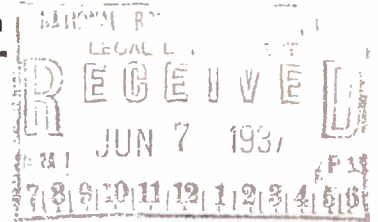


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



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## RADIO INDUSTRY SEEN PASSING LAST YEAR'S RECORD

Although the present year is not half gone, all business indices point to a record year with radio set sales and broadcast advertising ahead of last year's peaks, according to a survey of the industry just completed by Dun & Bradstreet, Inc.

"Upward trend of production and distribution in the radio industry during the past three years has been extended thus far in 1937", the report states. "Despite the new peak established in 1936, sales have continued to widen, in keeping with the revival of home building, with its concomitant demand for the higher quality cabinets as pieces of furniture. The expansion of rural electrification has opened a vast new territory, as farmers are discarding their battery sets for the electrically-operated types. The rise in automobile radio sales has paralleled the mounting assemblies. .

"Retail sales during the first four months of the current year ranged from 20 to 40 percent more than in 1936, despite the interference of strikes and floods in some parts of the country. Based on an average production gain of 30 percent for the first quarter, which is the lightest one of the year, total output for 1937 has been estimated conservatively at 10,310,000 sets. This would represent an increase of about 25 percent over the new peak established in 1936 at 8,248,755 units, which was 36.9 percent larger than in 1935, as compiled by Radio Today.

"Broadcast advertising will not be subjected to the usual Summer recession this year, as time sales booked already are in excess of the 1936 reservations. If the current rate of time buying be continued, broadcast advertising may rise to \$125,000,000 in 1937 from the peak reached in 1936 at \$114,440,000. Television experiments have progressed, but early marketing possibilities are viewed as remote by the leading experts.

"Strikes interfered with production in some sections during March and April, but in most parts of the country capacity schedules have been maintained since the first of the year. For the first four months output ranged from 25 to 50 percent larger than in 1936. The upswing included all price classifications, with more emphasis placed on the higher-priced sets, accompanying the improved buying power of consumers. The gain in radio-phonograph combination models, in some instances, ran up to 100 percent, and up to as much as 60 percent in automobile radios.

"Production for the first quarter this year, according to the latest statistics available, was estimated at 1,675,000 sets, or an increase of about 30 percent over the 1,287,462

turned out during the first quarter of 1936, thus extending the rise from the all-time peak recorded for the latter year. According to Radio Today, complete figures reporting all radio sets built by licensed radio manufacturers in 1936 totalled 8,248,755, an increase of 36.9 percent over the 6,026,031 in 1935, the previous record high.

"National advertising broadcast has continued to advance, the \$6,345,000 set down for March, 1937, marking the forty-second consecutive month that the total has been larger than that for the comparative one of the year preceding. This brought the total for the first quarter to \$18,120,000, a new high for the period, as it exceeded 1936 by 21.4 percent, 1935 by 30.1 percent, and 1933 by 114.4 percent. For 1936 a peak was established at \$57,761,000, an advance of 22.3 percent over the previous high set in 1935.

"In spite of the recession in January from the high total of December, retail sales of radios during the first four months of 1937 ranged from 20 to 40 percent larger than during the comparative 1936 period. In some districts April sales nearly were on a par with last December's level. The usual lull in May was broken by the demand for combination sets, induced by the Coronation festivities in London. June distribution doubtless will lag, as purchases will be deferred, awaiting the display of the new 1938 models.

"Most of the sales have fallen within the \$50 to \$70 price range, with the well-known makes in the greatest demand at \$100. Some retailers have more than doubled last year's sales of combination radio-phonograph sets. Demand for battery sets has started to wane, as farmers are replacing these with electrically-operated units, as the rural electrification movement spreads. While more than 50 percent of the receivers were sold on the installment plan, cash purchases were numerically the largest since 1929.

"Outstanding in the features of the 1938 receivers will be the larger number of models to employ the dial-type automatic frequency control for easy, accurate tuning. In tube equipment, some manufacturers are including, with the metal types, glass rectifiers and glass power-output tubes. Many of the unnecessary gadgets will be eliminated, because of the increase of about 15 percent in manufacturers' costs, due to higher wages and material prices.

"Current price trend is upward, and any future revisions doubtless will be in the same direction. Sets at retail now cost from 5 to 12 percent more than a year ago, or an average of about \$5. The new 1938 models are expected to range from 15 to 25 percent higher than last season's merchandise, due to the advanced costs of steel, lead, zinc, copper, lumber, labor, and additional taxes.

"Even with this increase, prices of radio receiving sets still will be low, when consideration is taken of the array of new gadgets and refinements included. Some of the set-makers have not named prices, fearing labor difficulties, which would force them into union contracts. The mark-up of tubes of 10 to 12 percent in January really advanced the 11 popular tube types about 20 percent.

"All divisions of the industry reported a steady improvement in collections, which were classed as very good by manufacturers and wholesalers, and satisfactory by retailers. Recurrent strikes caused a temporary slump in installment collections in some districts, but the write-off of doubtful accounts has been insignificant this year."

