspapers. The FCC has no jurisdiction over the purchase of the Burlington Daily News by WCAX, but it explained that the deal would follow the station transfer.

Chairman Frank R. McNinch and Commissioner Paul Walker dissented in acting on the station transfer.

Chairman McNinch voted "No" on the ground that the proposed assignment had not been shown to be in the public interest. Commissioner Walker in voting "No" expressed the view that a hearing to determine the public interest in the matter should precede the Commission's action.

H. Nelson Jackson is president of the newspaper corporation which has operated both the newspaper and the broadcast station. Charles P. Hasbrook is president and treasurer of the newly-formed Vermont Broadcasting Corporation and owner of virtually all of its outstanding stock. The price to be paid for the newspaper and broadcast properties, with certain property excepted, is \$59,000. Of this sum \$17,000 is assigned to the radio property.

WCAX operates on a frequency of 1200 kc., with power of 100 watts night, 250 watts day, unlimited time.

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RMA PLANS TELEVISION EXHIBIT IN D.C.

A television demonstration with a small portable television transmitter, the first of its kind ever developed, will be given tomorrow (Wednesday) at the Raleigh Hotel by Arthur Murray, Chairman of the Radio Manufacturers' Association and the Philco committees on television. Three demonstrations will be given at 12:30, 3:30 and 8 P.M.

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## LIBEL CHARGES DISREGARDED IN STATION GRANT

Concluding a long-drawn-out case of litigation and appeals, the Federal Communications Commission this week granted the application of Harold H. Thoms, doing business as the Asheville Daily News, Asheville, N.C., for a permit to erect a new broadcasting station for operation on 1370 kc. with 100 watts power, unlimited time.

A year ago the FCC denied the application on the ground that the applicant's character was questionable due to his conviction of publishing a libelous political article. All other issues were found in favor of the applicant.

After an appeal to the U. S. Court of Appeals, the case was remanded to the FCC for further hearing.

"After considering all of the circumstances of the applicant's conviction for publishing a newspaper article, including the public retraction thereof, the Commission is of the opinion that this alone does not afford an adequate basis for denial of the application", the FCC stated. "If such facts were to be considered as in this instance as rendering the applicant an unfit person to be granted a radiobroadcast station license, then, by the same token, it would seem that any person who had once published false and libelous statements even though he subsequently published a retraxit and apology, should be held to be unfit to continue operation under a broadcasting license. Such a position would be harsh and untenable.

"The record shows that the applicant enjoys a reputation in and around Asheville, North Carolina, of having a good moral character.

"The Commission, therefore, finds that the applicant is sufficiently qualified as to character to hold a radiobroadcast station license, as is contemplated by the Communications Act of 1934, as amended.

"The Commission further finds that the granting of the instant application will serve public interest, convenience, and necessity."

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The Federal Communications Commission has dismissed with prejudice the application of E. DeVore Andrews and Mrs. Annie L. Andrews, d/b as Greater Greenwood Broadcasting Station, for a construction permit to construct a new broadcast station at Greenwood, S.C. to operate on 1420 kc. with power of 250 watts, local sunset, 100 watts night, unlimited time. This application was dismissed because applicants entered a motion to dismiss their application before the Examiner reported thereon.

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## NAUTICAL ACADEMY CITED FOR LACK OF RADIO

The Federal Communications Commission this week notified the American Nautical Academy, otherwise known as the National Training School for Merchant Marine Officers, of Washington, D.C., that it had become liable to a forfeiture of \$5,500 for violation of the Communications Act of 1934, as amended, by sailing the five-masted vessel MARSALA in the open sea without radio transmitting equipment.

The Communications Act requires such equipment unless an exemption is obtained for extraordinary reasons. The Commission has no record of any application for exemption.

The MARSALA cleared from New London, Connecticut, on November 16, 1938. Eight days later it ran into a hurricane off the Virginia capes which carried away all five of its masts thereby leaving the vessel and crew at the mercy of the sea, as the ship had no means of propulsion other than sail. The following day, November 25, the SS CITY OF SAVANNAH sighted the distressed MARSALA and reported the disaster to the United States Coast Guard station, Norfolk, Virginia. The Coast Guard ship MENDOTA towed the vessel into Hampton Roads, Virginia, the following morning.

