

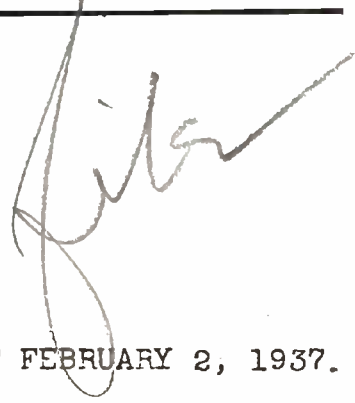
NATIONAL BROADCASTING COMPANY, INC.

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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MAY 1937

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No. 1001

February 2, 1937.

WIGGLESWORTH ASSAILS FCC AND "RADIO MONOPOLY" IN HOUSE

Citing testimony by members of the Federal Communications Commission before the House Sub-Committee on Independent Offices Appropriations, Representative Wigglesworth (R.), of Massachusetts, on Monday demanded a "thorough investigation" of radio and its administration on the floor of the House.

Representative Wigglesworth, who is a member of the Sub-Committee, made a similar demand last year. His cry of "monopoly" comes this session on the heels of a resolution calling for an inquiry by Representative Connery (D.), of Massachusetts.

The Republican charged that "testimony given to your Committee by the Communications Commission indicates that today we are in sight of a virtual monopoly of the air by the big broadcasting companies of this country, with all the possibilities, for capitalizing that monopoly into earnings and profits to the detriment of the American people with which we are all familiar in other fields.

"I further submit that the record clearly indicates, in the absence of further explanation, that the Federal Communications Commission has failed to exercise the regulatory functions contemplated in this connection by the Federal Communications Act", he said.

"Under the Communications Act, Congress undertook specifically to provide against the evils of monopoly by requiring that station licenses should not be issued for periods in excess of three years. As a matter of policy the maximum period is limited to six months. At the end of six months every licensee is required to make application for renewal. Renewal is authorized by law only if proved to be in the public interest.

"I call your attention especially to Section 301 and 310B of the Act. Under Section 301 the Act specifically sets forth its purpose, and, among other things I quote 'to maintain the control of the United States over all channels of interstate and for radio transmission and to provide for the use of such channels, but not the ownership thereof, by persons for limited periods of time under licenses granted by Federal authority.'

"Under Section 310b, it is provided and I quote that 'the station licenses acquire the frequencies used by the licensee and the rights therein granted shall not be transferred, assigned or in any manner, voluntarily disposed of - unless the

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Commission shall after securing full information decide; that said transfer is in the public interest and shall give its consent in writing.

"It is perfectly clear that it was intended to eliminate the evils of monopoly as well as those inherent in trafficking in Federal licenses. Nevertheless, the record indicates that under the policies pursued by the Communications Commission virtual monopoly is at hand, the renewal of licenses has become largely perfunctory and the transfer of licenses has been approved upon terms which, in the absence of further explanation, appear to be without justification.

"The three big broadcasting companies, National, Columbia and Mutual have acquired so many broadcasting stations and licenses that today it appears that to all intents and purposes they control all of the 40 clear channel frequencies as well as other highly desirable frequencies and stations. How nearly complete the control - monopoly - must be is suggested by a recent statement by a former member of the Federal Radio Commission to the effect that the 'Big 3' use in their stations 97% of all the full time broadcasting power authorized by the Communications Commission. I understand, moreover, that no independent full time station is licensed to operate at night with a power of more than 1000 watts, in contrast to the 165 or more stations controlled or operated by the 'Big 3' many of which stations are said to have power of fifty thousand watts, and, one of them having 500,000 watts.

"The record indicates that the renewal of licenses have become largely a formality. The record also indicates that the Commission has approved the transfer of licenses on terms which appear to be contrary to public interest and to the intent of the law.

"Let me call your particular attention to tables furnished by the Communications Commission purporting to show a record of all transfers and leases of licenses approved by the Commission since its organization. Instance, after instance appears where the Commission has given its approval to transfer of a licensed broadcasting station for a consideration far in excess of the replacement cost of the station transferred. Other instances will be found where the Commission has approved of a transfer in the form of a lease for periods in excess of the original license.

"The time will not permit detailed analysis. Among other approved sales, you will find the following, the replacement value of the station transferred being given in the first column, the consideration paid for station in the second column:

Replacement ValueConsideration Value

\$ 217,000.00	\$1,250,000.00
13,500.00	28,500.00
14,000.00	65,000.00
65,000.00	110,000.00
14,000.00	50,000.00
75,000.00	170,000.00
20,000.00	80,000.00
29,000.00	60,000.00
17,000.00	105,000.00
29,000.00	91,000.00
58,000.00	104,000.00
85,000.00	239,000.00
8,000.00	27,000.00

"You will also find among the leases referred to a lease of a station with replacement value of less than \$500,000 leased for an annual rental of \$219,000 for a period of eight years. Also, a lease for a period of ten years with an option of renewal for another ten years, and, in still another instance a lease of a station apparently for a period of 99 years. I am advised that the lessor in a number of instances obtains under the terms of the lease not only a fixed rental but, in addition a substantial percentage of profits realized by any increase in rates of the station leased.

"If the Federal Communications Commission can justify these transactions, I hope it will do so. I know, Mr. Chairman, it is unnecessary to emphasize the dangers inherent in trafficking in Federal licenses. The practice opens the door to all the scandals of the past in other fields, scandals which the Communications Act was intended to eliminate. In the absence of further explanation it is difficult to believe that transfers approved by the Commission have been in the public interest and within the terms of the Communications Act.

"Here is an industry whose very existence depends upon the grant of a Government franchise for which it pays nothing. Here are conditions imposed by Congress upon the granting of franchises with a view to eliminating the evils of monopoly and the trafficking in licenses, yet, because of the policy pursued by the Broadcast Division of the Communications Commission, we find, upon the record the existence of a virtual monopoly and what seems to be unjustified trafficking in licenses to the detriment of the American people.

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Denial of the application of WCAP, Asbury Park, N. J., for an increase in power from 500 watts to 1 KW on 1280 kc. was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin.

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EXCISE TAXES TOP \$6,500,000 ON RADIOS, PHONOGRAPHS

Total Treasury collections for 1936 of the Federal 5 percent excise tax on radio and phonograph apparatus reached the unprecedented figure of \$6,514,898.45, an increase of 46.9 percent over collections of 1935, and, of course, without inclusion of substantial 2 percent automotive-radio taxes, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, declared this week.

The official report of the December 1936 radio tax collections, showed a total of \$906,358.41, an increase of 24.2 percent over radio taxes of \$730,002.69 in December, 1935. The December taxes on mechanical refrigerators totaled \$319,439.34 against \$176,984.52 in December, 1935.

Since the excise tax law became operative June 20, 1932, the industry has paid total radio taxes of \$18,253,299.61, exclusive of additional automotive taxes.

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TELEVISION RESEARCH PLANNED BY JAPAN BROADCASTING COMPANY

Television is a subject of considerable discussion in Japan at the present time, according to a report to the Department of Commerce from Assistant Trade Commissioner C. H. Boehringer, Tokyo.

The Japan Broadcasting Corporation is constructing a laboratory for television research near Tokyo which will be completed next March. It is reported that the Corporation has allotted 500,000 yen (\$1,500,000) for such activities during the current year.

According to local reports, Professor Takayanagi, premier researcher in Japan, has been successful in 90 percent of his experiments with a daylight television-receiver to replace the present fluorescent-light type now in use and that he expects to complete his development by March.

The Japan Broadcasting Corporation is planning to initiate a campaign to arouse public interest in television throughout the country. When the Olympic Games are held in Tokyo in 1940, the Corporation expects to be in a position to transmit television pictures to points within a radius of 12 miles from the capital, according to the report.

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30 FREQUENCIES NOW ASSIGNED IN INTERNATIONAL BAND

Thirty frequencies are now allocated in the international broadcast band of the United States, according to a tabulation released this week by the Federal Communications Commission. There are less than half that many stations, however, as some of the outlets have two or more waves.

Columbia Broadcasting System holds five of the frequencies, and all are used by W2XE, Wayne, N. J., while the National Broadcasting Company has four and two stations, W3XAL, Bound Brook, N. J., and W9XF, Downer's Grove, Ill.

The complete list by frequencies follows:

<u>Frequency</u>	<u>Call Letters</u>	<u>Licensee</u>	<u>Location</u>
6040	W1XAL	World Wide Broadcasting Corp.	Boston, Mass.
6040	W4XB	Isle of Dreams Bdcstg. Corp.	Miami Beach, Fla.
6060	W3XAU	WCAU Broadcasting Co.	Newtown Square, Pa.
6060	W8XAL	The Crosley Radio Corp.	Mason, Ohio
6080	#9XAA	Chicago Fed. of Labor	Chicago, Ill.
6100	W3XAL	National Bdcsting Co.	Bound Brok, N.J.
6100	W9XF	"	Downer's Grove, Ill.
6120	W2XE	Columbia Broadcasting System, Inc.	Wayne, N.J.
6140	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.
9530	W2XAF	General Electric Co.	Schenectady, N.Y.
9570	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.
9570	W1XK	"	Millis, Mass.
9590	W8XAL	Crosley Radio Corp.	Mason, Ohio
9590	W3XAU	WCAU Broadcasting Co.	Newtown Square, Pa.
11790	W1XAL	World Wide Bdcstg. Corp.	Boston, Mass.
11830	W2XE	Columbia Broadcasting System, Inc.	Wayne, N. J.
11830	W9XAA	Chicago Fed. of Labor	Chicago, Ill.
11870	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.
15210	W8XK	"	"
15250	W1XAL	World Wide Bdcstg. Corp.	Boston, Mass.
15270	W2XE	Columbia Broadcasting System, Inc.	Wayne, N. J.
15330	W2XAD	General Electric Co.	Schenectady, N.Y.
17760	W2XE	Columbia Broadcasting System, Inc.	Wayne, N. J.
17780	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.

<u>Frequency</u>	<u>Call Letters</u>	<u>Licensee</u>	<u>Location</u>
17780	W3XAL	National Broadcasting Co.	Bound Brook, N.J.
17780	W9XAA	Chicago Fed. of Labor	Chicago, Ill.
17780	W9XF	National Broadcasting Co.	Downer's Grove, Ill
21460	WLXAL	World Wide Bdcstg. Corp.	Boston, Mass.
21520	W2XE	Columbia Broadcasting System, Inc.	Wayne, N.J.
21540	W8XK	Westinghouse Elec. & Mfg. Co.	Near Saxonburg, Pa.

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HOUSE BILL SEEKS TO BAR PRESS OWNERSHIP OF STATIONS

While Senator Wheeler (D.), of Montana, was awaiting a reply to his questionnaire to the Federal Communications Commission regarding newspaper control of radio stations, Representative Wearin (D.), of Oklahoma, introduced a bill in the House to prohibit newspaper ownership or operation of broadcasting stations.

The measure would amend the Communications Act by adding a new provision "to prohibit unified and monopolistic control of broadcasting facilities and printed publications". The section would declare it to be "against the public interest to permit the creation or the continuance of monopoly in the distribution of general information, news and editorial comment thereon, through any combination resulting in unified control of newspapers, magazines or other printed publication, with radio broadcasting."

All inclusive in content, the bill states that after its effective date, it would be unlawful for any licensee to any extent, directly or indirectly, in its own person or through an agent, holding corporation, affiliated corporation, subsidiary corporation, by stock ownership in a corporation, or otherwise, to be owned, partially owned, managed or controlled by any person who owns, partially owns, manages, controls, directs or publishes any newspaper, magazine or other printed publication circulated or distributed to any extent "within the area or zone served by the broadcasting station allotted to such licensee."

It would be unlawful for a similarly described individual or corporation to own or partially own any newspaper or magazine, provided that the prohibition would not apply or be enforced against any licensee until the termination of the existing license "but shall apply and be enforced against such present licensee immediately upon termination and without any extension of the existing term of such licensee."

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SCRIPPS-HOWARD RADIO EXPANSION UNDER AYLESWORTH SEEN

The Scripps-Howard newspaper syndicate is expected to expand greatly its radio activities when Merlin H. Aylesworth, former President of the National Broadcasting System, joins its management staff on March 1st.

Announcement that Mr. Aylesworth will leave his post as head of Radio-Keith-Orpheum and join the newspaper enterprise was made on Monday by Scripps-Howard officials in San Diego, California. No mention was made of what Mr. Aylesworth's duties will be, but broadcasters predicted that they will be concerned with radio primarily.

Scripps-Howard has organized the Continental Radio Company, which owns and operates four stations already and is seeking more before the Federal Communications Commission. One of the applications is for a broadcasting outlet in Washington.

Because of Mr. Aylesworth's background in the broadcasting field and his contacts, both with Federal administrative officials and advertising sponsors, he is looked upon in the industry as an ideal man to develop the Scripps-Howard radio subsidiary.

Scripps-Howard, which has fought William Randolph Hearst in the newspaper field for some years, is also trying to keep pace with Hearst Radio, Inc., in broadcasting.

An announcement of Mr. Aylesworth's affiliation with the Scripps-Howard newspapers said:

"Mr. Aylesworth achieved an enviable reputation as Chairman of the Public Service Commission in his native State of Colorado before being affiliated with the National Electric interests where he attracted the attention of Owen D. Young, who was largely responsible for his being called upon to organize and establish the National Broadcasting Company."

The announcement added that he was instrumental in the negotiations with Atlas Corporation which resulted in its purchase of one-half of the Radio Corporation's holding in Radio-Keith-Orpheum Corporation and its option in the remaining half.

During the period of Mr. Aylesworth's connection with RKO, it was declared, the company has passed from heavy operating losses to substantial operating profits, as reflected by the figures for 1936.

David Sarnoff, President of the Radio Corporation of America, commented on Mr. Aylesworth's resignation from RKO as follows:

"Mr. Aylesworth had advised me some time ago of his wish to be relieved of his duties with RKO when a plan for reorganization of that company had been developed and submitted. That step having been taken, Mr. Aylesworth informed me of the invitation extended to him by the Scripps-Howard newspapers to join their organization.

"During the past ten years Mr. Aylesworth has made significant contributions to the field of radio broadcasting, which he ably served during its pioneering period. He has also served the motion pictures and theatre field with distinction.

"I congratulate Mr. Aylesworth on his new association and congratulate the Scripps-Howard organization on their selection of a man who brings to his new position great experience and untiring energy."

The Scripps-Howard newspapers own four broadcasting stations - WCPO, Cincinnati Post; WMC-WNBR, Memphis Commercial Appeal; WNOX, Knoxville News-Sentinel.

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FOREIGN HOLDINGS OF BRAZILIAN RADIO STATIONS BARRED

Foreign interests are prohibited from owning or operating radio broadcasting stations in Brazil in regulations just submitted for approval to the Minister of Transportation and Public Works by the Federal Technical Radio Commission, according to a report to the Commerce Department from Trade Commissioner J. Winsor Ives, Rio de Janeiro.

Other provisions, it is pointed out, limit further the proportion of time which can be devoted to advertising and commercial announcements, and heavy penalties are to be imposed on stations found guilty of deviating from the frequency channels allotted to them.

The Federal Technical Radio Commission, the report shows, is composed of representatives from the Ministry of Transportation and Public Works and the Army and Navy. The complete text of the proposed regulations has not yet been made public.

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An application for authority to transfer KALB, Alexandria, La., from 1420 kc. to 1210 kc., and increase hours of operation from daytime to unlimited was approved, conditional upon compliance with Rule 131, in a report filed with the Federal Communications Commission this week by Examiner John P. Bramhal.

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PRALL LAUDS ROLE OF RADIO IN FLOOD RELIEF

"Radio - both short wave and broadcasting - has done a magnificent job in connection with these disastrous floods", Anning S. Prall, Chairman of the Federal Communications Commission, declared last Sunday in an address over the NBC-Blue Network.

"As Chairman of the Federal Communications Commission, I fully realize that the telephone and the telegraph lines have played their parts in this emergency and have played them well, but I humbly salute radio for its tremendous contribution in this hour of need.

"In some instances telephone and telegraph wires and central offices and exchanges were completely inundated, and other means of communication had to be employed. Much of this communication was by radio, the latest principal arrival to the family of electrical communications.

"To the amateur operator, who, from his homemade set directed relief messages when all other means of communication had failed, to the small and to the powerful broadcasting stations I am happy and grateful to say that radio has met its greatest crises in a truly American way.