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#### PHILCO STRIKE ENDS IN COMPROMISE ON WAGES

The Philco strike, which began just four weeks ago with a walkout of 8,500 workers, ended officially May 28th with the signing of a new agreement between the Philadelphia Storage Battery Company, makers of Philco radios, and officials of the United Electrical and Radio Workers Unions affiliated with the C.I.O.

A statement signed jointly by George E. Dening, Executive Vice-President of Philadelphia Storage Battery Company; Reese Llewellyn, President of Local 101; Fred J. McCall, Chairman of Executive Shop Committee of Local 102; and C. F. Bradley, President of Local 108, announced the termination of the strike at a meeting of the two groups after the vote taken Thursday afternoon and evening by the workers had been counted and had been overwhelmingly in favor of acceptance of the new agreement.

While no details of the settlement were announced, it is understood that the workers retained the 36-hour week, under which they had been working, and compromised on their demand for a ten-cent-an-hour wage increase by accepting a five-cent increase. Other points of disagreement were amicably worked out in the negotiations which began four weeks ago following the calling of the strike.

Trucks began at once moving material that had been lying in the shipping rooms and a general readying began in the plant preparatory to a return of the workers, which had been set for Tuesday, June 1st.

The Statement of the Company and Union officials pointed to the fact that the month-long strike had been conducted without a single case of disturbance, with little picketing, with no police protection, and with a fine spirit between management and workers.



"Officials of the United Electrical and Radio Workers Unions affiliated with the C.I.O., representing the workers in the Philadelphia Storage Battery Company and the management have reached an agreement on all points at issue, members of the Unions have approved this agreement and work will be resumed as rapidly as possible in the production of Philco radios", the statement of Mr. Deming and Union leaders pointed out.

"Work has been suspended for four weeks while negotiations have been in progress on the new contract between workers and the Company and every point at issue has been completely explored and satisfactorily adjusted.

"During that period in which the strike was in progress there has been a splendid demonstration of the fine spirit that always has pervaded the Philco family. Picketing of the various Philco plants has been carried on by small groups of men and women and always in the most orderly fashion. There were no efforts to use force, no disturbances, no bitterness engendered, no need for police or other protection. Office workers came and went about their duties, and there was evident a fair and friendly spirit on both sides and a sincere effort to fairly and completely adjudicate the points in dispute.

"It was made clearly evident that when there is a mutual respect between management and workers, and the proper relationship has been established over a period of years that agreements can be amicably and intelligently worked out without disturbance and without the use of any kind of force or pressure."

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#### CANADA TO BUILD TWO 50 KW. STATIONS

Plans for the immediate construction of two 50,000 watt transmitters near Montreal and Toronto have been announced by the Canadian Broadcasting Corporation. It is expected that the two stations will commence operating about October 1, according to Assistant American Trade Commissioner Avery F. Peterson, Ottawa, in a report to the Department of Commerce. The sites for the location of the stations have been selected because of their proximity to the Dominion's two principal cities and centers of broadcasting activities, the report states.

The construction plans include the proposed erection within two or three years of other high-powered outlets in the maritime provinces and in Western Canada. It is also expected that a high-powered shortwave station will soon be in operation in the Dominion to permit overseas broadcasts, it was stated. New exchange programs with Great Britain, the United States and France will be sought according to the report.

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PAYNE NON-COMMITAL AS HE IS SUGGESTED FOR N. Y. MAYOR

Commissioner George Henry Payne this week declined to state that he is or is not a candidate for the Republican nomination for Mayor of New York City, after his name had been put forward by W. Kingsland Macy, Suffolk County Republican Chairman.

It was stated on behalf of the Commissioner that he is now keenly interested in his work with the Federal Communications Commission and has not taken any steps to enter the New York mayoralty race. He denied, however, a published statement that he is not a candidate for the post.

Mr. Macy in a statement assailing the record of Mayor LaGuardia said, in part:

"As one who, with the assistance of George Henry Payne, was responsible for his nomination and election four years ago, I do not hesitate to say that not only has he been a mediocre Mayor, but his contemptuous attitude toward the Republican Party makes it impossible for that party to renominate him and retain its self-respect.

"I believe the party would do better at the polls and build better for the future if it were to nominate some Progressive Republican like George Henry Payne, whose work in the past two years in the Federal Communications Commission has attracted nation-wide attention."

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TELEVISION TO BORROW MOVIE TECHNIQUE, SAYS ENGINEER

Television will borrow from the motion picture technique in the beginning, Ralph R. Beal, supervisor of research of Radio Corporation of America, said in an address last week at Hollywood before the convention of the Society of Motion Picture Engineers.

Ultimately, however, he said, the peculiar needs of the new art will necessitate the development of its own art form, as well as a distinctive technique of presenting programs. He intimated that such favors as television receives from the sound motion picture in its early years will be returned with interest in devices and methods developed for television which also will lend themselves to adaptation to the Hollywood lot.