Information obtained by the Commission indicated that the American Nautical Academy is a correspondence school for the training of students for positions as Merchant Marine officers. After students or "cadets" finish the correspondence course, they may take cruises on the MARSALA.

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## ANTI-NAZI STATION OPERATORS FACE DEATH PENALTY

Operators of illegal radio stations within Germany broadcasting anti-Nazi news may be sentenced to death under the new high treason laws, according to the Deutsche Justiz, official organ of the Ministry of Justice. A maximum sentence of fifteen years' imprisonment may be imposed for operation of a radio station without a license, the New York Times reports from Berlin.

The operator of an illegal station is guilty of high treason if he "uses his station for treasonable purposes by seeking to influence the masses by means of radio telegraphy or radio telephony". In such cases the sentence may range from death by the guillotine to two years' to life imprisonment.

The term "illegal broadcast" also includes transmission of news comment or signals by registered stations whose licenses does not permit them to send such programs.

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 ::: TRADE NOTES :::  
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The Federal Communications Commission has extended the working of Rule 981 another six months from March 15, 1939, to September 15, 1939. However, all licensees of Relay, International, Television, Facsimile, High Frequency and Experimental broadcast stations should immediately arrange to purchase or install frequency monitors as required by this rule, the FCC stated, since monitors are now available from two or more manufacturers and it is not the plan of the Commission further to extend this rule. All stations must have a satisfactory frequency monitor on or before September 15, 1939.

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Richard W. Garner has been named Promotion Manager of WSAI, Cincinnati by Dewey H. Long, Station General Manager.

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Mayor Fiorello H. LaGuardia, on behalf of the City of New York, licensee of Station WNYC, has amended the petition filed on August 24, 1938, requesting the amendment of Rules 177, 321, 1012(a) and 1052(a), which relate to high frequency and international broadcast programs. Since no date has been set for hearing on this petition under its rules the Commission has automatically accepted the amendment to the petition.

The City of New York (WNYC) seeks the right to rebroadcast certain programs of high frequency and international broadcast stations which may not be done under the Commission's existing rules. To this end it seeks an amendment of the rules so as to permit rebroadcasts of this character where the licensees of regular broadcast stations making the rebroadcasts are universities, other educational institutions, municipalities, other Government agencies or other non-commercial, non-profit organizations.

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For the first time in history motion picture publicity material will be transmitted by radio to be read and not heard, according to an announcement from Twentieth Century-Fox Film Corporation and WOR. An arrangement between Twentieth Century-Fox and WOR will give the film company the exclusive use of the Mutual facsimile service for the dissemination of publicity about its pictures and players. A regular daily service of comments and photographs will be sent over the air.

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Niles Trammell, Executive Vice-President of the National Broadcasting Company, has been elected a member of the Board of Directors of the company, according to announcement by Lenox R. Lohr, President. He was named to fill the chair left vacant by the resignation of George K. Throckmorton, President of the RCA Manufacturing Company.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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Fall

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## NEW FCC MEMBER FACES PRESS OWNERSHIP QUESTION

Broadcasters and members of the Federal Communications Commission are wondering what attitude Frederick I. Thompson, Alabama publisher, will take on the issue of newspaper ownership of radio stations. The question is expected to come to a head when action is taken on the Allentown (Pa.) case.

While Mr. Thompson apparently has had no experience in operating a broadcasting station, he would be expected to side with fellow publishers in any matter that involved their interests. On most matters, however, Mr. Thompson probably will go along with Chairman Frank R. McNinch, who at this time still appears to be in the saddle at the FCC.

A traditional foe of the power trusts, Mr. Thompson is also a Southern Democrat and a New Dealer. It is understood he had the backing of Mr. McNinch for the nomination.

No hearing has been scheduled on the Thompson appointment by the Senate Interstate Commerce Committee, and it is likely that he will be confirmed without opposition. The nomination, however, took most broadcasters and politicians by surprise, and they were busy this week delving into his background.

Meanwhile, it appears that the reorganization of the FCC, at least during this session of Congress, has been shelved. Majority Leader Barkley of the Senate did not include it in the "must" legislation he outlined for the remaining weeks.