"Ordinarily associated with entertainment activities, radio stations in the afflicted areas have taken off their uniforms, put on their overalls, and gone to work in earnest, reporting conditions, warning residents of impending danger, collecting funds, and serving as a clearing house for the efforts of relief agencies.

"The physical damage in this wave of floods probably exceeds that of any previous one in recent years, and the death toll, large as it is, would undoubtedly have been much higher except for the efficient work of the station broadcasters and the amateur operators who dropped all other forms of radio activities to concentrate on relief and rescue problems.

"The complete story of radio's contribution to flood relief as yet cannot be recorded; but sufficient reports have been received to indicate that in the saving of lives, the safeguarding of property, and in the raising of funds, radio - and the splendid men and women associated with it - have played a major role.

"I know that the public has already learned of the splendid work which is being performed by the various communication organizations to provide prompt and efficient communications with the flooded districts. The record of the radio amateurs, while their activities are normally inspired without pecuniary interest is rich in contributions to the public

interest. They have greatly aided in the present emergency by providing communication with isolated points which could not have been reached in any other manner. The Commission is happy to report that we have received from them the very finest cooperation throughout this emergency period. Through the days and nights these men, resisting weariness, stuck to their posts relaying messages to and from the afflicted districts.

"Discarding all other programs, many broadcasting stations were on the air all day and throughout the night warning residents of danger, locating supplies, mobilizing truck drivers, pleading for medical supplies, establishing relief stations, and directing activities of relief workers, under the direction of the police and emergency relief committees."

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RADIO NEWS WRITERS FORM AN ASSOCIATION

Organized for the purpose of improving standards of radio news writing, an Association of Radio News Writers was formed in Chicago recently. At a preliminary meeting, John Van Cronkhite, WBBM and Columbia Broadcasting System, was named temporary Chairman of the group. Organization work will continue under direction of the Executive Committee with the view towards a national meeting of radio news writers next Summer in connection with the annual convention of the National Association of Broadcasters.

Mr. Van Cronkhite said that the new association is "not another newspaper guild, nor is it concerned with salaries of radio news writers". He explained "radio news has no heritage". The group is primarily interested in better news writing in radio and one of its first objectives will be a manual for radio news writers, he said. It is estimated that approximately 300 persons are engaged in radio news writing at the present time.

Members of the Executive Committee include Leland C. Bickford, WNAC, Yankee Network, Boston; K. B. MacClure, WOAR, San Antonio, Tex.; Walter Paschall, WSB, Atlanta; H. L. MacEwen, WLW, Cincinnati; and T. C. Christie, Universal Service, New York, Secretary; W. J. Heggen, United Press, Treasurer.

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Examiner George H. Hill this week recommended to the Federal Communications Commission that the applications of the United States Broadcasting Company to erect new stations in Toledo and Columbus, O., on 1200 and 1310 kc., respectively, be dismissed with prejudice.

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PRESS ASSOCIATION PRAISES WORK OF RADIO STATION

The Associated Press, which not so long ago was at sword's point with the broadcasting industry, has joined in the acclaim of radio's role in the Ohio Valley flood.

Following, in part, is a story sent out from Louisville by the SP:

"The first week SOS call from Jack Binns on the sinking liner 'Republic' in 1909 has another historic radio achievement to stand beside it as a result of the flood here. This is a new record of radio calls for help - 16,500 separate appeals in five days over Station WHAS.

"With lights gone, an emergency engine pumping only one-third of the normal power into the microphone, the station never left the air during the worst five days and nights in the city's history. Without this central clearing house for bringing aid to those trapped by rising waters, Louisville probably would number its dead today in thousands, instead of hundreds."

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PHILCO ENGINEER OUTLINES PLANS FOR 1937

Reporting on television progress at a recent meeting of the Franklin Institute, Philadelphia, Albert F. Murray, television engineer of the Philco Radio and Television Corporation, outlined the development plans for 1937. At the same time he pointed out that "when commercial television eventually reaches the home, it will in no way supplant regular sound broadcasting."

In his forecast for what this year may hold for television, Mr. Murray said that field tests will continue; ultra-high frequency waves will be further explored and their service areas more definitely determined. It is expected that leading experimenters will change their transmitting equipment to conform with the new standard of 441 lines. Experimental receivers will be improved and simplified. Improvements in picture size and brilliancy may be expected, according to Mr. Murray, who said that research will continue in the various laboratories with unabated vigor. He expressed belief that "an entirely new method of flashing pictures into the home might result, but in the meantime, engineers and physicists will plod along on conventional lines."

In his lecture, Mr. Murray said that experimental receivers will be improved, simplified and costs will be somewhat reduced, making the price nearer what the average man can pay when commercial television arrives. Also improvement in picture size and brightness may be expected. Experiments in television relaying will be initiated; that is, images from the athletic field will be relayed to the main broadcasting station for rebroadcast.

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FEB 6 1937

WAYNE L. RANDALL

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PAN AMERICAN STATION BILL INTRODUCED BY CELLER

Details of the proposal for construction and operation of a government-owned Pan American short-wave broadcasting station were disclosed Wednesday when Representative Celler (D.), of New York, introduced a bill to authorize the Secretary of the Navy to build such a station.

The bill places control of the programs in the hands of the U. S. Commissioner of Education and makes provision for private commercial stations to use the government transmitter on condition that it does not profit thereby and its programs are approved by the Commissioner of Education.

In introducing the bill, Celler labelled as "ridiculous" fears that the station would serve as an entering wedge for government control of all radio stations in the United States.

The main purpose of the Pan American station, he said, would be three-fold:

(1) To create good-will between this and other nations; (2) to eradicate international misunderstandings; and (3) to develop two-way trade between the United States and other nations "by propagandizing for our own products.

The Celler bill authorizes an initial appropriation of \$750,000 for construction of the station in the vicinity of Washington and an annual appropriation of \$100,000 a year for its operation and maintenance. Commercial advertising is prohibited on the station.

Explaining the bill, Representative Celler said, in part:

"I have offered a bill authorizing the Navy Department to construct and maintain a government radio broadcasting station to be called the Pan American Radio Station, with such power and equipment as will enable such station effectively to transmit programs to all parts of the world, and particularly, to countries of the Western hemisphere, with sufficient signal strength to permit programs to be rebroadcast in all countries of the Pan-American Union.

"The plan and purpose of such legislation has had the approval and encouragement of responsible officials of the Department of State, Department of the Interior, Department of

Agriculture, Federal Communications Commission, National Committee on Education by Radio and the Pan-American Union. Also, such project has already had the approval specifically of President Roosevelt, Secretary of State Hull and Secretary of the Navy Swanson. It grows out of the radio resolution adopted January, 1932, at Montevideo, by the Seventh International Conference of the North, Central and South American countries forming the twenty-one sister Republics of the Pan-American Union.

"Each American nation participating at the Conference agreed to set up short wave broadcasting stations and to broadcast such programs as to cement bonds of friendship and cultural understanding between the peoples of the twenty-one countries of the Pan-American Union.

"The radio spectrum by international comity has been divided into a definite number of bands of frequencies. Within each frequency band, only a certain number of short wave broadcasting stations can function. In all the world, there are no more unassigned or "empty" channels for new short wave broadcasting stations, - except one; that is the channel pre-empted at the Montevideo Conference for exclusive use of Pan-American Republics.

"President Roosevelt, in pursuance of such preemption, and in accord with our sister nations, issued Executive Order No. 6472, dated December 2, 1933, making available for the United States Government, the following frequencies: 6120 kc., 9550 kc., 11730 kc., 15130 kc., and 2150 kc.

"In pursuance of such Executive Order, a station was to be set up in Washington, D. C., under the joint control and auspices of the State Department and Navy Department. The station was never set up. Many obstacles were thrown across the path of this much needed reform, by misguided and selfish persons. It is feared that this would be the entering wedge into governmental control of Radio. That is ridiculous.

"I am a firm believer in private initiative. I do not want to slam the door in the face of the efficiency, enterprise and resourcefulness of private ownership. Our radio system, despite certain besetting evils of commercialism, is yet the greatest in the world, thanks to private control. But one Pan-American short wave station, set up in pursuance of the Treaty, in an unassigned channel, on a non-competitive basis, will not in the slightest militate against private initiative. It will not lead to government monopoly.

"These persons and entities must now cease their opposition, else they will get their fingers burned. Because of the pressure against carrying out the President's Executive Order, I have introduced my bill. However, I specifically provide for cooperation of private stations in the maintenance and operation of the Pan-American broadcasting station.

"The United States Commissioner of Education, with the approval of an advisory council consisting of the Secretary of State, the Director General of the Pan-American Union, the Chairman of the Federal Communications Commission, and such other governmental officials as the President may select, may at certain periods and under well defined conditions, allow said Pan-American station to be used by a private company, provided there will be no profit and no advertising, and the programs are exclusively in the public interest.

"Every nation in the world has a broadcasting station, except the United States. Every nation but our own can defend itself over the air against foreign and unfriendly attacks. For example, the Fascist and Communist Governments are growing bolder every day in their proselyting activities. National boundaries mean nothing. The sovereignty of no nation is respected. Surely some antidote is necessary.

"There are two million short wave receiving sets in this country and the number is mounting daily by leaps and bounds. Such increasing short wave receptivity might well command a Federal station."

Congressman Celler outlined in detail a program policy for the Pan American station covering four services: (1) For Pan American reception; (2) For National and Pan American listeners; (3) For National service; and (4) for education.

The first group would include musical concerts at the Pan American Union and by leading musical organizations of the country, while the National service would cover all public events in which the government participates and, in addition, public addresses by government officials, and discussions of the aims, functions, policies, and activities of the government.

The section of the bill relative to use of the Pan American station by commercial broadcasters reads as follows:

"Sec. 6: The United States Commissioner of Education, with the approval of the advisory council, shall, in his discretion, permit well qualified, privately owned commercial radio companies, actually operating efficient stations, to use, without charge, said Pan-American radio station and its facilities, during such times and period and under such terms and conditions as to said Commissioner with the approval of said council may seem just and proper, having in mind always that the Pan-American radio station is a governmentally controlled facility, provided:

- "(1) Such privilege to such private company is exercised without profit to said company;
- "(2) The programs contributed by said privately owned company are suitably controlled and censored by said Commissioner of Education;

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- "(3) Said privilege to such privately owned company may be withdrawn at any time without notice by said Commissioner of Education;
- "(4) Such programs shall neither directly, indirectly or remotely, involve the broadcasting of any advertising, and shall be exclusively in the public interest;
- "(5) Any use of the facilities of such Pan-American radio station as aforesaid to such privately owned company does not interfere with or militate against the general purposes of this Act."

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BBC DISCARDS BAIRD TELEVISION FOR MARCONI-EMI

American experimenters with television were interested this week to learn that the British Broadcasting Corporation had discarded the Baird television system in favor of that of the Marconi-E.M.I. Both systems have been used experimentally since BBC began transmitting television programs as a public service last Fall. They were operated on alternate weeks. The Marconi-E.M.I. system was chosen by the government's Television Advisory Committee.

John L. Baird, inventor and founder of Baird Television, "had the greatest disappointment of his life" when informed of the decision by the Postmaster General, according to the New York Times.

The standard for television transmission adopted by the BBC is now 405 lines interlaced per picture transmitted at the rate of 50 pictures or "frames" per second. United States experimenters are now testing with 441 lines.

The BBC, when it began operating television transmission from Alexandra Palace, London, made elaborate provision for testing the two systems "under strictly comparable conditions, by installing them side by side" in accordance with the recommendations of the government's Television Committee.

Separate studios, as well as transmitters, were installed in Alexandra Palace. Both systems transmitted on 6.67 meters or 45 megacycles.

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2/5/37

HIGH PRICES OF STATIONS MAY BRING FEDERAL TAX

What may prove the most damaging testimony against the present set-up of broadcasting stations in the United States, in the opinion of even friendly members of Congress, is the disclosure this week of the high prices paid for station franchises in comparison with the estimated cost of physical equipment.

Although it is doubtful that Congress will do anything to stop the sales, many members believe that it will find a way to tax broadcasters so as to tap this lucrative source of revenue. Such a tax might take the form of a license fee scaled according to a station's power and wavelength or it might consist of a levy on profits from station profits.

What many members of Congress are unable to understand is how stations can bring such high prices when the Communications Act clearly prohibits trading in Federal franchises.

Judge Eugene O. Sykes, Chairman of the Broadcast Division, told the House sub-committee on Appropriations that applications for license transfers are always examined carefully by the FCC "to see that it does not smack of trafficking in a Federal license.

"We usually take into consideration", he said, "the value of the actual properties, the earnings of the station as shown in the testimony, and the result, we think, at a fair price, generally speaking is based on that combination."

Representative Wigglesworth (R.), of Massachusetts, who did most of the cross-questioning of the FCC officials on station trading, suggested that the government might levy a tax of 10 per cent on the gross earnings of every broadcasting station. He also asked Judge Sykes why the Commission had made no recommendations with regard to license fees, a subject discussed at the hearings the year previous. Judge Sykes replied that the matter is still under consideration.

Inserted in the record of the hearings were hitherto undisclosed details regarding 135 stations which have been sold at prices ranging from \$1 to \$1,250,000 in the last 30 months. The tables disclosed the original costs of fixed assets, estimated replacement costs, total claimed value of physical assets, station earnings, and the price paid.

Some of these figures, Congressman Wigglesworth pointed out, showed that broadcasting stations had been sold for twice the value of physical assets.

The \$1,250,000 paid by the Columbia Broadcasting System for KNX, Los Angeles, is still the highest sale price paid for a station, the record shows, while 30 transactions involved more than \$50,000.

The tables showed that William Randolph Hearst paid \$446,000 for the four stations bought from the Southwest Broadcasting Co. recently - KTSA, KOMA, WACO and KNOW - although the replacement value was only \$127,800. They disclosed that CBS is paying an annual rental of \$219,000 for lease of WEEI, Boston, although the station is valued at only \$497,907.

WBAL, Baltimore, drew the second highest sale price of \$452,500 when it was transferred from the Consolidated Gas, Electric Light & Power Co. to the American Radio News Corporation. Westinghouse paid the third highest price of \$290,000 for WOWO, Fort Wayne, Ind.

Following is the list of other stations which sold for more than \$50,000:

- WIOD, Miami, \$250,000; WFIL, Philadelphia, \$60,094;
- WHIO, Erie, Pa., \$85,000; WLAC, Nashville, Tenn., \$75,000;
- WSMK, Dayton, O., \$52,396; KLZ, Denver, Colo., \$104,000; WHOM, Jersey City, N. J., \$92,750; WNBR, Memphis, Tenn., \$50,000;
- WOV, New York, \$239,005; KFVD, Los Angeles, \$65,000; KMMJ, Clay Center, Neb., \$60,000; KOIL, Council Bluffs, Ia., \$110,000;
- KOMA, Oklahoma City, \$171,000; KOY, Phenix, Ariz., \$50,000;
- KTAT, Fort Worth, Tex., \$170,000; KTSA, San Antonio, Tex., \$180,000; KVOR, Colorado Springs, \$80,000; WACO, Waco, Tex., \$50,000; WCHS, Charleston, W. Va., \$200,000; WCOP, Boston, \$57,000; WCPO, Cincinnati, \$53,500; WEBR, Buffalo, \$120,000;
- WELI, West Haven, Conn., \$57,000; WNBC, New Britain, Conn., \$51,000; WNOX, Knoxville, Tenn., \$77,500.

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SHORT WAVE RADIO RESEARCH PLANNED IN JAPAN

A comprehensive study of short waves less than 10 meters in length is planned by the Department of Communications of the Japanese Government, a report to the Commerce Department from its Tokyo office states. Within a few months, it is pointed out, the Department will begin the construction of a research laboratory near Tokyo for this purpose.

The Hokkaido Imperial University Agricultural Department, it is pointed out, announced recently that waves of between 10 centimeters and five meters have proved of benefit in the raising of vegetables. It is also reported that short wave radio waves are effective in medical treatment as well as in communications and industry.

An appropriation of \$60,000 per year for five years has been allotted for the short-wave experimental work.

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2/5/37

AVIATION OFFICIALS HIT RADIO SETS, BAND CONGESTION

Determined to remove every possible hazard from air travel, more than 200 aviation officials this week, meeting in Washington with Government officials, opened fire on inefficient and obsolete radio equipment still in use.

"We all know that faults in existing radio equipment have contributed to several airline accidents", Eugene Vidal, Director of the Bureau of Air Commerce, declared as the three-day national aviation safety conference got under way at the Department of Commerce.