"You can teach us technique", he said, "but it must be almost inevitable, if television is to achieve its own requirements in technique that we shall one day be offering you in return technical short-cuts to production."

He said there was good reason for his belief in that the earlier development of radio and electronics, stimulated by the coming of sound broadcasting, had incidentally given rebirth to the motion picture, by adding sound to sight.

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## HEARING SCHEDULED ON ZENITH TELEVISION REQUEST

A hearing before an Examiner was scheduled this week by the Federal Communications Commission on the application of the Zenith Radio Corporation, Chicago, for a construction permit to erect and operate a television station using 42000-56000 and 60000-86000 kc. with 1 KW power. It will be held in the FCC offices on June 30 at 10 A.M.

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## ARNOLD QUILTS AS TELEGRAPH DIRECTOR OF FCC

Carl F. Arnold, Assistant General Counsel of the Federal Communications Commission in charge of telegraph matters, this week tendered his resignation to become effective July 1st. It was stated he will return to his post as Dean of the University of Wyoming Law School.

Mr. Arnold's name has been mentioned as a prospect for appointment to the FCC to succeed Dr. Irvin Stewart, who will leave the Commission on June 30th.

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## FCC OPPOSES 5-YEAR LICENSES, DODGES PRESS DECISION

The Federal Communications Commission has informed Congress that it is opposed to legislation proposing 5-year licenses for broadcasting stations and that the question of curbing newspaper ownership of radio stations is one for Congress to decide.

Anning S. Prall, Chairman of the FCC, writing to the House Interstate and Foreign Commerce Committee, regarding the Anderson bill, said:

"The art of radio broadcasting is rapidly changing. . . It is conceivable that the adoption of this bill would tend to 'freeze' existing conditions. . . It has been the experience of the Commission that changes in the allocation of frequencies may be expeditiously accomplished under shorter term licenses."

In another report to the same Committee on the Wearin bill to separate newspaper and radio control, the Commission said:

"The determination of the necessity or desirability of amending the Communications Act to add a statement of policy along the lines of HR 3892 appears to rest within the discretion of Congress."

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FCC SUBMITS DATA TO SENATE IN MACKAY-RCA CASE

In accordance with a request sponsored by Senator Borah (R.), of Idaho, the Federal Communications Commission this week submitted to the Senate a voluminous file of records in the case of the Mackay Radio & Telegraph Company's application for a permit to establish an office in Oslo, Norway.

Senator Borah had asked for the information to determine whether charges that the FCC is fostering the development of a monopoly in the radio communication field are correct.

Mackay's application was rejected by the Commission on the ground that R.C.A. Communications, Inc., already serves Oslo.

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SPECIAL COUNSEL NAMED BY FCC IN SEGAL-SMITH CASE

Anticipating a bitter fight, the Federal Communications Commission this week appointed Samuel F. Kaufman, of New York City, as Special Counsel to represent it in the disbarment proceedings instituted against Paul M. Segal and George S. Smith, Washington radio lawyers.

Mr. Kaufman is a noted trial lawyer, having formerly been Special Assistant to Attorney General Cummings in the prosecution of immigration fraud cases in New York.

Messrs. Segal and Smith have not yet filed their answers to the charges brought against them by the FCC, but they have until June 19th to do so.

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TWO ADDITIONAL FREQUENCIES RECOMMENDED FOR MACKAY

A favorable report was filed with the Federal Communications Commission this week by Examiner R. H. Hyde on the application of the Mackay Radio & Telegraph Co. for two additional radio frequencies. The waves sought are 2848 kc. for WMZ, New York, and 2784 kc. for WNEJ, Washington, D. C.

A similar recommendation was made recently upon the application of R.C.A. Communications, Inc.

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::: TRADE NOTES :::  
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Granting of a permit for the construction of a new broadcasting station at Festus, Mo., was recommended to the Federal Communications Commission this week by Examiner P.W. Seward. The facilities requested are 1420 kc. with 100 watts power, daytime.

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A continued gain by NBC's Western Division as a source of sponsored network programs is revealed in NBC's Program Analysis for April. The Western Division supplied 26.0 percent of the sponsored program hours last month, against 21.5 percent in March of this year, and 23.6 percent in April, 1936.

The Eastern Division supplied 49.1 percent, against 53.1 percent in March and 44.3 percent in April 1936, and the Central Division 24.9 percent, against 25.4 percent in March and 32.1 percent in April, 1936.

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The Continental Radio Co., a subsidiary of the Scripps-Howard Newspaper Alliance, has filed applications with the Federal Communications Commission to change its name to Scripps-Howard Radio, Inc.

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The Federal Communications Commission will resume hearings in the telephone investigation now being conducted under and pursuant to Public Resolution No. 8 of the 74th Congress, at 10 A.M., Thursday, June 17, 1937, at the offices of the FCC at Washington, D. C.

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For the first time, NBC is issuing separate rate cards for the Red and Blue networks. The two new cards, No. 23B and No. 23R, effective July 1, now include 19 stations added since last card was issued, Dec. 15. Rates are the same on the new cards with the exception of WOAI, San Antonio, which takes the new rate of \$260 per evening hour.