There is still a chance that an investigation will be ordered by either the Senate or House, but it probably would be conducted during the Congressional recess.

The FCC meanwhile is nearing the end of its own chain-monopoly investigation, but it is doubtful whether a report will be available before early Summer and possibly after Congress has adjourned.

So far the attitude of the Administration toward an investigation of radio has not been clearly defined on Capitol Hill. Some members consider the letter of President Roosevelt asking for an FCC reorganization as an indication that he has no objections to an inquiry, but others believe that he still is opposed to any airing of dirty linen for fear that anti-New Dealers will seize the opportunity to smear the Administration and the Roosevelt family.

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## 648 TUBES NEEDED FOR TELEVISION STATION

Pity the poor television studio technician if one of the tubes in his transmitting equipment goes bad. According to C. A. Priest, General Electric radio engineer, his company's television station scheduled to go into operation this year will have a total of 648 vacuum tubes - all essential to putting a broadcast on the air!

"Failure of any one of about 400 of the 648 tubes will stop the broadcast of the television program", Mr. Priest said. "The technician will have to find and replace the bad tube before the broadcast can be resumed. Of course, we expect to minimize the possibility of program interruptions through tube failures by regular inspections and tests."

The 648 tubes are almost seven times the number used in transmitters of most radio broadcasting stations today. Station WGY at Schenectady, for instance, only requires the comparatively small number of 94 tubes to bring you Jack Benny and Amos 'n' Andy.

Television requires more tubes than regular radio broadcasting because of the more complicated number of circuits needed in the transmitter for synchronizing purposes. Great number of tubes in transmitter really simplifies the receivers in the long run. What is more important, the unusually large number of tubes used in the television transmitter permits some simplification in receiving sets. The technical difficulties that need be considered in sending pictures over the air are myriad, and the more of them that can be coped with in the transmitting station, the fewer with which receiving sets will be required to reckon.

Mr. Priest expects improvements in television technique and design to occur ultimately which will permit reducing the staggering number of tubes now needed by as much as 50 per cent.

In broadcasting regular radio programs the possibility of interruption through tube failure is virtually eliminated because all large stations have complete auxiliary transmitters as a safeguard against such trouble.

"In its present more or less developmental stage, such an auxiliary system is not justified for television transmitting stations", Mr. Priest said. "However, when television broadcasting becomes a commercially sponsored business like present-day radio broadcasting, the same or similar measures will have to be taken to insure program continuity."

Of the 648 tubes that will light up when General Electric's television station W2XB goes on the air, 485 will be in the equipment at the studio in Schenectady. These range in size and shape all the way down from the big, funnel-shaped camera tube in the television camera itself, to the small metal "peanut" tubes like those in a regular home receiver. 130 of these tubes will be

instrumental in relaying studio programs by ultra short wave to the transmitter high in the Helderberg Hills twelve miles distant. This transmitter, more powerful than any now in use in this country, will serve the area comprising Schenectady, Albany, Troy, Amsterdam, and Saratoga, known as the Capital District, with a combined population of more than 500,000.

It is this transmitter that will require the most expensive tubes in the system, according to Mr. Priest. 14 of the 163 tubes to be installed there will cost about three times more than all the rest of the tubes put together. These are the big, water-cooled type tubes that actually do the work in sending out the television broadcast. They are about 12 inches long and 6 inches in diameter.

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#### EDUCATORS SKEPTICAL OF CONGRESSIONAL RADIO REFORM

While talk of reorganization and investigation of the Federal Communications Commission took a temporary recess on Capitol Hill this week, the National Committee on Education by Radio expressed skepticism of the ability of Congress to effect sound reforms in the regulation of radio.

Reviewing recent developments in the move for revisions of the Communications Act, the Committee, through S. Howard Evans, its Secretary, stated in the March bulletin:

"That Congress is poorly prepared to deal with radio is indicated by its recent record in radio legislation and by the generally admitted fact that only one qualified expert on wireless communication is to be found in its two branches. Although numerous bills dealing with radio have been introduced, Congress has not passed an important piece of such legislation since 1934. Senator White, conceded to be the Congressional expert on radio, has been rather inactive in legislation dealing with this specialty and has failed to press for enactment the bill he introduced in 1937 calling for a broad investigation of all phases of radio regulation.