After it was revealed that some airlines have not installed the latest type radio equipment on which the lives of their passengers might depend in an emergency, Vidal warned that all domestic airlines soon will be compelled to equip their transport planes with new radio equipment designed to overcome snow and rain static.

Marlan Hull, chief pilot of Transcontinental & Western Air, told how a new type shielded loop radio antenna, used on his company's lines eliminates static caused by the bombardment of electrically charged snowflakes and raindrops.

"You probably have guessed that we are on the verge of requiring a loop antenna as good or better than this and possibly a homing antenna on every airline plane", Mr. Vidal interjected.

"We know that rain and snow static has contributed to several of the recent airline accidents and we regard the problem as very serious."

Snow static, it was explained, often cuts off pilots lost in a snow-storm from radio communication with the ground.

The aviation officials complained bitterly over the congestion in the 200-400 kilocycle range bands in which they are compelled to broadcast and receive all instructions.

E. K. Jett, Assistant Chief of the Engineering Department, Federal Communications Commission, said it is realized that interference on the present 278-wave band could have proven disastrous in many instances. He asked the industry to advise the Commission what frequencies and how many it believes essential to safety.

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17/3/31
STEWART RAPS WOL GRANTS, ASKS FOR A REHEARING

Criticizing the grant of a regional channel and an increase in power to Station WOL, Washington, Commissioner Irvin Stewart this week filed a dissenting opinion and demanded that the request of the Continental Radio Company, a Scripps-Howard subsidiary, be not granted.

Commissioner Stewart predicted that interference from other stations on 1230 kc. will disturb WOL at nights and cause listeners to become dissatisfied. WOL was permitted to transfer from 1310 kc. to 1230 and increase its power from 100 watts to 1 KW.

"Regional frequencies should not be assigned to stations which can not render a regional service", Commissioner Stewart said. "A station operating on a regional assignment with one kilowatt power should give the service properly to be expected of a regional station, not a local service masquerading as a regional service in order to persuade advertisers who may consider power as the only factor which determines coverage. If the area expected to be served by regional stations is to be modified so as to permit such mongrel stations, I should prefer to see it done by a change in the standards followed by the Commission, not by building up exceptions to present standards. Then at least there would be equality of opportunity among potential applicants for such assignments, instead of an inequality favoring the applicant who might succeed in breaking down existing standards on a particular frequency.

"In granting the application of the American Broadcasting Company, the Broadcast Division has seen fit to reward the present inefficient operation of Station WOL. The record that WOL has been operating as a local station with an antenna having an efficiency materially below the Commission's standards of good engineering practice. It further shows that the service the station has been rendering is unsatisfactory in considerable portions of the metropolitan area. It is silent on what service WOL might render with a decent antenna complying at least with the Commission's minimum standards. With the facilities approved in the present case WOL will probably provide a good local service. I think that such good local service should have been required to be by proper use of the station's local assignment rather than by an inefficient use of a regional assignment.

"In its opinion, the Broadcast Division states that 'By the granting of this application there will be made available additional service of a national character and the station will in turn serve to provide a network with many programs originating in the Capital City of the country.' As it is a matter of common knowledge that within recent months chain programs have originated in stratosphere balloons and in submarines, I do not understand why it requires a one kilowatt station to originate chain programs 'in the Capital City of the country.'"

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OFFICE OF EDUCATION OPENS RADIO SCRIPT EXCHANGE

The Office of Education this week announced the establishment of an Educational Radio Script Exchange to furnish local groups radio scripts especially appropriate for educational broadcasting.

A catalogue listing 53 educational scripts now is being mailed to more than 5,000 broadcasting units, including high schools, colleges and universities, broadcasting stations, CCC camps and civic organizations that have shown an interest in educational broadcasting. Additions to the catalogue will be issued from time to time.

A Radio Production Manual and a Glossary of Radio Terms have been prepared to supplement the scripts. The manual includes suggestions for meeting problems encountered in producing radio programs. The Glossary is a workbook of terms peculiar to radio, defining many of these at length and giving comprehensive information about phrases and signals used in the radio studio.

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RADIO BROADCASTS TO EDUCATE EGYPTIAN PEASANTS

Every village in Egypt will be provided with a community radio receiving set by the Government if plans formulated by the Ministry of Education are adopted, according to a report to the Commerce Department from Commercial Attache James T. Scott, Cairo.

The project under consideration is one phase of the Government's educational program for the masses throughout the country. The radio broadcasts will be largely concerned with subjects intimately connected with peasant life, such as advice in regard to health, methods of cultivation and similar topics, the report states.

Plans of the Ministry of Education call for the expenditure of £130,000 (\$650,000) over a five-year period. It is expected that a credit of £36,000 (\$180,000) will be opened in the next fiscal year budget for carrying out this project, according to the report.

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Erection of a new broadcasting station at Helena, Mont., by the People's Forum of the Air to operate on 1210 kc. with 100 watts power, unlimited time, was authorized this week by the Federal Communications Commission.

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BBC FORMS GROUP LISTENING ORGANIZATION

The British Broadcasting Corporation has decided to create a group-listening organization to undertake and develop the work hitherto carried on by the Corporation's adult education advisory bodies. This new organization will be based on the existing Area Councils for Group Listening, which will be linked by a Central Co-ordinating Committee. To this group-listening organization, the Corporation will make, until June, 1940, an annual grant of money, based on the Corporation's annual expenditure on this listening-in work since it began in 1929.

One effect of the new arrangement will be to link up broadcasting to schools with adult group listening, and it is expected that many pupils who have listened to the broadcasts to schools will later be ready to join adult listening groups. The number of these groups varies with the subjects broadcast.

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PHILIPPINES MOVE TO NATIONALIZE RADIO SYSTEM

An Act authorizing the President of the Philippines to effect urgent reforms and changes in radio broadcasting, to nationalize or acquire the same and to create a radio board, was passed in the recent session of the National Assembly and signed by the President, the Commerce Department reports.

The Act creates a Radio Board, composed of three members to be appointed by the President with the consent of the National Assembly, to study ways and means for the nationalization or acquisition by the Government of radio broadcasting, and to censor all programs, sustaining or sponsored, to be broadcast or re-broadcast by all broadcasting stations.

Pending the appointment of the Radio Board, censorship of programs is in the hands of the Secretary of the Interior Quirino, who may require copies in advance of all speeches to be broadcast. No program may be broadcast in any language other than English, Spanish or any native dialect, excepting by special permission. Radio broadcasting stations are required to submit the names and addresses of persons who are delivering speeches over the radio. The Secretary of the Interior may stop any program during the broadcasting hour if it is immoral, non-educational or non-entertaining, or against the public interest. Any licensee or owner of a broadcasting station who broadcasts any program or parts thereof not duly approved by the Secretary of the Interior shall, upon recommendation of the Secretary, forfeit his license, in addition to such other penalties as may be provided by existing laws.

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MUTUAL HOLDS FIRST SALE MEETING

The first general meeting of members and affiliated stations of the network to discuss sales problems was held in Chicago February 2nd, and twenty-six representatives of stations and chains associated with the network attended.

Before the general sales meeting and discussion was started, President W. E. Macfarlane of the Mutual network gave a brief address of welcome.

"The Mutual Broadcasting System was organized with the purpose of presenting better programs, allowing stations to maintain their independence, and creating a network of stations which would serve the country's listening audience and still allow stations to fulfill obligations to their various local communities", he said. "During the first year of operation, the Mutual Broadcasting System had a gross billing slightly under two millions of dollars, which is quite a record. With our expansion to a coast-to-coast network with the addition of the western stations and the Don Lee Broadcasting System in California on December 29 of last year, the Mutual Broadcasting System is now operating on an equal basis with the other two major broadcasting systems of the country."

The annual meeting of the Board of Directors of Mutual was held in the Tribune Tower offices of the network on February 1st, and all of the officers and Directors were re-elected for the coming year. The officers are: Chairman of the Board, Alfred J. McCosker; President, W. E. Macfarlane; First Vice-President, T. C. Streibert; Treasurer-Executive Secretary, E. M. Antrim, and Auditor, J. A. Cotey.

The Board of Directors is composed of Mr. McCosker, Mr. Macfarlane, Jack I. Straus, Mr. Streibert, Mr. Antrim, E. W. Wood, Jr., and Fred Weber, who also is General Manager of the network.

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DWIGHT G. WALLACE NAMED NBC PERSONNEL MANAGER

The appointment of Dwight G. Wallace, until recently with the Housing Division of the Public Works Administration at Washington, D. C., as Personnel Manager of the National Broadcasting Company was announced this week. Mr. Wallace succeeds C. W. Fitch, who was recently made Business Manager of the NBC Program Department.

Mr. Wallace, who is in charge of NBC employment and welfare work among NBC employees, has assumed his new duties. He, like Mr. Fitch, was associated with the Century of Progress at Chicago, when Lenox Lohr, now NBC President, was in charge. In June, 1935, Mr. Wallace left Chicago and began his work with the Housing Division of PWA at Washington.

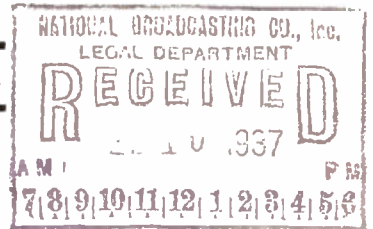
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HEINL RADIO BUSINESS LETTER

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February 9, 1937.

FCC SENDS TWO AIDES INTO FLOOD AREAS; ENDS 24-HOUR WATCH

The Federal Communications Commission this week sent two Assistant Chief Engineers, A. D. Ring and A. W. Cruse, into the flooded areas of the Ohio River Valley to ascertain "what lessons have been learned which would be of benefit to the Commission in coordination of effort in the event of a future emergency."

John B. Reynolds, Secretary of the Commission, also disclosed that the Commission is planning to set up a permanent organization "which can go into instant action whenever emergencies arise in any part of the country."

In view of the improvement in conditions with reference to the flooded areas and the need for emergency communication, the special 24-hour watch being maintained at the Federal Communications Commission to handle requests for emergency communications has been discontinued. However, the special communication equipment will be retained for immediate use until after the flood has passed into the Gulf of Mexico.

"While it has been evident that the various communications agencies in the country have functioned admirably under adverse conditions, it is believed that this recent experience may offer some basis for improved coordination of effort in the future, and the Commission feels that it is its duty to cooperate with other government departments as well as private agencies in effecting a comprehensive plan for the future, based upon practical experience", Mr. Reynolds said.

The Commission also cancelled its order of January 26, which directed that no transmissions except those relating to relief work or to other emergencies be made within any of the authorized amateur bands below 4,000 kc.

"The Commission desires to express its appreciation for the splendid cooperation and excellent work of all stations and operators during the emergency", the Secretary stated.

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2/9/37

LOHR SAYS TELEVISION WILL RIVAL ENTERTAINMENT FIELD

Television within the next two or three years will become the greatest competitor of the radio broadcast, the movies, the auto and the theater for America's entertainment, according to Major Lenox R. Lohr, President of the National Broadcasting Company as quoted in a San Francisco interview by Newsdom. The story continued:

"Within this year, Major Lohr said, television would be continuously on the air within the New York radius. The extension to the rest of the nation will be made as rapidly as technical progress permits.

"Television, he admitted, will be expensive, but nevertheless he expressed a conviction that it would be brought within the reach of all families able to maintain autos.

"Present plans, he declared, are for the construction of transmitting centers in cities of 100,000 population or more of which there are about 100 in the United States.

"Major Lohr predicted that this latest form of American entertainment inevitably would cut in on every other form of entertainment from magazine reading, movies, the auto and the theater, but without harming them to any great extent.

"As regards the theater, he expressed the belief that while television will cut down immensely the number of road shows and stock companies, it will not kill the theater entirely as the best productions of New York and other large centers will constitute precisely the kind of entertainment that will be brought within the reach of everyone who can afford a television set.

"Television, he predicted, is destined to have profound social effects on the life of the nation, for it will be used not only for entertainment purposes, but also for conducting the highest educational courses of the leading universities.

"Aside from studio productions, Major Lohr said there will be moveable transmitting sets that can be taken to any great event such as the World's Series, football games of national importance, presidential inaugurations and other national events which will be carried onto the receiving set of every family that possesses one."

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MC DONALD DONATES BOAT RADIO SETS TO LOUISVILLE

While listening to appeals for rescue boats over a Louisville radio station during the height of the flood, Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, realized that many of the boats were not equipped with radio receivers to receive the messages.

He consequently called Louisville by long distance telephone and offered to contribute as many boat radio sets operating only on six volt battery as were needed. He also offered to send a crew of installation men.

From subsequent reports the rescue work was materially aided by the equipment.

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NEW 1 KW STATION FOR MASSACHUSETTS RECOMMENDED

Examiner Ralph L. Walker this week recommended to the Federal Communications Commission that the application of Hildreth & Rogers Co., of Lawrence, Mass. for a construction permit to build and operate a broadcasting station on 680 kc. with 1 KW power, daytime, be granted.

At the same time Mr. Walker recommended denial of the application of the Old Colony Broadcasting Corporation, of Brockton, Mass., for a permit to use the same wavelength.

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EXTENT OF PRESS INTEREST IN RADIO SHOWN BY REPORT

The extent to which newspapers have acquired radio stations already in operation in the past two and one-half years is strikingly illustrated in a special report filed by the Federal Communications Commission with the House Appropriations Committee, Editor & Publisher points out.

From July 11, 1934, to December 8, 1936, 21 newspaper interests acquired stations in 54 transactions covering changes of ownership in broadcasting corporations. In other deals, 29 newspapers acquired stations by purchasing all assets of the license holder. These were involved in 116 separate transfers, many of which were intra-family or intra-corporation transfers.

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CROSLY'S MAIN BUILDING INTACT AFTER THE FLOOD

Contradicting reports that the main plant of the Crosley Radio Corporation in Cincinnati had been destroyed, Bill Bailey, Publicity Director for WLW and WSAI, said that the only damage was cracked windows from the excessive heat during the fire.

"It is necessary to make repairs on the heating plant", he said, "before we can resume operations there. Two of our buildings - a warehouse and the shipping department - were destroyed."

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BBC SOLICITS CRITICISM OF RADIO PLAYS

The British Broadcasting Corporation has long had various means of finding out the views of listeners, especially through its correspondence, but it is anxious to get into more personal touch with listeners, and proposes to make an experiment for this purpose. Some 200 listeners interested in radio drama, and drawn from all sections of the community, have been invited to listen carefully and as often as possible to radio plays for a trial period of four weeks. Every week a simple set of questions will be issued to these listeners and their answers should provide useful information for those engaged in the production of radio drama. If the experiment is a success, it may develop into a regular feature of the Drama Department and may be extended to other departments.

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FOUR FACSIMILE STATIONS CONTROLLED BY NEWS GROUPS

The four licensed facsimile broadcasting stations in the United States are all controlled by newspaper organizations, a tabulation by the Federal Communications Commission shows.

The stations are:

W9XAF, The Journal Company, Milwaukee, Wis., 41000 kilocycles; W9XAG, The Journal Company, Milwaukee, Wis., 1614, 2398, 3492.5, 4797.5, 6425, 8655 kilocycles; W7XBD, Oregonian Publishing Co., Portland, Ore., 1614, 2398, 3492.5 kilocycles; and W2XBH, Radio Pictures, Inc., Long Island City, N. Y., 1614, 2012-2398, 23100-41000, 86000-400000 kilocycles.

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SCOPHONY ENTERS TELEVISION FIELD IN ENGLAND

Although Scophony Television Limited was not entrusted by the Government with the provision of the first television broadcasting station of the British Broadcasting Corporation, the company has continued its researches and is now actually producing receiving sets capable of receiving the broadcasts from the Alexandra Palace, according to Henry E. Stebbins, Assistant U. S. Trade Commissioner at London. The system is different from that used by the Baird Television Company and the E.M.I. Marconi Company in that the principal involved is mechanical rather than based on the cathode ray tube.

"It is the view of the Scophony engineers that if television is to have a permanent value as entertainment, the screen must be enlarged from its present proportions", Mr. Stebbins said. "It is understood that the object is to obtain a screen about the size of the home moving picture and the Scophony engineers believe their system alone is capable of producing this. The company expects before long to hold public demonstrations of its medium screen receivers and by the middle of 1937 to have their cinema apparatus installed for public use.

"The company claims to hold certain basic patents in the optical-mechanical field of television, the number being 130 in this country and abroad not including over 100 applied for and pending.

"The main revenue of the company at this moment is from the sale of television receivers which is not large. The company hopes that before long some revenue can be obtained from the sale of transmitting apparatus not only in this country but abroad. It is also hoped that the cinema industry will prove a source of revenue in the future."