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The Federal Communications Commission has designated Thad H. Brown to have charge of organizing and carrying forward the work incident to the "Special study of the radio requirements necessary or desirable for safety purposes for ships navigating the Great Lakes and the inland waters of the United States", provided for in Section 15 of Public Order No. 97, approved May 20, 1937, (S.595).

Commissioner Brown said that a study of the preliminary plans for carrying out the purposes of the amendment will be started at once, and that plans will be announced as they are developed.

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E. R. Cullen, Assistant Operating Engineer of the National Broadcasting Company sailed on the French liner "Normandie" Wednesday to make a survey of the ship's radio problems and to instruct the ship's operators in the technique of broadcasting. He will conduct several test broadcasts from the high seas.

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The United States Court of Appeals this week affirmed the action of District Court in dismissing a suit brought by Hearst Radio, Inc., to compel the heirs of the late M. A. Leese to sell to it a majority of the shares of stock in WMAL, Washington, D. C.

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James W. Baldwin, NAB Managing Director, will attend the meeting of the Texas Broadcasters' Association, at Houston, Texas, on June 5.

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Bernard Licht, trading as Licht's Fur Factory, 102 West Twenty-Ninth St., New York City, has been ordered by the Federal Trade Commission to cease and desist from making certain false and misleading representations, by means of radio broadcasts or otherwise, in connection with the interstate sale of furs and fur garments.

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The Telegraph Division of the Federal Communications Commission this week issued an order covering the rates for governmental communications by telegraph from July 1, 1937, to June 30, 1938.

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The National Broadcasting Company has informed its sponsors and advertising agencies that, pending a general ruling on Social Security payments, it has assumed the responsibility of classifying sustaining artists as employees or independent contractors according to its best judgment.

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Tourist traffic through the NBC studios in Radio City hit a new high figure of 10,665 persons over the Decoration Day week-end. Sunday's total of 5,136 was the highest of the three-day period.

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The Federal Communications Commission this week granted a construction permit for the erection of a new broadcasting station to the Lincoln Memorial University, at Middlesboro, Ky., to use 1210 kilocycles, 100 watts and unlimited time on the air.

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6/4/37

WRVA HEARING SCHEDULED FOR JUNE 10

A hearing on the application of WRVA, Richmond, Va., for a construction permit to increase its power to 50 KW. on its present frequency of 1110 kc. will be held before a Federal Communications Commission Examiner the morning of June 10th.

The applicant also is asking permission to move its transmitter and install a directional antenna.

Nine other stations and applicants have been notified as respondents in the case. They are the "Voice of Detroit", WISN, WMBG, KSOO, WCNI, WWVA, WLWL, WDEL, and WPAN.

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CBS BILLINGS FOR MAY UP 45.9% OVER 1936

Time sales on the Columbia Network for May, 1937, totalled \$2,552,374, an increase of 45.9% over the May, 1936, total of \$1,749,517.

Cumulative total for the first five months of 1937 reached \$12,318,505, an increase of 27.2% over the same period last year (\$9,683,007).

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WIFE OF GENERAL HARBORD DIES

Funeral services were held Sunday last in St. Bartholomew's Church, New York City, for Mrs. Emma Ovenshine Harbord, wife of Major Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America. Mrs. Harbord died Saturday at her home in Rye. She was 70.

The honorary pallbearers were President Manuel Quezon of the Philippines, James R. Sheffield, Major Generals Robert C. Davis, Dennis E. Nolan, William D. Connor and Frank R. McCoy; Brig. Gen. P. E. Pierce, Colonel David Sarnoff, Captain Fielding S. Robinson and Captain R. Norris Williams.

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6/4/37

## SPARKS--WITHINGTON SIGNS FTC STIPULATION

The Sparks-Withington Co., Jackson, Mich., engaged in the sale of Sparton radios, has signed a stipulation with the Federal Trade Commission to discontinue representations that Sparton radio tone control makes reception possible under any condition, and that by use of the Sparton, programs are received clearly and distinctly from all American stations or from various foreign countries or from outpost stations in remote parts of the world.

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## HUGE AMERICAN TELEVISION SERVICE FORESEEN BY HANSON

An American television service of "stupendous proportions", built with the help of dozens of sciences, is foreseen by O. B. Hanson, Chief Engineer of the National Broadcasting Company, in an article published in the current issue of the RCA Review. Hanson describes the solution of some of the problems encountered in NBC's television studios by borrowing from all fields of science.

"To mention but a few", he writes, "it would be necessary to include optics, electronics, lighting, motion pictures, radio engineering, acoustics, air conditioning, photography, etc. The coordination of these sciences and the development of techniques which are applicable to television is a continuing process. The television field can only be briefly surveyed at this time, but from present knowledge there is ample reason to anticipate a public service of stupendous proportions, a medium with new engineering techniques, new program ideas, new talent and new commercial application."

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## RCA DECLARES 87½-CENT DIVIDEND

David Sarnoff, President of the Radio Corporation of America, announced last week that quarterly dividend number five of the outstanding shares of the Corporation's \$3.50 Cumulative Convertible First Preferred stock was declared by the Board of Directors.