"While the record of actual accomplishment by the Senate in radio is confined almost entirely to the confirmation of members of the Communications Commission and the passage in 1938 of a resolution expressing the 'sense' of the Senate against superpower, the prospect is that 1939 will see a great increase in activity.

"Although the House of Representatives is allowing the Senate to have the first chew at the reorganization bone of contention, it can point with pride to a more aggressive recent history in radio legislation. One channel of action has been the Appropriations Committee through which pass the annual budget requests of the Communications Commission. Another channel has been created by the Connery resolution for an investigation of the Commission. . . .

"What comes after the proposal for the three-man Commission? This question is vital to all those interested in the future of broadcasting. President Roosevelt's letter suggested that Congress must go on beyond reorganization to lay down policies 'so clear that the new administrative body will have no difficulty in interpreting or administering them.'

"The value of any policies which may be proposed to Congress will depend not on the kind of political pressure which can be marshaled in support of them but on the accuracy of the analysis on which they are based. To date there has been no complete analysis of what causes the present unsoundness in the structure of broadcasting. Presumably such an analysis will be forthcoming from the Communications Commission as a result of its current investigation. Until that report appears, the most comprehensive discussion of conditions which need to be corrected in radio seems to be that presented by the National Committee on Education by Radio through the bulletin Education by Radio and through appearances at hearings before the Communications Commission.

"To answer the questions raised by the National Committee, Congress will have to find ways, (1) to end the present unfairness created by the Communications Commission when it licenses high- and low-powered stations to compete directly for advertising revenue; and (2) to provide a more democratic method of control over programs than that represented by either complete commercial domination or concentrated Federal control."

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#### PRESCRIPTIONS CARRIED BY RADIO TO ISLANDS

The boon which radio has brought to the fourteen small islands in the Torres Strait, which, about a year ago, were equipped with small transmitters on the instructions of the Queensland Protector of Aborigines, is commented on in an official report just published, according to World-Radio. The islands lie between Australia and New Guinea, and it is in the treatment of sickness among the natives - a superior type of aborigines who live by pearling and fishing - that wireless is of inestimable service, says the report.

The main station is on Thursday Island, and a Government ketch, which is on constant service among the islands, is also equipped with a two-way installation.

The service has proved particularly effective in the treatment of cases of serious illness, which previously had to await the periodic visits of the doctor who supervises the whole of the Straits territory. He can now be consulted by radio, and treatment is given by the Mission superintendents and teachers on the islands, acting on his advice.

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## ONE-YEAR LICENSES EXPECTED TO BE ORDERED SOON

Revision of the regulations of the Federal Communications Commission to permit the issuance of one-year rather than semi-annual broadcasting licenses is expected to be ordered shortly.

Chairman Frank R. McNinch has intimated that he is ready to go along with the three-man FCC Committee that recommended this change as soon as the North American broadcasting treaty is approved by Mexico.

The Administration also is understood to be agreeable to the extension, but absolutely opposed to the suggestion of Elliott Roosevelt, the President's son, that broadcasters be given a franchise that would be operative indefinitely.

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## WIRED RADIO TO BE DEVELOPED IN BRITAIN

A new broadcasting service to reach listeners over telephone wires - which, of course, would be immune from radio interference or jamming by hostile foreign radio stations in wartime - is to be developed throughout Britain, according to G. C. Tryon, Postmaster General, who controls Britain's telephones.

Explaining the system in the House of Commons this week, Mr. Tryon said it would be possible to give a telephone subscriber the choice of three or four programs and the subscriber would be able to use his telephone simultaneously with the reception of programs, the New York Times' London correspondent reported.

Technical details of the new system have not yet been disclosed, but apparently the subscriber would have a loudspeaker attached to his telephone wire with a "relay" instrument having three or four knobs, which would give him a selection of that number of programs.

It has frequently been stressed that in wartime the British Broadcasting Corporation's system would be subject to considerable jamming, if not complete interruption, when any attempt was made to broadcast news bulletins or propaganda. According to Mr. Tryon, it is proposed to connect the broadcasting corporation's radio studios and post offices with "relay stations" by landlines so that the programs would reach subscribers by wire all the way.