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SPONSOR TURNS OVER WEEKLY AWARD TO FLOOD SUFFERERS

The Great Atlantic & Pacific Tea Co., which every week awards \$700 for the outstanding feat of individual heroism in connection with its broadcasts over the Columbia Broadcasting System, is now turning the money over to the American Red Cross for use in flood relief, Victor M. Ratner, Director of CBS Sales Promotion, reports.

"At a time like this", reads the A. & P. notice, "when everyone in the affected (flood) areas is doing his utmost to prevent further disaster, it would be unfair to single out any individuals."

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MIXED POPULATION IN SOUTH AFRICA COMPLICATES BROADCASTING

Radio broadcasting in the Union of South Africa is complicated by the necessity of catering to the tastes of both the English and native elements of the population, according to a report to the Commerce Department from Trade Commissioner F. J. Cunningham, Johannesburg.

In a country as large as the Union and as isolated from other broadcasting areas, it is pointed out, the problem of radio broadcasting is a difficult one. Because of the lack of suitable talent, phonograph records and recorded programs occupy a large proportion of the broadcasting periods, it was stated.

The newly organized Government controlled South African Broadcasting Corporation is making every effort to improve the quality of its programs and to introduce changes designed to bring the broadcasts more in line with popular demand. However, lack of competition and high listeners' fees are factors militating against any radical change of policy, the report states.

Many owners of radio sets in the Union have been hoping that the Broadcasting Board which controls radio affairs in the country would look with favor on the licensing of commercial broadcasting stations whose revenue would come from advertising. However, the report points out, there is no indication that the Board intends to depart from its present position which is against sponsored programs, according to the report.

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CHINESE TO FIGHT ILLITERACY VIA RADIO AND FILMS

The Chinese National Government is planning to make extensive use of broadcasting, augmented by motion pictures, in a nation-wide drive to overcome China's most formidable barrier to progress - illiteracy, according to World-Radio. It is officially estimated that there are still 200,000,000 illiterates between the ages of 16 and 45 in China, and the Ministry of Education intends to launch an education campaign during the coming autumn, and is prepared to spend a large sum of money in accomplishing its purpose.

According to the scheme, each of the eighteen provinces will be divided into two or three districts, to each of which will be allotted a cinema van and operator. The Government is procuring copies of a number of foreign films treating of science, public health, industry, sport, and citizenship. Many films will also be made in China, through the University of Nanking. The dialect problem will necessitate a separate broadcasting station in every district where there is a local dialect.

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TELEVISION RAISES PROBLEMS UNKNOWN TO ANNOUNCER

The television announcer in outdoor events has many problems unknown to the radio announcer, according to World-Radio, BBC organ.

"A nice problem has arisen in regard to television's first 'outside broadcast' of a sporting event - an amateur boxing tournament to be relayed in sound and vision from the Concert hall of Alexandra Palace", the journal states.

"In effect, the commentator and his companion must decide when to talk and when to keep silence; when to augment the viewer's impressions with ringside observations, and when to let the living picture tell its own tale. Two England v. Ireland amateur contests are to be staged, each consisting of four 3-minute rounds.

"Throughout these contests an Emitron camera, connected by nearly 300 ft. of cable to the nearby television control-room, will be trained on the ring, only 11 ft. away, occasionally shifting its glance to give a glimpse of the commentator, Harry Mallin, a middle-weight amateur world champion, and Leslie Mitchell, the television announcer.

"To say the least, Mr. Mallin will have a more difficult task than a commentator in sound broadcasting. His audience, seeing nearly as much of the fun as he does himself, will be in a position to criticise, though they will, of course, miss those finer points which can be observed only from a ringside seat. Actually, it will be with this thought in mind that the commentator and his companion will approach their task. There will be a minimum of comment during the fighting but at the end of each round viewers will hear the sort of minute summing-up which a kindly expert at the ringside might give to a less fortunate friend half-way down the hall.

"Whether this method is the best remains to be seen, but whatever happens, the experiment will be valuable in establishing the first technique for television 'O.B.'s'.

"Dogs should be kept at a safe distance from the television set on February 8th, for in both the afternoon and evening transmission on that day exhibits from Cruft's Dog Show at the Agricultural Hall are being brought to Alexandra Palace to be televised. Television, in fact, offers a new problem to animal-lovers. Most dogs and cats, one imagines, are now shock-proof as regards any noises likely to issue from the ordinary loudspeaker, but when the supposedly spurious barks and miaows are supplemented by moving images of the animals concerned there may be new emotional reactions. The possibilities are interesting."

2/9/37

RCA INCOME FOR 1936 UP 11%; MEETING IS CALLED

Estimated net income of the Radio Corporation of America for 1936 was \$11,500,000, according to announcement this week by David Sarnoff, President. This is 11.2 percent more than the actual income of \$10,343,200 in 1935.

Net profit amounted to \$6,100,000, or 19 percent in excess of the \$5,126,900 of 1935. Gross income was \$101,850,000 and \$89,228,900.

"The increased profit and the consummation of the Recapitalization Plan approved by stockholders last year", Mr. Sarnoff said, "enable us to report estimated earnings on the common stock of \$2,800,000 for the year after providing \$3,300,000 for all 1936 preferred dividend requirements."

The annual meeting of stockholders was scheduled for April 6 in the RCA Building, New York.

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FARRIER JOINS NBC FOR TELEVISION RESEARCH

Clarence W. Farrier has joined the staff of the National Broadcasting Company, where he will be assigned to non-technical research in television.

For the present Mr. Farrier is attached to the office of O. B. Hanson, NBC Chief Engineer, where he is prefacing his work in television with several months intensive study of the mechanics of sound broadcasting. Later he will assemble and summarize the results of television experiments as they pertain to program, engineering and sales, for the benefit of executives concerned with television development.

Mr. Farrier comes to radio from the Tennessee Valley Authority. He was also prominently identified with the Chicago Century of Progress Exposition, first as Assistant to the President and later in charge of the promotion of special events and the management of the Hall of Science, the Hall of States and the Lagoon Theater.

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PANAMA PROVES GOOD MARKET FOR U. S. RADIOS

Panama continues to be a market of some importance for radios, practically all of which are manufactured in the United States, the Commerce Department reports. During the first 9 months of 1936, the total value of radios and accessories amounted to \$101,109, which was not only an increase of approximately 36.9 percent over the same period in 1935 but almost equal to the total value of the imports under this item for the entire year of 1935.

The number of complete radio sets imported during the first 9 months of 1936 was 1,928, representing an increase of 32.8 percent over the same period for 1935 when the number of sets imported was 1,451.

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NEW BIBLIOGRAPHY OF RADIO REFERENCES IS PUBLISHED

The Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce has issued a revised bibliography of radio references. It was compiled by Lawrence D. Batson.

The bibliography contains titles of all publications known to the office as bearing on any phase of radio, classified according to general subjects. Prices are quoted on both government and private publications.

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NBC ISSUES NEW PUBLICATION - "NBC PROGRESS"

NBC employees, clients, advertising agencies and a large list of top-flight executives in the U. S. have received the first issue of a new weekly publication, "NBC Progress".

"NBC Progress" is intended to summarize current activities of the National Broadcasting Company with particular emphasis on its growth, developments and service.

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AIR LINE DEVELOPS "ANTI-STATIC" ANTENNA

Using a passenger plane as a flying laboratory for two years, United Air Lines communication engineers have achieved "significant results" in the battle against weather and radio problems, company officials announced in Los Angeles this week.

Executives said successful tests have been completed with an "anti-static" airplane radio antenna, designed to insure clear reception of voice and directive beam signals despite heavy static sometimes created by snow or rain.

The device consists of a circular copper tube in which is coiled 100 feet of antenna wire - longer than the company's standard straight-wire antenna. The tubing shields the wire from snow or rain static and permits uninterrupted reception of directive beam.

The style of mounting permits the reception of two beams - one marking the center line of the airport runway and the other the altitude in the downward glide for a landing with closed cockpit.

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BRITISH TRYING TO TAKE MALAYAN MART FROM U. S.

A recent announcement appearing in the Malayan press states that British manufacturers of radio sets are now taking a keen interest in developing short wave sets suitable for this market; at present this market is dominated by American short wave sets, according to U. S. Trade Commissioner Harold D. Robison of Singapore.

"The General Electric Company has brought out a designer to Malaya who is studying conditions here and in Netherland India" he writes. They claim that they have already developed a receiver which is as sensitive as those produced in America. They also claim to have improved the signal so that the noise ratio is better than that of American sets. This is of particular interest as the elimination of noise has been extremely troublesome."

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:::: INDUSTRY NOTES ::::
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Daniel R. Hodgdon and National Food Bureau, Inc., both of 328 Greenwich St., New York City, have been ordered by the Federal Trade Commission to discontinue making false and misleading representations and disparaging statements in advertising and promoting the sale of peanut oil. Engaged by a manufacturer of peanut oil to conduct a sales promotional campaign, the respondents, according to the findings, used the radio principally in advertising the product with Hodgdon broadcasting the lectures and addresses.

A 12.7 percent increase in time billings is reported for the Mutual Broadcasting System for the month of January, 1937, in comparison with the same month's figures in 1936. The total billings for January, 1937, were \$187,361.73. For the same month in 1936 they were \$166,266.18.

The Central Newspapers, Inc., including Indianapolis Broadcasting, Inc., and Broadcasting Sales Corporation of Indiana, reports the following for 1936: Net income, \$110,175, against \$79,164 in 1935.

NBC programs during 1936 drew 5,560,671 responses to establish a new all-time high for audience mail. This total marks an increase of 31.7% over last year, and 7.2% over 1934 - the previous record year. 1936 also boasts the greatest response ever received in one month. During March, 1,015,372 letters flooded NBC's mail room - over 100,000 of them coming in on a single day.

A favorable report on the application of the Golden Empire Broadcasting Co. for a permit to erect a new broadcasting station at Marysville, Cal., for operation on 1140 kc., 250 watts power, daytime, was filed with the Federal Communications Commission last week by Examiner George H. Hill. The recommendation was conditional upon the denial of the application of the Marysville-Yuba Publishers, Inc., for a similar assignment.

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PHILCO GOES STEP FORWARD IN TELEVISION

After being shown high fidelity 441 line television pictures whereby the second hand could be seen on a watch three miles away, and even the serial numbers read on a dollar bill, the consensus of opinion of those attending the demonstration in Philadelphia Thursday was that Philco Radio and Television Corporation had made a decided step forward. The improvement in the 441 line picture, the standard for home movies set by the Radio Manufacturers' Association, was further impressed on the more than 200 guests, editors and representatives of newspapers and magazines, when compared with the 345 line image shown six months ago by Philco, which at that time announced that its equipment was already obsolete and that it was tearing it down to rebuild it to meet the new high standard just demonstrated in Philadelphia.

While the distance between the transmitter at the Philco plant and the six receivers at the Germantown Cricket Club in the suburbs of Philadelphia is about three miles, the range of the transmitter was said to be approximately 10 miles. The television pictures, in white and black, were shown in the half raised top of an ordinary receiving set. The size was 7½ by 10 inches and the sound of the radio set was synchronized to the pictures. It was said that the service range of television in the beginning would be about 25 miles and therefore would first be seen in larger cities such as New York, Chicago and Philadelphia.

The program included a fifteen-minute television fashion show, presented by Bonwit-Teller of Philadelphia, and an interview with Boake Carter, news commentator, quizzing Connie Mack, famous baseball manager, on 1937 baseball prospects. Musical features from the movies and news reels were shown.

Sayre M. Ramsdell, Vice-President of Philco Radio and Television Corporation, who acted as master of ceremonies, said that television would never supersede sound broadcasting. Each has its own field and function and sound broadcasting will continue to occupy its important place in the home, he added.

A. M. Murray, engineer in charge, raised quite a laugh when he remarked that a pretty girl was the poorest object to televise because if the picture were imperfectly shown, our imaginations would fill in the gaps. Mr. Murray said that Philco had pioneered the "wide channel" - 6 megacycles - move "Which goes hand-in-hand with high-fidelity television."

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F. Raymond Johnson, President of Bonwit Teller, in presenting the fashion show, said that of all the industries, women's fashions would benefit mostly by television.

The "dollar bill" test, as explained by Philco engineers, consisted in placing before the television camera a card on which was attached a one dollar bill, laid lengthwise.

"This was flanked on either end by similar bills, placed vertically, so that the width of the test chart was about $11\frac{1}{2}$ inches", the explanation went on. "This area should be completely scanned so that the three one dollar bills just fill the viewing frame from side to side. The test consists in being able to read the serial number on the central bill. To make this legible a truly high-definition 441 line system is required. This interesting test, carried out by material usually at hand, can be tried in any television studio."

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TELEVISION STILL AROUND THE CORNER, SAYS PHILCO

Despite the success of their Philadelphia show, manufacturing officials gave a very definite impression that television would not be introduced this year, at least, and might still be much farther way. Larry E. Gubb, President of the Philco Radio and Television Corporation, said his company was not anticipating early commercial television.

In answer to the question, when will we have television, Sayre M. Ramsdell, Vice-President of the Company, replied:

"On this point I will venture no prediction as to time. Certain things must be accomplished before it can become generally used. These things are:

- "1. Technical standards for television transmission will have to be approved by the Federal Communications Commission so that any receiver will receive from any transmitter within range.
- "2. The present limited range of television, averaging about 25 miles, will have to be increased. Key cities, such as New York, Philadelphia, San Francisco, Boston, Washington will have television first.
- "3. Before we have commercial television, the Government will have to issue commercial licenses suitable for television, that is in the 42-90 megacycle band.

- "4. A source of programs will have to be developed. In putting on a short sketch by television more is required in the way of costumes, rehearsal and stage properties than for any known entertainment field. Actors no longer can read their scripts. Both appearance and voice are necessary for the television star. The problem of giving the American people television programs 365 days of the year assumes staggering proportions, so far as personal energy and finances are concerned.
- "5. Reduction in the cost of television receivers. At present in England there is no great rush to buy television receivers now selling from \$500 to \$600.

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SKINNER ADVOCATES "GOOD ROADS" TELEVISION CAMPAIGN

James M. Skinner, President of the Philadelphia Storage Battery Company, addressing newspaper and magazine editors at the Philco television demonstration, declared that without the help of the press there never could be any television. Through the newspapers and magazines, Mr. Skinner, who is Chairman of the Radio Manufacturers' Association's Television Committee, said, the manufacturers through the press would have to cultivate favorable public opinion to allocate the at present all too few wave bands to television.

Mr. Skinner explained that this valuable space is being sought by the Army and Navy and other government departments. He said most certainly in time of war the Army and Navy should have it and was in sympathy with their peacetime experiments, but believed if they went a few miles at sea or elsewhere, these could be carried on without blocking television development. He said he thought the Federal Communications Commission was favorable to television, especially so in view of the support other governments are giving television in European countries.

Mr. Skinner concluded by advocating a "good roads" television campaign.

"No matter how good an automobile you had, where would you be without good roads?" Mr. Skinner asked. "There is a danger of our making a good television receiver and a good television transmitter without being allocated the proper frequencies for transmitting the television pictures."

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EXPERT NOTES FEW GADGETS IN NEWEST TELEVISION SET

An advance noted by Orrin E. Dunlap, Jr., radio editor of the New York Times and author of "The Outlook for Television", a handbook on the subject, in the new television receivers demonstrated at Philadelphia by Philco was in the reduction of controls from fourteen to ten and of the number of vacuum tubes from thirty-three to twenty-six.

"This simplification aids in tuning and lowers production costs, according to the engineers", Mr. Dunlap wrote.

"Furthermore, the greenish tint which has characterized telepictures in past demonstrations has been replaced by black and white pictures.

"It was noted that sound is setting a fast pace in quality for the radio pictures. The television ultra-short wave sound equals the tonal quality of the best broadcast receivers, but the clarity of the pictures has yet to equal the standards established by the cinema or home movies.

"The telepictures were reproduced by a conventional television console receiver. The top of the cabinet when raised presents the 'screen' on the underside of the lid. From that point spectators up to about ten feet away can watch the show."

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CONNIE MACK SAYS RADIO HELPS BASEBALL

In the course of an interview between Connie Mack, Philadelphia baseball magnate and Boake Carter at the Philco television demonstration, Mr. Carter asked:

"Do you look for still greater attendance at baseball in the next few years? I am especially interested to learn whether radio broadcasts of daily games in all league cities hurt attendance."