The dividend is 87½ cents a share, covering the period from April 1 to June 30, 1937. It is to be paid on July 1, 1937, to the holders of record of such stock at the close of business on June 10, 1937.

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**CONFIDENTIAL — Not for Publication**

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June 8, 1937.

## CONGRESS HIT FOR FAILURE TO CURB UNIONS IN RMA ADDRESS

That Congress knows the dangers but fails to control labor union intimidation and coercion of employees and also employers was deplored by John W. Van Allen, of Buffalo, New York, General Counsel of the Radio Manufacturers' Association, in an address Tuesday to radio industry leaders at the Stevens Hotel, Chicago.

While business and industry are strictly regulated, the Wagner Labor Act fails to regulate or control union operations, Mr. Van Allen told the Thirteenth Annual Convention of the Radio Manufacturers' Association, and subjects minority employees as well as employers to unrestrained acts of "outside" pickets some of whom "hate all forms of government and all laws and are expert in the art of discontent."

The annual convention of the national radio manufacturers was presided over by Leslie F. Muter, of Chicago, President of the trade organization. Officers will be elected and the annual industry banquet will be held tomorrow (Wednesday) evening at the Stevens Hotel. A national trade show of radio parts and accessories will open Thursday.

"The Wagner Act pretends to give to employees freedom of choice of union or non-union or whatever union, and of representatives for collective bargaining", Mr. Van Allen told the radio manufacturers, "but by failure to safeguard the exercise of these rights, freedom of choice is in effect denied."

"Congress knows these defects exist and still does not remedy them, and persons in high places are using unsound and specious arguments that the law, as is, with all its defects, should be tried out and without amendment, with all of the grief and burdens and tremendous losses which such a tryout involves. If the law is admittedly defective, why wait for some catastrophe to happen before taking steps to prevent it?"

"Business and industry have been constantly subjected to greater and more restrictions, sometimes wisely and sometimes most unwisely, but labor unions have not, even though the need for them has long been clearly apparent and is strikingly apparent today. We are becoming more and more nationally regulated as well as state regulated, while those who sell services to our employees (labor unions) remain unregulated."

6/8/37

While the Wagner Act confirms a century-old right for collective bargaining of employees, Mr. Van Allen stated that it does not protect minority employees and does not prohibit threats and interference, coercion or intimidation in elections by employees of their bargaining representatives.

"It permits competition by local unions and national unions", Mr. Van Allen continued, "for the business of performing services for hire in negotiations of compacts of employment, but it does not prohibit the securing of such business by them through threats, interference, coercion or intimidation or other unfair methods. It does not prohibit a unionized group from discriminating against non-union men.

"Today, freedom of men employed is menaced by unscrupulous practices of outsiders in seeking to procure, not by request of a majority, but by threats, intimidations, coercion and extravagant claims, the right to act as a bargaining agency for hire and by outside pickets never in the employ of those against whom they strike and who dislike - yes, hate - all forms of government and all laws, and are expert in the art of discontent. Still State and Federal legislators fail to face the reality by correcting the condition before irreparable damage is done, and public officers, sworn to enforce the law, have in too many instances acquiesced in these illegal and unwarranted practices by refusing aid to maintain law and order by both parties to the controversy.

"And for a time, at least until safeguarded in their freedom of choice to join unions or no unions, by amendment to the Wagner Act, working men will be intimidated, coerced and threatened by service unions, joined by outsiders zealous to create disturbances, to compel employment of their services for compensation."

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MAY TIME SALES UP 23% OVER NBC

Network advertisers for the eighth successive month, and the tenth such month in the company's history, used more than three million dollars worth of time on the National Broadcasting Company during May. Their gross expenditures totaled \$3,214,819, against \$2,561,720 for the same month a year ago, or an increase of 25.5 percent.

May figures bring the total for the year to \$16,944,720, compared to \$13,737,636 for the first five months of 1936, a gain of 23.3 percent.

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## LICENSEE CHARGED WITH LAW VIOLATION IN BUYING STATION

An Examiner of the Federal Communications Commission this week cracked down on alleged irregularities in the double sale of WMBO, of Auburn, N. Y., and recommended that the second transfer be disapproved.

The report by Examiner P. W. Seward was made upon the application of Roy L. Albertson to transfer control of WMBO to the Auburn Publishing Co. Examiner Seward charged that Albertson violated the Communications Act of 1934 by purchasing control of WMBO without asking the Commission's approval and then turned around and sold the station's stock and thus committed "an open, flagrant, and wilful violation of the law and knowingly done by him, which discloses an utter disregard of the law and the regulatory authority of the government."

The FCC was obviously asleep at the control, the report brings out, in that Albertson bought the Auburn station in February, 1936, and in the following October filed an application to increase the station's power.

"It will be noted that this application was filed prior to the grant of the application to buy and take control of the station", the Examiner said. "This application was considered and granted without hearing on November 24, 1936."

The Examiner found that the \$15,000 with which the Auburn Publishing Company has bought WMBO is "far in excess of the valuation of the properties."