In addition, it is proposed to extend the licenses of existing radio relay companies for another ten years. These radio relay companies operate chiefly in large blocks of apartment buildings. The companies pick up radio programs at their own stations and relay them over wires to the apartments of their customers, who have a choice of three or four programs.

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## NAB OPPOSES BILL TO CURB LIQUOR ADS

A Senate Interstate Commerce sub-committee this week began hearings on bills offered by Senators Johnson, of Colorado, and Capper to restrict liquor advertising on the air. Government officials and dry leaders endorsed the Johnson bill to prohibit such advertising over the radio; the National Association of Broadcasters opposed it.

From Representative Culkin, who had introduced similar legislation in the House, came word, however, that proponents had decided not to press for action at this session on the Capper-Culkin bill, which would prohibit interstate transmission of liquor advertisements by all other media as well.

W. S. Alexander, Federal Alcohol Administrator, and Philip Buck, FAA general counsel, both endorsed the Johnson bill as sound.

"Both the public and most of the alcoholic beverage industry", Mr. Alexander said, "have shown a willingness to eliminate liquor advertising over the radio."

Mr. Buck called the Johnson bill a "sane" approach to the liquor advertising problem.

Edward B. Dunford, counsel for the Anti-Saloon League, endorsed the bill in a statement. He said that North Carolina now prohibited alcoholic-beverage advertising in radio programs originating in that State, while other States had lesser restrictions. He sought assurances that the proposed ban would not affect discussion of the liquor ban over the air.

Miss Izora Scott of the National Temperance and Prohibition Council offered in favor of the bill twelve bulky bundles of petitions which she claimed contained 500,000 signatures. She said that the opposition of the National Distillers Institute to liquor advertising did not have any bearing on beer and wine makers.

Neville Miller, President of the National Association of Broadcasters, said that a prohibition on advertising of alcoholic beverages would set a "dangerous precedent" under which other groups might move against the advertising of cigarettes or even coffee.

He described the problem as a minor one which the radio industry was trying to clean up, asserting that a poll of the industry indicated that less than 1 percent of its revenue came from all alcoholic beverage advertising.

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## FCC LAUDS SYKES IN RESOLUTION

The Federal Communications Commission this week made public a resolution of tribute to Judge Eugene O. Sykes, of Mississippi, who will terminate his 12 year association with the Commission and its predecessor agency, the Federal Radio Commission, on April 5th.

In the resolution the retiring Commissioner's associates, Chairman McNinch, Commissioners Brown, Case, Walker, Payne and Craven recalled Commissioner Sykes' services as the first Chairman of the Federal Communications Commission, expressed regret at his withdrawal from the Commission and wished him happiness in his future work.

The resolution was offered by Commissioner Case, seconded by Chairman McNinch, and adopted unanimously. The Commission ordered it spread upon the minutes of the Commission "as a token of the esteem wherein the retiring member is held by his colleagues".

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## PHILCO STAGES TELEVISION SHOW IN CAPITAL

Washington audiences this week had an opportunity to watch both ends of a television demonstration at the same time. Inside workings of the television were presented by Philco Radio & Television Corp., in the Raleigh Hotel.

Audiences not only saw the transmitted images of performers on the tiny radio-set screen but also were taken "back-stage" while the broadcast was going on and could see the actors in front of the television camera and microphone even as their pictures and voices were transmitted to three receiving sets.

Performers from the Capital theatre took part in the demonstration and the intricate operations of television were explained by Arthur Murray, Philco's television engineer.

Now that television has "left the research laboratory and has entered the American home", said Mr. Murray, "one of the biggest problems facing producers is program material. Lack of entertaining and practical television talent has put a crimp into development of the enterprise for home consumption."

The United States, he said, now has five large companies interested in television and Philco has been conducting field tests since 1935.

Mr. Murray warned prospective purchasers of television equipment "not to expect too much at first".

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## EUROPEAN RADIO PARLEY HAS DIFFICULT TASK

"There is now in session at Montreux, Switzerland, a European governmental conference to revise the allocation of wavelengths to every broadcasting station in Europe working the so-called 'long' and 'medium' wave bands, the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce stated this week.