To which Mr. Mack replied:

"I anticipate attendance figures will continue to climb. We are entering another new period of tremendous sport interest. Broadcasting of games helped attendance, rather than hurting it, on the same basis that the newspapers stimulate baseball attendance in ratio to the space they devote to the game."

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CONNERY PREDICTS ACTION ON AMENDED RESOLUTION

Representative Connery (D.), of Massachusetts, this week confidently predicted that the House Rules Committee will report favorably his amended resolution calling for an investigation of radio.

His amended resolution eliminates direct reference to the Federal Communications Commission but specifies the three major networks - NBC, CBS, and Mutual - as charged with operating a monopoly in the broadcasting field.

It is understood that the change in the resolution was made at the request of influential members of the Rules Committee, who stated that the measure would never be reported so long as the inquiry was directed chiefly at the FCC.

Mr. Connery declined official comment on this report, but he pointed out that whatever investigation is ordered will be bound to delve into the administration of the radio field by the FCC.

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TWO NEW STATIONS AUTHORIZED BY THE FCC

Two new broadcasting stations were authorized this week by the Federal Communications Commission.

Harold F. Gross and Edmund C. Shields, of Saginaw, Mich., were granted a permit to operate on 950 kc. with 500 watts daytime. The Examiner was reversed.

The News Publishing Co., of Santa Barbara, Cal., was given a permit to operate on 1220 kc. with 500 watts unlimited time. The Examiner was sustained.

Five other applications for new stations were denied. Oral argument was set for April 1st on the application of former Senator C. G. Dill to build a station in Washington.

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The new CBS building in New York will be bomb-proof, as well as gas-proof. Radio City, NBC headquarters, also is gas-proof.

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BRITISH SEEK WIDER S-W BAND, INTERNATIONAL CONTROL

The British Post Office is preparing to demand a broader international short-wave band and the formation of an organization to exercise international control of the allocation of short-wave frequencies, it is learned on reliable authority. The action will be taken at the Telegraphic Communications Union conference to be held this year in Cairo.

The British Post Office, inspired by the British Broadcasting Corporation, holds that reception conditions on the 49 and 31 meter bands has become "chaotic" and is rapidly becoming worse due to the operation of unauthorized stations on these frequencies.

Previous conferences of the Telegraphic Communications Union held at Washington in 1927 and Madrid in 1932 allotted seven wavebands for short-wave broadcasting, but with the growth of radio and the construction of new short-wave stations of high power in all parts of the world, it has now become apparent that with so many transmitters operating within these bands some form of international control is necessary to avoid mutual interference.

The BBC has prompted the British Post Office to take the action now proposed, and BBC officials will probably be attached to the Post Office Delegation which will visit Cairo. The BBC has reported to the British Post Office that while transmissions on the lower short wavebands have not as yet been seriously impaired, reception conditions on the 49 and 31 meter wavebands are now in a chaotic condition.

The United States, Canada, Newfoundland, and the West Indies have suffered more severely than other parts of the world, as frequencies in these wavebands are the most suitable for transmissions from Great Britain to the American Continent during the Winter months. The BBC has become seriously alarmed at the numerous reports of interference on the Empire wavelengths received from Canada and the United States this Winter. France, Italy, and Germany will support the proposal for international control at the Union meeting, it is reported.

The chief trouble-makers in the short-wave band are stations in South America. Many of these are small low-powered transmitters built by commercial enterprise operating on wavelengths for which no international notification has been given. While the low power of these transmitters prevents their being heard intelligibly outside local areas, their power is sufficient to cause heterodyning and serious interference with the high-powered transmitters designed to give a world-wide

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service. These transmitters in South America are not intended to give an international service, but merely to provide a local broadcasting service within the countries in which they operate. A proposal probably will be made in Cairo that short-wave transmitters designed only to provide a broadcasting service in local areas should operate within a limited area of the short-wave broadcasting bands.

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RADIO ADVERTISING REACHED NEW HIGH IN 1936

Broadcast advertising volume reached a new all time high during 1936, the National Association of Broadcasters reported this week. Gross time sales amounted to \$107,550,886 as compared to \$87,523,848 in 1935, an increase of 23.9%. Although all portions of the medium registered marked increases, national non-network advertising exhibited the most pronounced gain, rising 41.5%. National network volume rose 19.2%, regional network volume 23.1% and local broadcast advertising 16.0%.

Non-network advertising registered a gain of 27.9% over 1935. Local stations continued the trend of 1934 and 1935 by showing the greatest increase in sales of any class of station. The South Atlantic-South Central Area led all geographical districts by increasing its sales 52.0% over 1935. However, all classes of stations and sections of the country enjoyed considerable increases over 1935 levels.

Although live talent programs represented 47.9% of the total non-network sales during 1936, transcriptions increased to a greater extent than any other type of rendition. Transcriptions during the past year showed a 50.6% gain over 1935.

General gains were experienced in most all broadcast sponsor groups during the year 1936. Only drug and confectionery advertising showed a decline as compared to the previous month. Principal gains were shown in the miscellaneous, soap and kitchen supply, automotive, beverage, tobacco, radio set and financial groups.

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WARSAW TO HAVE EXPERIMENTAL TELEVISION STATION

According to the Polish press a short time ago, the Polish Radio Company and the State Institute for Tele-Communication have become jointly interested in erecting an experimental television station in Warsaw. Work on the project has been split up between the two institutions, the former to effect the shortwave broadcasting and sound apparatus, and the latter the television itself. Thus, in connection with its assignment, the Polish Radio Company has leased the roof terrace of the Prudential Building, the highest building in Warsaw. There a 14 meter tower topped off by a platform will be erected on which will be fixed a 12 meter mast bearing a double antenna rigging for sound and vision broadcasting. Underneath the terrace, the various equipment and mechanism will be housed.

This project is primarily for experimental work and the desire to keep up with world progress made in this field of radio. Of course, in time, it is expected that the experience gained will decide on the choice of a system of television for permanent and commercial use.

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WHY BRITISH COULDN'T SELL RECORDS OF WINDSOR'S SPEECH

The British Broadcasting Corporation has issued the following explanation of why records of the Duke of Windsor's abdicating speech was recorded in the United States but not in England:

"Some comment has been occasioned by the fact that, although no records of the Duke of Windsor's speech from Windsor Castle could be obtained in Britain, they seemed to have been selling in large numbers in America and elsewhere. In Britain the position so far as the making of gramophone records is concerned is governed by the Dramatic and Musical Performers' Protection Act (1925), which prohibits the making of a record for sale to the public without the written consent of the performer.

"In the case of his former Majesty's speech, the authorities concerned specifically requested that no record should be made or issued. In the case of foreign countries, the position as regards the making of records is governed by the law in each country. Some of the broadcasts made by King George V were recorded by special permission, and the profits from the sales of these records were devoted to charity."

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POLICE STATIONS WARNED TO KEEP TO SPECIFIED HOURS

The Federal Communications Commission this week issued a formal warning to general experimental stations operating as municipal police stations on frequencies above 30,000 kc. to keep to their specified hours. Some of them, the Commission said, are transmitting at all times.

"This practice has given rise to interference at distances of over a thousand miles from the originating station", the FCC stated. "The Commission regards continuous radiation of the unmodulated carrier wave as unnecessary and therefore prohibited, and appropriate action will be taken in case of violations."

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FLOOD RELIEF PROVED PUBLIC NECESSITY OF RADIO - ARNOLD

The relief activities of numerous broadcasting stations during the Ohio Valley flood proved the "public necessity" of radio, Frank A. Arnold stated in the current Editor & Publisher.

"The condition on which a radio station may obtain a broadcasting license is that it conforms to 'public interest, convenience and necessity'", he said. "It is rarely that we have such a demonstration of necessity values as that which has been associated with the recent flood conditions in the southeast and Middle West. Had there been the slightest doubt in the mind of anyone as to the practical value of radio in an emergency, the record of efficient service rendered after all other methods had failed would be a complete answer to the question."

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PALEY CHOSEN ONE OF BEST DRESSED MEN IN U. S.

William S. Paley, President of the Columbia Broadcasting System, was one of the sixteen male fashion leaders of the United States so designated this week by the Merchant Tailors' Designers Association, meeting in Washington.

The style leaders, among them President Roosevelt, were labelled "Twentieth Century Beau Brummels".

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BRIEFS

Station WAAB, Boston outlet of the Mutual Broadcasting System, was given a favorable report this week by Examiner Robert L. Irwin on its application for an increase in daytime power from 500 watts to 1 KW, using 1410 kc.

Senator Arthur Capper (R.), of Kansas, has introduced a bill which has a provision prohibiting the broadcasting of any liquor advertising.

The Federal Communications Commission has scheduled hearings on the charges that WTCN, Minneapolis, affiliated with the St. Paul Pioneer Press, has been guilty of trafficking in radio licenses. The FCC received a complaint to the effect that WTCN endeavored by offers of financial assistance to move WLB, of Minneapolis, and WCAL, of Northfield, Minn., from the 1250 kc. frequency, leaving WTCN sole operator on that space. WLB and WCAL, according to the alleged arrangement, would be moved to the 760 kc. frequency, and be compensated with higher power range and funds to aid in transfer.

A radio research laboratory which will cost \$50,000 is to be constructed by the Australian Government at Canberra. It will be under the supervision of the Postmaster-General's Department, and will study modern developments in the equipment used for broadcasting, television, telegraphic and telephonic communications. It is expected that the construction of the new laboratory will be commenced about the middle of 1938.

A new station for Owensboro, Ky., in the name of the Owensboro Broadcasting Co., was recommended to the Federal Communications Commission this week by Examiner P. H. Hyde. The facilities are 1500 kc. with 100 watts power, unlimited time.

Radio's version of the journalistic adage about the man biting the dog finally has been recorded. KMMJ, Clay Center, Neb., owned by a group headed by Don Searle, manager of WIBW, Topeka, and Herb Hollister, manager of KANS, Wichita, have purchased the Clay County Sun, a weekly, and will publish it as a subsidiary of KMMJ, Inc. although it will be a separate enterprise.

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LOUCKS RETAINED AS SPECIAL COUNSEL BY NAB

The National Association of Broadcasters this week announced that it had retained Philip G. Loucks, former Managing Director of the National Association of Broadcasters, and now with the law firm of Loucks & Sharfeld, as special counsel "with respect to certain matters growing out of the suit instituted by the United States government against the American Society of Composers, Authors and Publishers.

"Specifically this representation involves only those matters which are directly connected with the efforts of the interested parties to stipulate, as far as possible, the facts in the suit", the NAB statement said.

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URUGUAY GROWING MARKET FOR RADIO SETS

The ratio of radio receiving sets to population in Uruguay is notably high among Latin American countries, according to a report from Vice Consul H. B. Wells, Montevideo, made public by the Commerce Department.

It is estimated that there are approximately 115,000 sets in operation throughout the country at the present time, or one to every 15 inhabitants. Uruguay has 39 broadcasting stations, or one to every 50,000 persons, with Montevideo, the capital and metropolis, accounting for 24 stations, the report shows.

The great bulk of the radio sets used in Uruguay are short-wave models, there being little demand for one-wave sets. Short-wave reception from Europe is reasonably satisfactory but American broadcasts are blanketed by German stations, it was stated.

The Uruguayan demand for imported radio receiving sets showed a marked increase during 1936 as a result of improved economic conditions and the consequent increased purchasing power of the market. Local manufacturers are now producing sets, using both imported and locally-made parts on an appreciable scale, according to the report.

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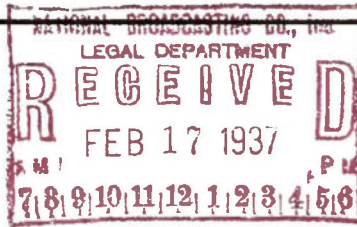
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WHEELER PLANS BILL TO BAR PRESS RADIO DOMINATION

Following receipt of requested information from the Federal Communications Commission, Senator Wheeler (D.), of Montana, Chairman of the Senate Interstate Commerce Committee, announced late last week that he would introduce a bill to bar newspapers from owning radio broadcasting stations.

He made a similar announcement prior to the opening of the 75th Congress, but he postponed action until he had obtained data and a legal opinion from the FCC. Early this week Senator Wheeler had not started drafting the bill.

The Montana Senator said his purpose is to prevent monopoly of channels of public information. As any law Congress might enact in this regard would not be retroactive, the 150 stations now owned or controlled by newspapers would retain their holdings. } - 2.

The Communications Commission's report showed that 52 of these stations were acquired by newspapers during the past year and that 100 applications are pending for licenses from persons affiliated with newspapers.

An opinion by Hampson Gary, FCC General Counsel, that a law barring newspaper ownership as radio stations, "should meet the constitutional requirement" was interpreted by Senator Wheeler as sustaining the legality of his proposal.

The Senator had asked the Commission for an opinion on the constitutionality of legislation "denying the right of newspapers to obtain broadcasting licenses in the future and requiring them to divest themselves of existing rights in broadcast stations within a reasonable time."

In his opinion, Mr. Gary said the question was "not free from doubt, and therefore, I think the inquiry does not permit a categorical answer." But he added:

"I am of the opinion that the mutual ownership and control of newspapers and broadcast stations bear a reasonable relation to and have an effect upon interstate commerce and, therefore, if the Congress enacted a law of the purport suggested, it should meet the constitutional requirements."

On the question of newspaper ownership, Senator Wheeler also asked the Commission whether it had authority at the present time to deny applications from newspapers for stations on the ground of "public policy."

Mr. Gary held there was no such authority but that the Commission was empowered to consider the business connection of applicants in deciding whether a license would serve "public interest, convenience or necessity."

Senator Wheeler contended also that for one newspaper in a community to own a broadcasting station "makes it possible to give another newspaper unfair competition" by combining advertising rates or using the radio to advertise the paper.

Opposition to the control of cleared channels by radio chains was expressed by the Senator. He said the chains might need one or two for originating programs, but not more. He characterized acquisition of super-power stations by the chains as "a very distinct tendency toward monopoly."

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NEW RADIO WORKSHOP PROGRAM SCHEDULED

Plans for a six-weeks session of the Radio Workshop from April 5 to May 15 to provide training opportunities for persons desiring to enter the new field of educational broadcasting were announced this week at the Federal Office of Education.

The Radio Workshop is conducted by New York University in cooperation with the Educational Radio Project of the Office of Education, United States Department of the Interior.

Expert instruction and practice under supervision will be provided in four major fields of radio: Production and direction of programs, script-writing, acting, and the use of music in radio. The Workshop staff of directors comprises: Earl McGill, Director of Production; Lawrence Paquin, Director of Acting and Microphone Technique; Burke Boyce, Director of Script-Writing; Rudolph Schramm, Music Director, and Philip Cohen, Supervisor of Student Radio Programs.

Besides participating in activities at the Workshop, all students will be given an opportunity to hear the ideas of leaders in commercial and educational broadcasting. Students also will write and produce their own programs, possibly over some local New York station.

The Radio Workshop, being a school where radio techniques are learned through participation in actual work, will have few lectures during the entire session. Instead, the students will be given assignments which they undertake under expert supervision.

New modern studios have been installed for the Workshop by New York University at 20 Washington Square North, New York, N. Y. The Educational Radio Project's production unit also has headquarters in this building. This unit is presenting five programs each week over NBC and CBS networks

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GEDDES ASSAILS IDAHO BILL TO BAN USE OF AUTO RADIOS

Ten reasons why the proposal to prohibit the use of radio receivers in private automobiles while in motion should not be adopted by the Idaho House of Representatives were outlined this week at a hearing in Boise by Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association.

The bill, sponsored by State Senator F. E. Whitten, passed the Idaho Senate on February 5th by a close vote of 22 to 20. It is the latest of several attempts by State Legislatures to bar the use of auto radio receivers.

Mr. Geddes, in a prepared statement before the Committee on State Affairs, said in part:

"The pending bill is peculiar in that it would not prohibit sale or installation of automobile radios, but its purpose and effect would be to prohibit their public use. It would be a misdemeanor, carrying both fine and imprisonment penalties 'for any person while operating or for any person while riding in a motor vehicle upon the public highways of the State of Idaho to connect or turn on a radio in such automobile and receive therefrom any sound, voice or music.' Official police cars would be exempt. The result actually would be public prohibition of automobile radio in Idaho, applying not only to Idaho citizens, but also to great numbers of tourists and others from outside.

"An important point for your attention is the fact that the bill is without any statement or declaration of any cause, reason, purpose or public necessity. It is a flat and unqualified ban on public operation of radio in automobiles. The bill does not state that it is necessary or reasonably required in the cause of public safety or for any cause or purpose whatever, real or imaginary.