Finally, the report criticized the conduct of the publishing company, which already had assumed control of the station before the application for a transfer was filed. The Examiner said:

"The Auburn Publishing Company, transferee, is the owner and publisher of the only daily newspaper published in the City of Auburn, and if this application be approved and license issued to it to operate Station WMBO, the Auburn Publishing Company would have a virtual monopoly on all local advertising media available in the city of Auburn. It is true that newspapers published in other cities have a heavy circulation in the city of Auburn - much in excess of the local paper - but there is no local competition in the form of a daily or weekly newspaper in the Auburn advertising field other than a 'throw-away paper.'"

"The acts and conduct, as heretofore set out, of the Auburn Publishing Company, transferee, since it bought the stock of WMBO, Inc.; the exercise of domination and control over Station WMBO by it; and the obligation and expense of approximately \$15,000.00 incurred by it in rebuilding the station to operate with increased power, all tend to show a flagrant violation of the law and a disregard for the regulatory authority of the Government."

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FCC WOULD BE FREE OF PRESIDENT UNDER BROOKINGS' PLAN

The Federal Communications Commission, along with other independent Boards and Commissions of the Federal Government, would be maintained free of presidential control were the recommendations of the Brookings Institution to be adopted.

In a report to the select Senate Committee on Reorganization, the Brookings Institution this week cited the danger that "newer policies of social control be the football of politics."

A previous report submitted by President Roosevelt to Congress recommended that most of the independent boards be absorbed by various executive departments. The FCC was slated to go back to the Commerce Department.

Regarding these independent agencies, the Brookings' report stated:

"In case the independent boards and commissions were placed within executive departments there undoubtedly would be strong control established over sub-legislative and administrative activities of the regulatory authorities.

"To the contention that large fields of public policy are dominated and controlled by these commissions, the answer is that they should be. It is not desirable that these newer social policies be the football of politics.

"These boards and commissions are agents of Congress, both for the making of investigations for Congress and the formulation of sub-legislative policy. They are in no sense agents of the President. In case the President should control their administrative activity, he would almost of necessity also control their policy."

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9,000,000 RADIO SET SALES SEEN FOR 1937

Record-breaking sales this year of 9,000,000 radio receiving sets are expected by industry leaders who will be in session all this week at the Stevens Hotel for the Annual Convention of the Radio Manufacturers' Association. Also there will be a national trade show of radio parts and accessories.

This year's radio sales already are up 17 percent, even before the present introduction of new, modern lines of receivers.

Over 140 manufacturers will have exhibits at the national trade show of parts and accessories, opening in the Stevens Hotel exhibition hall Thursday, June 10, and continuing to June 13. This is a national trade show, not open to the public. Also there will be an annual convention of the Institute of Radio Service Men and other radio organization meetings.

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## RISE IN STATION'S POWER HELD CUT IN SERVICE AREA

An increase in broadcasting power may not always bring about a corresponding expansion of the listening area, a report by an Examiner of the Federal Communications Commission disclosed this week.

Submitting an adverse report on the application of WMBH, of Joplin, Mo., for a permit to transfer from 1420 to 1380 kc. and increase its power from 100 watts nighttime and 250 watts daytime to 500 watts, Examiner P. W. Seward said:

"In view of the facts adduced at this hearing, which show that the coverage of the station as proposed would be approximately the same for daytime service, and would be less for nighttime service than as now operated, no additional service would be rendered to the area proposed to be served. Consequently a need for the proposed service has not been shown.

"No objectionable interference to the fair and efficient operation of any existing broadcast station now licensed would be expected by the operation of Station WMBH as proposed. The transmitting equipment and antenna, also the transmitter site, seem to comply with the rules and regulations of the Commission. However, if the application be granted, the towers will, of course, have to be marked and lighted in accordance with the instructions to be furnished by the Engineering Department of the Commission.

"The station, if operated as proposed, would serve a smaller combined night and day area than it now serves. The only benefit that might accrue would be to the applicant corporation by granting it the use of a regional frequency upon which it expects to predicate increased advertising rates, when in fact the service area will not be increased. The use of a regional frequency as proposed would restrict the applicant's service area to a smaller territory than is now being covered by the use of a local frequency. Such employment of a radio frequency is not considered to be an economical use of same, consequently the granting of this application would not serve public interest, convenience or necessity."

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The total number of registered German owners of radio receiving sets on April 1, 1937, amounted to 8,511,959, or 28,829 listeners more than at the beginning of the preceding month, which represents an increase of 0.3 percent. Of the total number of listeners, 607,643 were freed from the payment of the monthly radio fee.

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6/8/37

## BUREAU OF STANDARDS CITES STUDIES OF IONOSPHERE

A resume of studies made by the U. S. Bureau of Standards of the relation of the ionosphere to radio transmissions is carried in the current Technical News Bulletin published by the Department of Commerce. A more complete account, however, may be found in the June number of the Journal of Research.