"The Conference will be faced with a difficult task. A new wavelength plan must be produced which will be accepted and brought into use simultaneously by all countries at an agreed date. The problem of the long waves is still outstanding, and can only be solved by reducing the number of long-wave stations in Europe, so that those which remain can work without mutual interference. On the medium waves there are now over 250 broadcasting stations in Europe, and though many of these are of low power and can share wavelengths, the number of high-power stations built or building is more than double that in 1933, while the number of wavelength channels available will be increased by about 5 percent, by the changes approved at Cairo. If a general agreement is to be reached each country will have to be prepared to make some sacrifice. There may be less reluctance to accept a compromise if it is recognized that the result of a failure to obtain agreement on a new wavelength plan would be an increase in interference between stations and a progressive deterioration in the broadcasting services of every European country.

"The last broadcasting conference to revise wavelengths was held at Lucerne in 1933, and the present plan of wavelength allocations is governed by the Lucerne Broadcasting Convention. The Lucerne Plan unfortunately did not obtain general agreement, and as a result the Lucerne long-wave plan was unworkable. In order to obtain a 'modus vivendi' the long-wave stations have ever since been working on an unofficial arrangement. This is admittedly unsatisfactory, as the wavelength separations between stations are insufficient, while some stations have to share a wavelength, although not far enough apart geographically to avoid mutual interference.

"The wavebands allotted to broadcasting are laid down by the International Radiocommunication Regulations. The World Telecommunications Conference which met at Cairo in the Spring of 1938 made a number of revisions which will come into force on September 1. Because of these revisions and because of the defects in the present broadcasting situation, the Cairo Conference gave directions that the Lucerne Convention should be revised early in 1939, and this revision will be the function of the Montreux Conference. The Cairo Conference directed the U.I.R. (International Broadcasting Union) to prepare a draft plan as a basis of discussion. This draft, prepared at Brussels in November 1938, was circulated to all Governments, and their comments on it have already similarly been circulated."

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## 600,000 FARNSWORTH SHARES ARE OFFERED

An underwriting group headed by E. H. Rollins & Sons, Inc., offered to the public this week 600,000 shares of common stock of Farnsworth Television and Radio Corporation. The stock was priced at \$6 a share. Other members of the offering group are Eastman, Dillon & Co., W. E. Hutton & Co., Hemphill, Noyes & Co., Hallgarten & Co., Riter & Co., H. M. Byllesby & Co., Inc., William Cavalier & Co. and O'Melveny-Wagenseller & Durst. The offering marks the initial public financing for the company.

The corporation intends to use a portion of the cash proceeds from the sale of these shares, together with additional common shares, for the acquisition of the business and properties of Capehart, Inc., and certain properties of the General Household Utilities Company. According to the prospectus, 43,598 shares of additional common stock will be issued in connection with the acquisition of the Capehart properties at Fort Wayne, Inc., and 25,000 additional common shares in connection with the acquisition of the General Household Utilities radio plant, machinery and inventory, located at Marion, Ind. Both of these properties will be used for the manufacture of television apparatus as well as radio and phonograph equipment.

The company anticipates that its receiving models will be made available for sale to the trade by this Fall, and that it will be ready to offer its transmitting apparatus for sale about twelve to eighteen months after work starts. Approximately \$2,000,000 of the proceeds from the sale of the stock will be set aside for working capital and inventory requirements. Other portions of the proceeds will be reserved for research and development activities and for plant improvements.

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I. T. & T. INCOME \$7,038,590 FOR 1938

The preliminary statement of the International Telephone and Telegraph Corporation and subsidiaries for the year ended December 31, 1938, as compared with the year 1937, shows consolidated net income amounted to \$7,038,590 for 1938 as compared with \$10,236,148 for 1937. Gross earnings, including gross profit on sales, increased to \$67,518,700 from \$63,453,870.

This improvement in gross earnings was more than offset by increased taxes in the amount of \$1,871,753, increased interest charges of \$859,109 and \$4,575,412 reduction in income as related to the previous year resulting from the inclusion in the 1938 accounts of foreign exchange losses in the amount of \$3,561,479 as compared with foreign exchange profits of \$1,013,933 in 1937.