"Senator Whitten, author of the bill, has stated that the purpose of this bill is 'to draw attention to and if possible minimize the horrible fatality and accident tolls which automobiles are taking on our public highways'. We of the radio industry are in full sympathy with this objective of reducing highway hazards, making automobile driving safer. That is why we are appearing today against this bill which would not make

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for safer driving but instead would remove a factor which makes automobile operation actually safer. That automobile radio is really a safety factor and tends to reduce rather than increase highway accidents is the overwhelming judgment of State and police officials throughout the nation, including many officers of your own State.

"Summarizing our opposition to this bill, it is established conclusively that:

"First, that the pending legislation is unnecessary, meeting no recognized or demonstrable necessity or condition in Idaho.

"Second, the bill is unwise in that it would remove a safety factor from the Idaho highways because automobile radio is a safety accessory. It reduces driving speed, promotes alertness of automobile operators and in many other respects tends to lessen and not increase highway hazard and accidents.

"Third, the Idaho Commissioner of Public Works and Chiefs of Police of eleven of the largest cities in Idaho all state that there is no record of a single traffic accident caused by or even attributable to automobile radio. Therefore, there is a total absence of reasonable necessity for this prohibitory legislation.

"Fourth, Commissioners of Motor Vehicles of an overwhelming majority of States in the Nation and also police officials also record an absence of any traffic accidents due to automobile radio and regard prohibitory legislation as both unnecessary and unwise. No State or city has adopted this type of prohibition against automobile radio and we have no record of a single accident, anywhere in the United States, which it has caused although automobile radio has been in use since 1930 and there are now over 4,000,000 automobiles equipped with radio.

"Fifth, safety of automobile radio also is attested by insurance companies in that none require any extra premium for insurance of car operators or its use in automobiles.

"Sixth, this legislation would unnecessarily and seriously injure many Idaho business interests and citizens, especially broadcasting stations and radio and automotive distributors, dealers and service men. Important Idaho tourist trade would be greatly harmed through the resentment against the proposed law from tourists. Also there are now about 13,500 Idaho owners of automobile radio who have invested about \$700,000 in such equipment and who would be barred from its use, its farm and business utility and rightful enjoyment.

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"Seventh, also unnecessarily injured would be important national manufacturing interests, both automotive and radio.

"Eighth, validity of the pending legislation is questioned as a violation of exclusive jurisdiction over radio vested in Congress and the Federal Communications Commission, as decided in Federal court rulings.

"Ninth, the legislation is arbitrary and unreasonable, without demonstrable public necessity or public demand and it would be an invalid exercise of police power.

"Tenth, if passed the legislation in actual practice would be unenforceable as is attested by law enforcement officers of your State and many others. It would become a 'nuisance' law and lead to wide and justified public protest with eventual repeal."

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TIGHTER RULES ORDERED RE FINANCIAL RESPONSIBILITY

More rigid requirements as to financial responsibility of applicants for broadcast facilities have been ordered by Davis G. Arnold, Chief Examiner of the Federal Communications Commission.

Examiners were instructed to demand more evidence of ability to build and operate stations than "self-serving declarations". Statements must be furnished under oath as to assets and liabilities.

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FOG HELPS RATHER THAN HAMPERS TELEVISION TEST

"It has now been confirmed that fog has no adverse effect on television signals", the British Broadcasting Corporation reports. "During a recent London fog good pictures were obtained not only within the normal range of twenty-five miles, but at Coventry, ninety miles from Alexandra Palace. Not only were the pictures clear, but there were no secondary images such as might be expected in long-distance reception. What is perhaps even more astonishing is that normally Coventry does not receive the television signals at sufficient strength to make a picture."

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SMALL PAPER FINDS RADIO STATION AN ASSET

"Since Congress passed the Communications Act in 1934, radio competition which formerly was a problem largely of metropolitan newspapers, has become a problem confronting small daily publishers", Editor & Publisher states. "The Communications Act empowered the Federal Communications Commission to license stations of 100 watt power in communities where radio facilities were not already established.

"Many publishers of daily newspapers in cities of 10,000 population and even smaller are face to face with choosing between going into the radio broadcasting business or having radio competition clutter up their fields.

"The Roseburg (Ore.) News-Review met the situation by promptly making application for a radio station license. The license was duly granted and the News-Review is now operating its own radio station with the call letters KRNR. Harris Ellsworth, publisher of the News-Review and now director of radio station KRNR, makes the following observations based upon his 12 months' experience in operating a newspaper and radio station combination in a small city.

"We are decidedly pleased with our new department. Were we required now to make the decision which we made nearly two years ago, we could do it with the greatest ease. We decided to go into the radio broadcasting business - and would make the same decision over again if called upon to do so, with no misgivings at all.

"Our station, KRNR (K-Roseburg News-Review) has been operating 12 months. Although we elected to get it firmly established and with favorable public acceptance before attempting to make a systematic effort to sell radio advertising, we have made a modest profit with the station every month thus far.

"Does the radio station do the News-Review any good - that is, do you use it to promote the newspaper? That question is often asked. Our answer, borne out by our circulation records, is that the radio station is a decided aid in building circulation."

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U. OF P. HONORS ORMANDY

Eugene Ormandy, conductor of the Philadelphia Orchestra, was awarded an honorary degree at the mid-year convocation of the University of Pennsylvania last Saturday when 229 students were graduated.

Mr. Ormandy, former leader of the Minneapolis Symphony Orchestra, and internationally-famous director, was made a Doctor of Music.

Mr. Ormandy was praised as a "native of Hungary, but citizen of two continents", as he received his degree from Dr. Thomas G. Gates, President of the University. He was cited for "a wide knowledge of musical literature and rare understanding of a composer's meaning."

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BBC BROADCASTS SONGS REJECTED BY PUBLISHERS

The British Broadcasting Corporation recently broadcast a program of songs which publishers would not accept.

"It was listened to with considerable interest", the BBC reported, "but the general reaction seemed to be that the publishers knew their own business very well."

The BBC chose a jury of ordinary listeners, including a policeman, a business girl, a page boy, and a nurse, picked at random. They sat in a studio in Broadcasting House and listened to forty songs which had been rejected by publishers. The ten songs which were considered best were broadcast. Listeners were next invited to send in letters stating which of the ten songs they considered best. Nearly twenty thousand listeners were sufficiently interested to send in their selections.

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A Moscow electro-mechanical shop has begun mass production of radio sets for passenger automobiles. The sets will be housed under the hood, and tuned by three controls on the instrument board. They will be adapted to reception of both medium and long wave lengths, making it possible for a passenger to tune in on any central broadcasting station. All the latest improvements are contained in this new set, including an automatic regulator maintaining a constant degree of speaker volume regardless of the speed of the car.

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AMENDED COPELAND FOOD-DRUG BILL REPORTED FAVORABLY

An amended food-drugs-cosmetics bill, sponsored by Senator Copeland (D.), of New York, was reported to the Senate this week.

The Committee in reporting the measure explained it as follows, in part:

"This bill has been prepared with three basic principles in mind: First, it must not weaken the existing laws; second, it must strengthen and extend that law's protection of the consumer; and, third, it must impose on honest industrial enterprise no harshness which is unnecessary or unjustified in the public interest.

"This bill meets these three principles. It has been prepared after many and extensive conferences with the enforcement agencies of the Government and with representatives of various consumer groups or associations, professional groups, and the industries to be regulated.

"The controversial subject of control of advertising has been met by providing for the prohibition of false advertising by injunction. The bill also states differently the offense of false advertisement. Previous bills have defined false advertisements as those which are 'false or misleading in any particular.' That definition has occasioned no end of controversy - some of it quite meritorious - on the ground that when applied to the unlimited field of advertising, it was too elastic and encompassed things far beyond the purposes of the bill. Also, it would lend itself to unnecessary and unjustified governmental interference in the affairs of business, and impose upon the Government a job far beyond the Government's financial and personnel capacities to enforce. The statement of the offense in the bill defines those subjects pertaining to food, drugs, and cosmetics which should be under Government control.

"There has been controversy as to whether the Food and Drug Administration or the Federal Trade Commission should enforce the bill's provisions on advertising. On the premise that advertisements of foods, drugs, and cosmetics are nothing more than extensions of the labeling, this bill proposes that the control be vested in the Food and Drug Administration which enforces the provisions on adulteration and labeling. But, it does not have the effect of depriving the Federal Trade Commission of its jurisdiction to proceed against false advertising in such form as to make it an unfair method of competition. The bill specifically provides that it shall not be construed as impairing or diminishing the powers of the Federal Trade Commission."

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STATION OPERATOR APPEALS TO CONGRESS ON COPYRIGHT

Members of Congress this week received copies of a letter from Ed Craney, operator of KGIR, Butte, Montana, and urging amendments to the copyright law in the interest of broadcasters. He said he was acting in behalf of a group of independent stations.

Charging the American Society of Composers with favoritism to the networks, Mr. Craney asked for corrective legislation to force ASCAP to issue licenses for broadcast performing rights in a more equitable manner. His proposal was that stations be required to pay only for the copyright music they use.

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NBC'S JANUARY REVENUE HIGHEST IN ITS HISTORY

The National Broadcasting Company's network revenue for January 1937, soared to 32% above the corresponding month last year - the total of \$3,541,999 making the month of January, 1937, the highest in the history of the company for that month.

The NBC-Red Network, with an increase of 37.6%, leads all other networks for the month, according to an NBC statement.

Individual NBC network figures for January, 1936, and January, 1937, follow:

	<u>1936</u>	<u>1937</u>	<u>% Increase</u>
NBC-Blue Network	\$ 956,643	\$1,167,366	22.0%
NBC-Red Network	<u>1,725,172</u>	<u>2,374,633</u>	<u>37.6%</u>
	\$2,681,815	\$3,541,999	32.1%

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Bob Carter, announcer and commentator, has been appointed Chief Announcer for Station WMCA, New York, following the resignation of Lee Cronican, according to Bertram Labhar, Jr., Sales Director for the station.

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PRIVATE PHONE PLACED ON MARKET BY PHILCO

A new product, the Philco-Phone, has just been announced by the Philco Radio and Television Corporation, for direct two-way private communication in home, factory, office, store or other establishments.

The Philco-Phone is built to serve as many as four remote stations connected with the master control unit and will operate over a distance of a quarter of a mile.

It is listed to retail at \$49.50 for the master control unit and one remote station, a price designed to appeal to the average home or office and it will be marketed through established Philco merchandising channels. Each additional remote station retails for \$10.

While the system draws its energy from the ordinary A.C. or D.C. electric socket or outlet, the voice transmission is confined to the wires of the system itself, thereby assuring privacy.

Combined with the low initial cost and low current consumption, is the ease of installation, which requires merely a wiring connection from the various stations to the master control unit and this is accomplished within a few minutes even by an inexperienced person. No inspection is required.

The system is a simplified voice transmitter and amplifier. The master control unit measures $10\frac{1}{2}$ " long, $8\frac{3}{4}$ " high and $5\text{-}5/8$ " deep, or sufficiently small to sit on the ordinary desk without usurping valuable space. The remote stations measure $6\text{-}7/8$ " high, $6\text{-}7/8$ " wide and $3\frac{3}{4}$ " deep. The cabinets, both master and remote units, are finished in walnut and designed to harmonize with home or office surroundings.

Sufficient amplification is provided to enable a person to listen or speak in the normal voice even when the cabinet is placed room-length away. The voice volume, in transmission and reception, is controlled by a volume control knob on the master control unit.

A tiny signal light indicates when the Philco-Phone is in operation. Conversations may be carried on with one station or all on the system as occasion requires, this also being controlled on the master cabinet.

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::: INDUSTRY NOTES :::
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Commissioner Thad H. Brown will deliver the principal address at the annual meeting of the Ohio Independent Telephone Association at the afternoon session on April 21, 1937, at Columbus, Ohio. The subject of his address will be "Telephone Regulation Under the Communications Act." Mr. Brown is a Federal Communications Commissioner.

Van-Tage Medicine Company, Inc., 1265 North Vermont Ave., Los Angeles, and its President, G. H. Mosby, are charged in a complaint issued by the Federal Trade Commission with misrepresenting the therapeutic value of a medicinal preparation designated "Van-Tage". The respondent is a radio advertiser.

A public hearing has been ordered by the Federal Communications Commission on the proposed sale of radio station WREN of Lawrence, Kans., to the Kansas City Star. Because the sale price is reported to be between \$250,000 and \$300,000 and Congress has frowned upon perfunctory action in approving radio station transfer involving large sums, the Commission intends to inquire into the question whether saleable assets are worth that much money.

Col. Richard C. Patterson, Jr., has been elected Chairman of the Board by the Citizens Budget Commission, Inc., with offices at 51 East 42nd Street, New York City. Until recently he was Executive Vice-President of the National Broadcasting Company.

Maj. Gen. James G. Harvord, Chairman of the Board of the Radio Corporation of America, in a preparedness address February 15th, voiced a warning that "if there is ever another big military explosion, no matter where, the dangers it generated would threaten every land in the small and closely interrelated world of today." He spoke to the Women's National Republican Club in New York.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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PRALL FORECASTS REALLOCATION, CAUTION ON SUPER-POWER

Anning S. Prall, Chairman of the Federal Communications Commission, told the Senate Independent Offices Sub-Committee on Appropriations that there will be a reallocation of broadcasting facilities and that the FCC will proceed cautiously in acting on super-power applications, printed hearing transcripts disclosed this week.

The FCC Chairman also made a plea that the Commission be granted greater powers to control the operations of broadcasting stations.

Commissioner Prall made his statements on reallocation and super-power in response to inquiries by Senator Byrnes (D.), of South Carolina.

Senator Byrnes complained that he was forced during his recent campaign for renomination to broadcast his messages to certain sections of South Carolina via stations in North Carolina.

"I happen to reside in one of the few States - I do not know the others - in which we have no radio station that covers the State", said Senator Byrnes. "In a political campaign, if I desire to speak over the radio to the people of my State, I have to go out of my State. I remember at one time seeing about four or five others. I know that if a few 500,000-watt stations are established, in the ordinary course of events an advertiser could advertise over one of those so-called super-stations, and the regional stations which are now throughout the country would have very little opportunity, it seems to me, to secure advertisements, and would have to go out of business.

"It is not due to the action of the Commission in refusing applications", he added, "but is due, I recognize, to the engineering situation that those who came upon the scene at first secured the desirable frequencies.

"Now they claim a vested right; and if you desired to give me a frequency they would go into court on you and claim interference. I see no remedy for it unless there is a reallocation."

Replied Mr. Prall: "There will be a reallocation."

"I hope you will not authorize those 500,000 watt super-stations without the most careful consideration", Senator Byrnes continued, "because it will injure the local stations."

"We will not, Senator", said Commissioner Prall.

Senator McAdoo (D.), of California, asked the FCC Chairman whether he believed the Commission should have more power to regulate the "corporations" owning and operating broadcasting stations.

"I feel, personally", said Mr. Prall, "that if we were authorized under the Act to quiet a station or delete it for a temporary period, if we might close the station for two weeks for a violation, or a month, or six months, it would have a salutary effect on the industry as a whole."

Questioned by Senator Byrnes regarding the operations of "traffickers in licenses", Chairman Prall said:

"Senator, of course we hear stories and rumors about this, that, and other abuses in Government administration. You know and I know that, after many years' experience; to be true; but at any time you gentlemen hear any of those rumors, if you will take them up with us, we will investigate them thoroughly and immediately. Of course it is possible that those things can happen without our knowledge."

Senator Glass, Chairman of the Senate Appropriations Committee, asked Mr. Prall whether the FCC gets many complaints that too much time on radio stations is being devoted to advertising.

Said Commissioner Prall:

"Yes, we do, and we also find that the small station - we will say the 100-watter in a town or a city - gives more time to the local interests of all kinds than does the chain operator in that town. That is because the program timetable, as I would put it, of the chain operator perhaps takes the time in the evening when that station might be used by the local people, chambers of commerce, and churches, and organizations of that kind. The time probably is taken up by the national advertisers where the smaller stations are affiliated with chains throughout the country. So we do find complaint, Senator, more from the local, the small communities, with respect to lack of time devoted to community interests."

Senator Glass: "It has seemed to me here in Washington - because I have a radio in my apartment - that most of the time is taken up with advertising."

Mr. Prall: "Yes, I think that is true; but again you go back to the Act, and there is nothing in the Act which gives us any authority as to programs or the direction of broadcast stations with respect to the use of the time they are selling advertisers."