Following is the resume as carried in the Bulletin:

"The ionosphere consists of several layers of ionized or electrically conducting air from 60 to 300 miles above the earth. These layers act as reflectors for radio waves and make possible radio transmission over long distances.

"Depending on the degree of ionization of a layer, there is an upper limit to the frequency which, when the waves are sent straight up, may be reflected from the layer. Radio waves of frequencies greater than this upper limit, or critical frequency, go completely through the layer and pass entirely out into space. The critical frequency for each layer varies with the hour of the day, season of the year, and also over a long period which seems to be associated with the 11-year sunspot cycle.

"The air in these layers is ionized principally by ultra-violet light from the sun. Consequently, the critical frequency would be expected to be greater during the day than during the night and greater during the Summer than during the Winter. This is true for the lower layers, called E and F<sub>2</sub> layers. The uppermost, or F<sub>2</sub> layer does not behave so regularly but attains its daily maximum critical frequency shortly after noon from October to March and about sunset from April to September. Strange as it may seem the maximum in the former period is considerably greater than in the latter. After sunset the critical frequency decreases but does not fall to zero.

"The use of a multifrequency automatic recorder has made it possible to secure hourly ionosphere records at the Bureau since May, 1933. The recent adoption of the idea of multifrequency automatic recording and the principle of this recorder by the Carnegie Institution of Washington, British Radio Research Board, Australian Radio Research Board, and Harvard University will increase enormously the continuity and value of ionosphere data, which will in turn greatly increase our understanding of world-wide ionosphere and radio transmission conditions.

"The average critical frequencies and heights of the several layers, as measured near Washington, D. C., for each hour of the day for each month from May, 1934, to December, 1936, inclusive, are plotted in RP1001 by T. R. Gilliland, S. S. Kirby, N. Smith, and S. E. Reyner, which will be published in the June number of the Journal of Research.

"The upper limits for frequencies which can be used for transmission over long distances are several times greater than, but proportional to, the critical frequencies. Therefore, higher frequencies may be used for transmission during the Winter day than at any other time, and higher frequencies may be used during the Summer evening than at any other time of the Summer day. Also, because of the increased sunspot activity, higher frequencies could be used in 1936 than in 1933.

"In addition to the critical frequencies, the heights of the layers, and the amount of absorption of the radio waves play an important part in long-distance radio communication. The effects of these are discussed in the paper, and also two types of irregular disturbances of the ionosphere, which affect radio transmission."

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#### TOKYO PLANS 150 KW STATION, SEES INDUSTRIAL BOOM

Japan will shortly build a 150 KW broadcasting station in Tokyo and plans to construct other high-power transmitters to keep abreast of the world trend, according to the Tokyo press.

"The Osaka Mainichi and The Tokyo Nichi Nichi", in a special electrical section, state:

"In order to minimize the zones of radio interference, various countries have of late been devoting great efforts toward curtailing broadcast power. Observing a strict apportionment of wave lengths, nations are taking steps reciprocally to avoid interference. In other words, they are enforcing, in effect, a radio control,

"In this respect, considerably effective results have been achieved so far between Japan and the United States. In Europe, however, where many small countries are close together, stations are comparatively near to each other. Consequently, a confusion of wave lengths is practically inevitable.

"Hoping to mitigate the situation, the International Broadcasting Union of Europe has been formed to study suitable measures, but as might be expected, wave lengths cannot be controlled as thoroughly on an international scale as they can be on a domestic basis. Consequently, nations are individually making efforts to check interference from abroad, at the same time protecting their own broadcasting wave lengths. In addition, various nations are vying to construct powerful radio stations in order to carry out demonstrations and propaganda against their neighbor countries.



"In the light of this trend, a 500 kilowatt experimental broadcasting station has been established in the United States. Plans are also under way in Mexico for the establishment of a 500 kilowatt station. In China, in addition to a 75 kilowatt station at Nanking at present, a new 100 kilowatt station is projected at Peiping. In Manchoukuo, a 100 kilowatt station has been opened at Hsinking.

"In the light of these circumstances and to enhance the effectiveness of its broadcasting, Japan will soon realize the construction of a 150 kilowatt station in Tokyo, as well as others. With the spread of the radio as explained above, the development of the radio parts manufacturing industry is an aspect that merits attention.

"The Hayakawa Industrial Co., Ltd., of Osaka is the most noted (in Japan) as makers of radio sets. Among the leading makers of radio parts are the Matsushita Electric Works, Ltd., of Osaka, the Hayakawa Industrial Co., Ltd., Sumitomo Densen Seizosho, Ltd. and others."

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#### RIVER STEAMER AT CAPITAL LACKS SAFEGUARD OF RADIO

An excursion steamer that carries many Washington notables on short trips over the Potomac River operates without the safeguard of a radio communication set although it has been in trouble twice already this season.

The steamer, the Potomac, has its first trouble this year while carrying Vice President Garner and other notables to Quantico, Va., for the annual National Press Club outing. This week it broke down again with 350 Washingtonians on board. They were forced to spend 12 hours on board while an engineer went ashore in a small boat and telephoned for aid.