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## CBS DEVELOPS NEW TELEVISION FILM SCANNER

Transmission by television of motion pictures without distortion or loss of definition is made possible by a development of Dr. Peter Goldmark, Chief Television Engineer for the Columbia Broadcasting System. It is a new type film scanner which will be placed in operation as soon as the CBS station atop the Chrysler Building is completed.

The principle upon which the revolutionary new scanner works is a great deal different from that of the standard motion picture projector. In the latter a strip of film is made to pass between a light source and a lens in a continuous series of rapid jerks so that 24 separate photographs or frames can be scanned per second while they are at rest. This is necessary because the eye would see only a shifting melange of light and shade if the celluloid were kept in continuous motion.

It is not desirable to do this in scanning pictures for television, CBS pointed out, first because for such purposes the film must be scanned at the rate of 60 frames per second to eliminate flicker, and second because stop-motion scanning requires a great deal of light, causes much wear on the film and necessitates a great number of expensive moving optical parts.

Dr. Goldmark and his staff of engineers solved the problem by making the film pass continuously downward before a scanning aperture and lens system and then causing an electronic scanning beam to move upward at exactly the same speed so that a stationary electronic image results. A slotted rotating disc is placed between the film and a number of lens segments. This acts as a shutter and gives light to only one of the segments at a time. The result is that sixty separate stationary frames per second can be produced from film which was originally photographed at 24 frames per second, although the speed of action on the receiving screen is not changed in the least. Moreover the received images will have even illumination and great contrast and character.

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## U.S. BAIRD STOCKHOLDERS TO CONSIDER LOAN

Holdings of United States units in Baird Television, Ltd., are to meet in London on next Saturday to consider proposals to issue a £400,000 5 percent loan due on June 30, 1944, at a 5 percent premium, according to the New York Times. The United States units include both preferred ordinary and deferred ordinary shares, according to the announcement by the City Bank Farmers Trust Company this week.

The proposed 5 percent loan stock is to be convertible up to March 31, 1944, into a new class of participating preference shares of 2s6d par value, senior to the two classes included in the United States units. The Directors propose to offer the new 5 percent loan stock at par to existing shareholders, but will not do anything about the entire proposal unless at least £325,000 of loan stock is subscribed.

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## RADIO WHETS NEWS APPETITES, SAYS E. &amp; P.

"From the St. Louis Post-Dispatch of March 15, we cull an observation of more than passing interest", Editor & Publisher comments editorially in the current issue. "It notes that when Pope Pius XI was elected in 1922, there was no trans-Atlantic radio. Newspapers were the only source of information on the impressive ceremonies, the political and religious implications of Achille Ratti's elevation to the Vatican. And the Post-Dispatch sold only 1,000 extra copies then.

"In 1939, Cardinal Pacelli succeeded to the Papacy. From the moment of his predecessor's passing until his own coronation, every step had been reported, flashed at the second of its occurrence across the ocean and the American continent. And the Post-Dispatch sold about 5,000 extra copies with the election which many of its readers had heard with their own ears simultaneously with the throngs in St. Peter's Square.

"The Post-Dispatch, which has done extensive work with broadcasting, believes that this may indicate the whetting of public interest by radio and the creation of a desire for the more extended accounts and comment published in the press. We agree absolutely. Radio may have changed the function of the printed newspaper, but it has augmented, rather than diminished that function."

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## CROSLY HINTS AUTO WILL BE MANUFACTURED

Lewis M. Crosley, Executive Vice-President of the Crosley Corporation, announced this week in Cincinnati at the annual meeting of stockholders that it was possible that an announcement concerning development of an automobile by the concern would soon be made. Beyond that, however, all officials of the organization refused to commit themselves.

Sales to date this year, Mr. Crosley said, were about 20 percent correspondingly above a year ago, and it was expected sales would continue on an increased basis over 1938.

Gains in sales were principally in the refrigeration line, Mr. Crosley added. This is the slack period in the radio receiver sales division. During the second quarter refrigeration sales are normally at their peak and activity in the radio division increases. Mr. Crosley further stated that because the inventory at the close of 1938 was about \$1,000,000 below the preceding year that it was possible to operate the factory more efficiently.

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