Senator Glass: "Would it be desirable to have such authority?"

Mr. Prall: "I think it would be."

Senator Glass: "Would it not be better to give the Commission itself discretionary power?"

Mr. Prall. "I believe it would. I believe the Commission would be able to accomplish things in communities where very little time is given or can be given to local broadcasting."

Senator Adams: "A little aside from the question, do you think that the programs which are put on by the big advertisers indicate real comprehension on their part of the tastes of the American people? My reason for asking that is that the large programs seem to specialize in silliness and imbecility."

Mr. Prall: "Of course the programs are varied to a large degree, and if you have a family of about five, some in the adolescent age, and from that up to -

Senator Adams: "Up to 70."

Mr. Prall: "Yes; I think you will find that perhaps there are three different views as to what they like to hear over the air."

Senator Glass.: "We do not accept the view of any one who is over 70 years of age, however."

Senator Byrnes: "What proportion of the people read the 'funny' pages of the newspapers?"

Mr. Prall; "The same rule applies to that."

Senator Glass expressed the view, in which Commissioner Prall concurred, that the FCC should not have any control over the price paid by any one for a broadcasting station, thereby differing with the House members who complained during the House hearings against the high sale prices of many radio stations.

After Senator Steiwer (R.), of Oregon, had raised the question regarding the sale prices of WOV, New York, and KNX, Los Angeles, there following the following conversation:

Senator Steiwer: "How does the Commission justify allowing prices of that kind to be paid?"

Mr. Prall. "In the first place, that station was doing a business showing a profit on \$1,250,000 of 16 percent."

Senator Steiwer: "Let me interrupt at that point, if I may. The value of that plant would consist of just two things, would it not, the replacement value of the plant, plus the value of the license?"

Senator Adams: "Are there not two other things in that? One is intelligence in management, the second is the character of the programs."

Mr. Prall: "There is a decision of the court dealing with that subject, where the court, I believe, points to an important phase, or refers to it as an important item, that is, the value as a going concern. I do not feel that we can simply take the equipment, the buildings, of the physical assets, and place a value on their replacement as being the value of the business to you or to me."

Senator Glass: "Should the Commission assume to do that? If I am unbusinesslike and indiscreet enough to pay a high price for a radio station in my town, should the Commission intervene and say I should not be indiscreet enough to do it?"

Mr. Prall: "I wonder, Senator, on that very line, if we have any right whatsoever to tell a man what he should or should not pay for a station."

Senator Glass: "I do not think you ought to have."

Senator McAdoo: "I do not think so, either. The Commission should determine solely whether or not the transfer is in the public interest."

Mr. Prall: "We take into consideration the buyer, and what a change of ownership in a station will mean to the community where it is located, or the community the station serves. If in our judgment it will better serve or serve as well the community to be served, that is one point, if the station has built up a business and shows a good profit comparable with the investment, whatever it amounts to, I think most of the owners of broadcasting stations go so far as to feel that 10 percent of the annual income is a fair price for a station."

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FROM SILHOUETTES TO TELEVISION

It was a co-incidence that in the ballroom of the Germantown Cricket Club in Philadelphia where the Philco television demonstration was held recently that the walls were bordered with large black and white silhouettes of former presidents of the club. Thus those who attended the Philco gathering had the unique experience of seeing at one and the same time the oldest and newest things in pictures - silhouettes and television.

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AYLESWORTH MAIN DUTIES NOT RADIO HE SAYS

An inquiry directed to M. H. Aylesworth, former President of the National Broadcasting Company, brought a reply that his new duties with the Scripps-Howard newspapers will have very little to do with radio.

Mr. Aylesworth advises that Jack Howard, son of Foy Howard, is in full charge of radio in the Scripps-Howard organization and that he will keep in touch with these activities through young Mr. Howard.

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TEMPORARY LEGAL APPOINTMENTS TO FCC ARE UPHELD

The United States Court of Appeals for the District of Columbia this week upheld an Executive Order inspired by the Federal Communications Commission and the refusal of the United States District Court to dislodge certain appointees to the FCC Legal Division.

The action was taken on an appeal filed by David R. Crow, who stood at the head of a Civil Service list of eligibles for the positions of Assistant Attorney and Associate Attorney, when examinations were held in 1935. His grades, however, had been increased by ten in each case because he was a disabled War Veteran.

Temporary appointees to the jobs had passed the examination but were not among the first three certified by the Civil Service Commission. Nevertheless, the President, at the request of the FCC issued an Executive Order making their appointments permanent. Then followed the suit for a writ of mandamus by Mr. Crow.

The Appellate Court in affirming the decision of the lower court points out that the office which Mr. Crow seeks is now filled by an incumbent who is discharging his duties.

Hampson Gary, General Counsel of the Communications Commission, was one of the FCC attorneys who won the case.

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Examiner Melvin H. Dalberg this week recommended to the Federal Communications Commission that the application of KWBG, of Hutchinson, Kans., for permission to transfer from 1420 to 550 kc. and increase power from 100 to 250 watts be denied.

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FTC CHARGES TELEVISION INSTITUTE WITH UNFAIR COMPETITION

American Television Institute, Inc., a correspondence school and others, 433 East Erie St., Chicago, are charged in a complaint issued by the Federal Trade Commission with unfair competition in the sale of courses in radio and television.

Representations made by the respondents are alleged to have had a tendency to mislead a substantial portion of the student public into erroneous beliefs regarding the respondents' courses, and to have caused them to enroll as students on account of such beliefs.

Certain representations made by the respondents in newspapers, booklets and general business correspondence, are alleged to serve as representations that: Several young men are to be selected and trained for positions in radio television at the respondents' expense until actually employed; that a seventy-lesson course is offered, collection of the tuition fee being deferred until a job is obtained for the student at \$125 a month or more; that the respondents operate a wide-spread employment agency through which students are placed in paying positions upon graduation; that there is a shortage of radio television operators; that the respondents own a huge laboratory in which equipment is manufactured in great quantities; and that they operate television broadcasting stations in which the pupils are given opportunity for graduate residence study. It was also represented, according to the complaint, that certain individual respondents are engineers for certain radio stations.

These representations are exaggerated, misleading, and untrue, according to the complaint.

Besides the Institute, others named as respondents are U. A. Sanabria, President; R. B. Fullerton, Vice-President; A. H. Zamotany, Treasurer, and American Television Institute, Inc., a corporation, and as co-partners, trading as American Television Institute and Sanabria Television Laboratories.

Alleging violation of Section 5 of the Federal Trade Commission Act, the complaint allows the respondents 20 days in which to file answer to the charges.

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MINNESOTA GIVEN NEW BROADCAST STATIONS BY FCC

A construction permit for a new broadcasting station was granted this week by the Federal Communications Commission to Albert Lea Broadcasting Corp., of Albert Lea, Minn., for operation on 1200 kc. with 100 watts power, daytime. The same facilities also were granted to the Winona Radio Service, of Winona.

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TOTAL INVESTMENT IN INDUSTRY PLACED AT \$40,000,000

Chairman Anning S. Prall, of the Federal Communications Commission, told the Senate Sub-Committee on Appropriations that the estimated total investment in the broadcasting industry is "in the neighborhood of \$40,000,000."

He said there are 24,500,000 homes in the United States equipped with radio sets. In addition, there are 4,000,000 more auxiliary sets in the homes and 4,500,000 in automobiles, making a grand total of 33,000,000 sets in use.

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EXAMINER APPROVES SALE OF KMPC TO GEORGE A. RICHARDS

The sale of all capital stock of the Beverly Hills Broadcasting Corporation, owner of KMPC, Beverly Hills, Calif., to George A. Richards, President of WGAR, Cleveland, and WJR, Detroit, for \$125,000 was recommended to the Federal Communications Commission this week for approval by Examiner Ralph L. Walker.

Mr. Richards, who only recently acquired WGAR, has a Winter residence in Beverly Hills. The Beverly Hills Broadcasting Corporation lists its total assets at \$40,839.96. KMPC operates on 710 kc., with 500 watts power.

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MOSCOW LIKES POETIC RADIO ADS, CONTEST DISCLOSES

The Radio Centre, Moscow, while it accepts no commercial advertising in the sense that it is understood in the United States, apparently prefers a little poetry mixed with radio trade announcements.

A contest was recently held for the best advertisement for use on the radio. The first prize of 1500 rubles was not awarded, but two workers shared the second prize of 1000 rubles by submitting advertisements in verse. The advertised articles were rugs and books.

A third prize went to a woman who submitted an advertisement in story and verse for shops selling children's toys.

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IDAHO AUTO ANTI-RADIO BILL DEFEATED

Word was received from Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, from Boise, Idaho, that the bill to prohibit use of radios in automobiles, recently introduced in the Idaho Legislature, had been defeated. Mr. Geddes, who went to Idaho to lead the fight against the bill, sent the following telegram to Washington late Friday afternoon:

"All Legislature leaders assure and author concede defeat of Senator Whitten's bill in the Idaho House of Representatives to prohibit auto radios. Also House Leadership Committee today voted unanimously to kill bill. This followed excellent hearing Thursday before entire House of Representatives and large applauding audience. Radio automotive trades and several broadcasters appeared."

The defeat of the bill in the Idaho House is welcome news to radio manufacturers and broadcaster's due to the fact that it passed the Senate February 5th by the close vote of 22-20.

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IT'S A HARD LIFE, PRALL TELLS THE SENATORS

The Federal Communications Commission members have a tough time, according to their Chairman, Anning S. Prall. Whatever they do, somebody gets mad.

Testifying before the Senate Sub-Committee on Appropriations, Mr. Prall said:

"Due to the fact, I believe, that practically every item brought before our Commission is controversial, practically every case we have is protested. Our every act tends to hurt somebody, and therefore we are losing our friends and making potential enemies all the time. Much has been said in the way of complaint to you gentlemen of the Senate, and to Members of the House, about the Communications Commission."

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Denial of an application by Loyal K. King, of Pasadena, Cal., to erect a new broadcasting station in Pasadena for operation on 1320 kc. with 250 watts, daytime, was recommended this week by Examiner Ralph L. Walker to the Federal Communications Commission.

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AUTOMATIC SOS SIGNALS STUDIED BY FCC

Plans to install automatic radio S.O.S. signal devices on all American cargo ships were discussed at a conference of radio manufacturers, telegraph companies and steamship companies on Friday in the offices of the Federal Communications Commission. For months, officials of the Commission revealed radio engineers and experts of the Commission, the Bureau of Standards and the Coast Guard, have been testing two types of apparatus built according to specifications laid down by the Commission.

Their installation would eliminate the necessity of carrying more than a single radio operator on a ship, and would do away with two of the three radio watches now maintained. Signals from vessels in distress using the equipment would be heard not only in the radio room of other ships but on the bridge, in the engine room and at other watch stations.

According to the Commission's tentative plan, the new device would be installed only on cargo vessels, since all passenger vessels will be required, as they are now, to carry enough radio operators to keep a continuous watch at all times.

The sets, which have been built according to the specifications laid down by the Commission and which have been under test since November, were submitted by the Radio Marine Corporation of America and the Mackay Radio and Telegraph Company. The Coast Guard tests were carried out at Fort Hancock, N. J., and the Bureau of Standards experiments were made in the Bureau's Washington laboratories.

Further studies will be made before the final decision to install them is reached, since the instruments have not yet received a practical test during serious atmospheric disturbances.

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THE SPEED OF RADIO DEVELOPMENT AS SEEN BY FCC CHIEF

The Senate Sub-Committee on Appropriations for the Independent Offices was given a striking example of the speed of changes in the radio industry by the FCC Chairman, Anning S. Prall, in this fashion:

"We do not know, and nobody knows, just what is going to happen in radio. Some time ago, in a conversation with an executive of the National Broadcasting Co., at a demonstration of the facsimile machine which is perfected, I said to him, 'What are the newspapers going to do about this?' He said, 'I do not know.' I said: 'This thing is going very fast, is it not?' He said, 'It is going so fast that we erected a \$10,000,000 building on Long Island, and before it was completed it was practically obsolete.'"

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TWO WASHINGTON TEACHERS TO ADVISE ON RADIO PROGRAMS

The U. S. Commissioner of Education announced this week that two Washington university teachers have accepted his invitation to constitute an expert Advisory Committee for a new group of educational radio programs in the series now being presented by the Office of Education, Interior Department.

The men named are Dr. Ben A. Arneson, head of the Department of Political Science at American University, and Dr. Herbert Wright, Professor of International Law at Catholic University. Dr. Wright heads the Department of Politics at the university.

The series on which they will be advisers will be devoted to telling the development of the civil liberties contained in the Constitution's bill of rights.

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COAST GUARD HEAD LAUDS RADIO IN FLOOD AID

Radio, by spanning the flood-torn gaps in normal communication facilities, has again taken its place in relieving human suffering", writes Rear Admiral R. R. Waesche, Commandant, U. S. Coast Guard.

"The Coast Guard, in common with the Naval Reserve, Army and Amateurs, established a joint emergency radio net of 240 stations to carry on, more effectively, the work of its forces. It is a safe prediction that the swift, nimble hands of radio have snatched from a watery death as many lives as any one force in the disaster.

"The Coast Guard, in common with other relief agencies, will learn many lessons out of the current disaster -- lessons which should test the powers, reveal the weaknesses, and chart the future paths of emergency communications."

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The Czechoslovak Post Office has just announced that plans for the construction of a television transmitter in Prague are now ready, according to World-Radio. The preparatory work will begin very soon and the transmitter will be ready to put out its first tests at the end of this year.

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 ::: INDUSTRY NOTES :::
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Glenn Laboratories, Inc., 287 West 127th St., New York City, selling a thyroid treatment for overweight, is charged with unfair competitive practices in violation of Section 5 of the Federal Trade Commission Act. The product they offered for sale, namely "Dr. Thomas' Rx 157" is alleged to have been advertised over the radio and in newspapers and magazines.

George Henry Payne, of the Federal Communications Commission, and Mr. and Mrs. A. Atwater Kent were guests at a dinner given by Ralph Beaver Strassburger, wealthy Pennsylvania publisher and Mrs. Beaver at Palm Beach, Fla., in celebration of the birthday of Mrs. John Dewar, of London.

New wrinkles and gadgets in radio and their meaning to every listener will be explained in a quarterly series to be presented over the National Broadcasting Company by O. B. Hanson, NBC Chief Engineer. The first of the series, an interview with John B. Kennedy, commentator, will be broadcast Tuesday, February 23rd, at 7:45 p.m., EST. Other broadcasts will be offered at three month intervals.

Detrola Radio and Television Corporation reports for 1936 a net income after surtax on undistributed earnings, of \$109,725, equal to 80 cents each on 137,500 common shares, against \$73,567, or 66 cents a share on 112,000 shares, in 1935.

Dollar Crystal Co., Omaha, Nebr., has been ordered by the Federal Trade Commission to discontinue certain unfair competitive methods in the sale of mineral water crystals, in violation of Section 5 of the Federal Trade Commission Act. These products are sold as "Genuine Texas Mineral Crystals", "Texas Mineral Water Crystals", and other similar names. The order bars representation by means of radio, advertising matter, etc.

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CBS JANUARY BILLINGS 24.2% AHEAD OF 1936

Time sales on the Columbia network for January, 1937, totalled \$2,360,740, an increase of 24.2% over the same month in 1936, which was previously the highest January in CBS history. In January 1936 it was \$1,901,023.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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HOUSE PASSES BILL TO EASE OPERATING REQUIREMENTS

The House this week passed the Lea bill to permit the Federal Communications Commission to exercise discretion in enforcing requirements of the Communications Act that licensed operators be in charge of all radio transmitting apparatus at all times. It was the first piece of radio legislation called up in either the House or the Senate this session and passed without debate.

Chairman Anning S. Prall, of the FCC, predicted that the bill, if enacted into law, will "permit experimentation in the classes of stations not covered by the exceptions, to determine the practical results of actual operation by means of mechanical devices, and to determine the extent to which such mechanical operation may be permitted consistently with the purposes of the Communications Act.

"It will also contribute to the furtherance of fundamental research in radio", he said.

The bill proposes to amend Section 318 of the Act to read as follows:

"The actual operation of all transmitting apparatus in any radio station for which a station license is required by this Act shall be carried on only by a person holding an operator's license issued hereunder, and no person shall operate any such apparatus in such station except under and in accordance with an operator's license issued to him by the Commission; Provided, however, That the Commission if it shall find that the public interest, convenience or necessity will be served thereby may waive or modify the foregoing provisions of this section for the operation of any station except (1) stations for which licensed operators are required by international agreement, (2) stations for which licensed operators are required for safety purposes, (3) stations engaged in broadcasting, and (4) stations operated as common carriers on frequencies below thirty thousand kilocycles: Provided, further, That the Commission shall have power to make special regulations governing the granting of licenses for the use of automatic radio devices and for the operation of such devices."

An explanation of the purpose of the legislation was made by Commissioner Irvin Stewart in a letter to Representative Cole (D.), of Maryland. The letter, which follows, was printed in the Congressional Record:

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"This amendment is designed to give the Commission discretion in certain instances to relax the absolute requirement of Section 318, that all transmitting apparatus at all times of operation must be under the control of a licensed operator.

"The need for such discretion was brought to the attention of the Commission forcibly by an application of the Cruft Laboratory, Harvard University. A general experimental station had been licensed to that institution for several years for the purpose of making continuous observations of the ionosphere. The value of this research depended on continuous operation of the station. The results of the operation were recorded automatically. There was no function which an operator could have performed in this connection other than to keep the station upon its proper frequency. The Cruft Laboratory, in consultation with the Engineering Department of the Commission, worked out an automatic device capable of preventing improper operation of the station. The licensee felt that it could not afford to keep an operator on duty throughout continuous operation and regarded such a requirement as unreasonable in view of the fact that no useful function could be performed by the operator. However, the absolute requirement of Section 318 prohibited such operation. Consequently, this important piece of research had to be discontinued. This is but one of a number of instances in which the actual operation of a station by a licensed operator is impractical and unnecessary from an engineering viewpoint. Useful scientific research is inhibited by the present rigid requirement of Section 318. Free balloons containing small automatic transmitters are useful in obtaining reports and in recording atmospheric conditions at great altitudes.

"The use of automatic transmitters on police cars controlled by a central operator would be of value in this important field of emergency service. It would obviate the existing necessity of requiring that police driving such cars be also licensed operators. Since these stations operate only on the ultra-high frequencies, there is little danger of interference from such operation.

"The development of radio to promote the safety of life and property in the air is also handicapped. Without such a requirement radio beacons could be operated automatically at remote points where the attendance of an operator would be impractical both from a physical and a financial standpoint.

"It is important to remember that control by the Commission over a station is not lost because it is automatically operated. The control over the license of the licensee remains to insure proper operation.

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"It should be noted that the amendment suggested by the Commission excluded four classes of stations from the field of discretion of the Commission. These exceptions were carefully designed to avoid conflict with international agreements, to preserve safety and to exclude stations operating with great power or on frequencies where considerable interference might be expected. It may be that the bill as amended before being reported out of committee confers somewhat greater discretion upon the Commission. However, the Commission believes that it can, in the exercise of its discretion, avoid any relaxation of the operator requirements where such relaxation would not be in the public interest."

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STEEL LABOR DRIVE MAY RAISE PRICES ON RADIOS

The threatened drive of John L. Lewis and his Committee for Industrial Organization may result in an increase in the price of radio sets, according to some industrial leaders.

Russell B. Porter, writing in the New York Times from Chicago this week, stated as follows, in part:

"Although John L. Lewis and his Committee for Industrial Organization did not succeed in imposing the closed shop on the automobile industry in the General Motors strike, they did win union recognition.

"Unless the steel industry can turn back the Lewis onslaught decisively, it is feared in industrial circles that the General Motors settlement, plus whatever gains the C.I.O. may make in the coming steel strike, may prove the opening wedge for the introduction of the closed shop in all mass production industries.

"According to many industrial leaders, that would mean greatly increased production costs and correspondingly higher prices for automobiles, electric refrigerators, radios and all the other twentieth century improvements that go to make up the American standard of living."

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PHILIPS CHARGED WITH BARRING AMERICAN RADIO TUBES

In an apparent appeal for American support of a radio trust-busting movement in Europe, R. John Aalberts, secretary of the newly-organized International Association for Independent Radio Interests, charges that the Philips Radio Corporation, of Holland, has entered into contracts which bar American-made radio tubes in certain European countries.

The Association was formed last Fall with delegates from nine countries attending. Headquarters are in Bienne, Switzerland. The circular of the INRIW also carried the first English translation of the resolution under which the Association was founded.

The writer claims to have proofs that "Philips through certain contracts has blocked the import of American-made radio tubes." He continued:

"In one such contract, dated May 31, 1935, and now still in force (it was prolonged until May 31, 1937), signed from the side of Philips by the famous export-manager Mr. O.M.F. Loupart (of Eindhoven) and the general manager of their Czechoslovakian branch office, Mr. Victor Graf, we read under item I.d, that the Czechoslovakian radio-manufacturers agree not to use any radio-tubes imported from America. Under item I.g we read the remarkable statement that the contracting party, Philips, Eindhoven, consents to this agreement, under the formal reservation that also the group of 'American Patent-Owners' agrees.

"This means, that the 'American Patent Owners', known the world over, are agreeing to the blocking of the products of those firms in America who most likely are their clients and license-fees-paying customers. It means, as we see it, clearly, that those fees are demanded and cashed in America, but at the same time the attempt is made secretly to stop the sale of the products of those clients, while Philips c.s. try to sell their own tubes at triple or quadruple prices.

"In the same contract it is said under item II.a, that no American radio-tubes shall come on the Czechoslovakian market, which clause also indicates that the import and sale of American radio-sets should be prevented, no tubes for replacement being available."

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BBC TELEVISION DIRECTOR EXPLAINS PROGRAM PLANS

Gerald Cock, Director of the BBC Television Service, recently outlined his plans for future programs.

"Programs designed for viewing rooms - for what may be called casual viewers - should be different from those for home set owners", he said. "The best viewing-room programs would probably be an ordinary procession of short cabaret and topical 'turns'. But the BBC is working towards an eventual home audience. It is hoped to provide a service with a balanced mixture of entertainment and general interest, presented as only Television can present, and aping neither the cinema, the stage, nor the newspapers.

"At present there is a dearth of suitable light entertainment, but many outstanding artists have been secured.

"General interest subjects will include cooking demonstrations, the world of women, how to deal with accidents in the home, on the road, in factories, and in sport. The Zoo will also provide attractive material. Drama is difficult to present, but there will be excerpts from current productions and a series of one-act plays. The topical feature 'Picture Page' has made good and will continue."

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BRINKLEY READY TO GO THE LIMIT

Observer Jensen of Cowley, Wyoming, in Radio News, writes that in a recent letter received from Dr. Brinkley, he stated that XEAW (now licensed for 50 kw. but, according to his engineers, putting 59 kw. into the aerial) will, sometime in January 1937, be operating on an aerial power of 100 kw. XEAW uses a single tower umbrella antenna, with reflector. The Doctor also stated that if U.S.A. stations should be licensed to use 500 kw., he might possibly boost the power of his XERA to 1,600 kw. At present SERA engineers figure they are putting 350 kw. into a three-tower aerial system with a reflector which is calculated to give a gain of one-third to the North.

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5-YEAR LICENSE TERMS FOR BROADCASTERS IS PROPOSED

A proposal that broadcasting licenses issued by the Federal Communications Commission be increased from six months to five years was made this week in a bill introduced in the House by Representative Anderson (D), of Missouri.

The broadcasting industry immediately hailed the bill as a progressive step. The National Association of Broadcasters, in its weekly bulletin, stated:

"There is no issue less controversial among our membership. Enactment of this bill would greatly increase the stability of the industry. That, we believe, would be in the public interest."

It was recalled, however, that Judge E. O. Sykes, Chairman of the FCC Broadcast Division, at recent hearings before the House Sub-Committee on Independent Offices Appropriations, stated:

"We do not feel that we have yet reached the point where the general spectrum is so good that they (the stations) can operate so well that we are ready to grant licenses for a longer term than six months."

The Anderson bill would amend Section 307(d) of the Communications Act of 1934 to read as follows:

"(d) No license granted for the operation of a broadcasting station shall be for a shorter term than five years and no license so granted for any other class of station shall be for a longer term than five years, and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not less than five years in the case of broadcasting licenses and not to exceed five years in the case of other licenses, but action of the Commission with reference to the granting of such application for the renewal of a license shall be limited to and governed by the same considerations and practice which affect the granting of original applications."

A second section of the bill provides:

"The amendments made by Section 1 of this Act shall not apply to any broadcasting license in force on the date of enactment of this Act until it expires pursuant to the provisions of Section 307 (d) of the Communications Act of 1934 as in force prior to such date."

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CENSUS SHOWS RISE IN RADIO PRODUCTION

Manufacturers of radio apparatus and phonographs in the United States reported a substantial increase in employment and a pronounced increase in production in 1935 as compared with 1933, according to preliminary figures compiled from the returns of the recent Biennial Census of Manufactures, released this week by Director William L. Austin, Bureau of the Census, Department of Commerce.

This industry employed 44,792 wage earners in 1935, an increase of 36.2 percent over 32,879 reported for 1933, and their wages, \$42,910,316, exceeded the 1933 figure, \$29,654,376, by 44.7 percent. The aggregate value (at f.o.b. factory prices) of radio apparatus, phonographs, and related equipment made in 1935 amounted to \$202,865,672, an increase of 70.1 percent as compared with \$119,234,930 reported for 1933. Of the 1935 total, \$131,341,836 was contributed by complete radio receiving sets, as against \$70,553,334 reported as the value of such sets for 1933. These figures include \$103,964,958 for 1935 and \$56,240,070 for 1933, representing the value of receiving sets for home and general use.

This industry classification embraces establishments engaged wholly or principally in the manufacture of radio apparatus, phonographs, and parts and accessories.

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CONVALESCENCE OF ALMONTE REPORTED

John de Jara Almonte, Evening Manager of the New York National Broadcasting Company, who has been ill for over two months, is reported to be steadily getting better. So satisfactory is his progress at this date that it is expected that the genial "diplomat of the kilocycles" may be back at his regular post of duty within the next few weeks.

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EXCISE TAXES ON RADIOS UP 13.7% IN JANUARY

Collections during January, 1937, of the 5 percent tax on radio and phonograph apparatus by the U. S. Treasury were \$683,578.06, an increase of 13.7 percent over the January, 1936, collections of \$601,144.68, according to the Radio Manufacturers' Association. Both included taxes payable in January on previous December production.

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HEARINGS HELD ON BILLS TO INCREASE SHIP RADIOS

Hearings were held this week before Senate and House Committees on companion bills to require radio equipment on more American ships than now is demanded under existing laws.

Spokesmen for the Federal Communications Commission endorsed the measures and stated that the legislation is needed to replace "inadequate statutes" and meet the Government's obligations under the 1929 International Convention for safety of life at sea.

The Senate passed a similar measure last year, but it died in the House.

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LISTENS TO IRELAND FOR AN HOUR ON LONG WAVE

It is not unusual to hear all parts of the world on short-wave, but many do not realize that there has also been a tremendous development in the long-wave side of a modern all-wave set. A member of the International Dxers Alliance, of Bloomington, Ill., reports that for a solid hour he listened to the Northern Ireland regional station of the British Broadcasting Corporation.

The transmitter is of 100,000 watt capacity, broadcasting on 977 kilocycles or 307.1 meters. The broadcast was heard between 2 and 3 o'clock in the morning and, of course, couldn't get through under any condition when our own long-wave stations were operating as the Irish frequency is only a few kilocycles removed from KDKA at Pittsburgh.

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1936 RECORD YEAR FOR RADIO EXPORT TRADE

Peak export trade in radio was attained in 1936, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. Total exports of radio apparatus for the year were \$28,284,251, against total exports of \$25,454,188 in 1935, the previous high record for the American industry.

The principal 1936 export increase was in parts, although increases were recorded also in sets, tubes, speakers and transmitting apparatus.

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LOTTERY IN SALE OF RADIOS BARRED BY FTC

Standard Distributors, Inc., 114 East 32nd St., New York, and Louis H. Geller, President of the corporation, are named respondents in a Federal Trade Commission complaint alleging unfair competition through providing retailers with the means of conducting lotteries in the sale of radios and food beaters and mixers, and through misrepresentation of certain products and facilities furnished these merchants.

The alleged lottery scheme is said to involve one of paraphernalia furnished by the respondents, including keys and a padlock, such keys being distributed by a merchant to customers with each purchase of a stated amount of goods, usually 25 cents worth. In this manner, according to the complaint, a merchant may pass out a large number of keys, sometimes as many as 4500, two of which fit the padlock. The two lucky key holders are alleged to receive prizes, usually a radio or a food mixer and beater, by means of a game of chance.

The respondents' plan is alleged to be falsely represented to the merchants as a sales promotion plan to get the respondents' products before the public, when, in fact, according to the complaint, it is a plan to dispose of the respondents' products to the merchants.

Radios to be distributed by the respondent are advertised directly or by implication as "Majestic", when, according to the complaint, the sets used for this purpose are not of that well-known brand.

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BBC MUST CARRY GOVERNMENT ADVERTISING FREE

In the British House of Commons recently, Mr. Edwards (Labor Member for Middlesborough, E.) asked the Postmaster-General what charges were made for advertisement on the wireless for Government Departments; and whether facilities were to be offered to other manufacturers.

In reply Major Tryon said: "I understand that the notice in regard to vacancies in the Navy to which I assume the Hon. Member's question refers, was broadcast at the request of the Admiralty under the terms of clause 4 (2) of the British Broadcasting Corporation's license, which provides that the Corporation shall, when requested by a Government Department, broadcast at its own expense any announcement or other matter which the Department may require to be broadcast. Clause 3 of the license prohibits the Corporation from receiving money in respect of the transmission of any broadcast matter and from broadcasting any commercial advertisement."

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NOTES

The Cruft Laboratory, Harvard University, this week was granted a construction permit for a new experimental radio station by the Federal Communications Commission to make continuous automatic observations of the upper atmosphere. The power is 600 watts with a frequency of 2,000 to 8,000 kc., unlimited time.

The U. S. Navy destroyer named in honor of the late Commdr. Tunis Augustus MacDonough Craven, grandfather of Commdr. T.A.M. Craven, Chief Engineer of the Federal Communications Commission, was launched this week at Quincy, Mass.

A bill creating a State Board of Radio Censors, with power to censor radio programs originating in the State, and imposing a 2 per cent tax on local business of radio stations has been introduced in the Washington State Senate by Senator A. E. Edwards.

A favorable report on the application of WOCA, Pensacola, Fla., for permission to increase its power from 500 watts to 1 KW on 1340 kc. was filed with the Federal Communications Commission this week by Examiner Melvin H. Dalberg.

A resolution of the Cuban Department of Communication authorizes the Cuba Transatlantic Radio Corporation, Obispo y Aguiar Streets, Habana, to receive programs from the United States and other countries for local retransmission by Cuban broadcasting stations, and to transmit to stations abroad programs originating in Cuban stations. The establishment of this service is intended to provide a regular direct tie-in between broadcasting networks in the United States and Cuban stations and networks.

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BECKER QUILTS TELEPHONE INQUIRY, LAUDS RESULTS

The resignation of Samuel Becker as Special Counsel for the Federal Communications Commission in its investigation of the American Telephone and Telegraph Company was accepted this week by President Roosevelt.

Mr. Becker, who took the post October 2, 1935, said in his letter of resignation that the investigation was substantially completed and that he was anxious to return to his law practice in Wisconsin, where in the past he has acted in a special capacity for Governor LaFollette.

The investigation has caused reductions of \$22,000,000 in long distance rates this year. Mr. Becker reported and has uncovered facts essential to intelligent regulation of communications in the public interest.

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ZENITH STOCK HAS JUMPED 8374% SINCE 1933

A chart showing how the stock of the Zenith Radio Corporation, Chicago, had risen 8374% since 1933 was carried in a recent issue of the Chicago Tribune.

An explanation of the chart stated:

"At the top of the boom in '29 Zenith Radio sold for \$61.75 per share. Later, the same year, the price had frittered away to \$6.27. On May 17, 1932, the stock sold at the record low of 50 cents per share, or two shares for a dollar.

"Stock sold at the same low price in 1933, a few days before the moratorium. On Nov. 17, 1936, a price of \$42.37 was reached. The recovery from the low point amounted to 8374 per cent."

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NBC'S WEEKDAY DAYTIME REVENUE UP 94%

The National Broadcasting Company's weekday daytime revenue last month amounted to \$961,866. This total represents an increase of 94 percent over the same month last year, and tops all previous January figures. Sunday daytime revenue last month was \$297,577 - an increase of 78 percent over January 1936.

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