While recent amendments to the Federal law relating to safety at sea broaden the scope of the requirement for radio equipment on ships, they do not yet affect small river steamers such as those operating out of the National Capital.

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Denial of the applications of the Curtis Radiocasting Corp., Indianapolis, and WKBV, Richmond, Ind., for permits to use 1500 kc. specified and unlimited hours, respectively, was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin.

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TRADE NOTES

According to an announcement by Admiral Luke McNamee, President of the Mackay Radio and Telegraph Company, Mackay Radio operations on the Atlantic Seaboard have been placed in charge of H. L. Rodman as General Manager. Mr. Rodman was formerly General Superintendent at San Francisco. He will have charge of domestic radiotelegraph service involving Eastern cities, service with ships in the Atlantic region, and the direct radiotelegraph circuits to points in Europe and Latin America.

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A working arrangement has been developed between a radio station, WROK, of Rockford, Ill., and a group of seven weekly newspapers operated by the Associated Publishers of Durand, Ill. In return for a halfhour broadcast period, the papers publish the station's publicity and advertisements.

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Effective Sunday, September 26, 1937, Mutual Broadcasting System programs will be released over Stations WJAY and WHK, Cleveland, of the United Broadcasting Company, subject to the availability of these stations, it was announced this week. Mutual network programs are currently heard in Cleveland over WGAR.

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B. J. Grigsby, former President of Grigsby-Grunow Company, is reported to be the backer of a successful restaurant at 79 E. Randolph Street, Chicago, Ill., known as "Fish and Chips" where fish and potato chips are sold exclusively.

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Charging unfair competition in the sale of "Cosray Vitamin D Soap", the Federal Trade Commission has issued a complaint against Los Angeles Soap Co., trading as Cosray Products Co., 617 East First St., Los Angeles. The respondent advertises via radio and other media.

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The granting of a construction permit to build a new broadcasting station at Bend, Ore., for operation on 1310 kc. with 100 watts nighttime and 250 watts daytime, unlimited hours, was recommended by Examiner George H. Hill to the Federal Communications Commission this week. The application is The Bend Bulletin.

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An increase in power from 500 watts to 1 KW for KIEM, Eureka, Cal., was recommended to the Federal Communications Commission this week by Examiner P. W. Seward.

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6/8/37

## ZENITH SETS EARNING RECORD FOR PAST FISCAL YEAR

Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, this week advised Zenith stockholders that the company for the second consecutive year exceeded all previous earning records, not excluding 1929.

Zenith's net profit after depreciaion and taxes are deducted for the year ending April 30, 1937, amounted to \$1,904,073.

"An indication of the company's rapid progress", Commander McDonald said, "toward undisputed leadership in the industry is the increase in the number of dealers now handling its products. Two years ago there were 3,500 dealers distributing Zenith products throughout the United States. A year ago this number had grown to 13,000, and there are now over 20,000 Zenith dealers in the United States."

Regarding television Commander McDonald said:

"Your company has consistently refused to be stamped into prematurely placing on the market its television apparatus in the present stage of development. Many problems, both technical and commercial, are yet to be solved before television can be offered to the public for general use. While some publications have given space to the fact that we have applied to the Federal Communications Commission for a television transmitter permit, this transmitter is intended to be used primarily for experimental purposes. Our television engineering department is keeping abreast of the progress being made in this field and is continuing its development work."

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## MUTUAL BILLINGS FOR MAY \$133,431.44

A 2.7 percent increase in time billings is reported for the Mutual Broadcasting System for the month of May, 1937, in comparison with the same month's figures in 1936.

Total billings for May, 1937, were \$133,431.44. For the same month in 1936 they were \$129,907. Cumulative billings for the first five months of 1937 total \$917,184.61, a 16.2 percent increase over the same period in 1936. For the same period in 1936 they 3454 \$789,847.98.

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6/8/37

"GHOST ENGINEER" WILL STEP UP SIGNAL OF CBS STATIONS

An increase in signal intensity equal to that which would be produced by doubling the power of the transmitter is about to be established on eight major Columbia stations and will be extended ultimately to all CBS-owned or operated stations. This improvement will be brought about this month with only a minute addition of electricity used in the transmission process.

The explanation for this seeming paradox traces back to a small black box, about the size of a berry-crate and covered with switches, dial and indicators. This unpretentious looking gadget is known technically as an "automatic peak volume limiter", and represents the result of years of research by engineers of the Bell Telephone Laboratories. At the control panel of a radio transmitter, it serves the role of "ghost engineer" constantly on the alert for every fluctuation in the intensity of the signal which is pumped into the broadcast transmitter.

This month, after exhaustive tests, CBS is giving the ghost engineer its first commercial employment at WABC, New York; WBBM, Chicago; WCCO, Minneapolis and St. Paul, Minn.; WBT, Charlotte, N. C.; WJSV, Washington, D. C.; WEEI, Boston; WKRC, Cincinnati; and KNX, Los Angeles. The new instrument will also be installed in Columbia's new international short-wave transmitter, W2XE.

The "ghost" performs much the same function for a radio transmitter that a thermostat performs for an oil burner or a robot pilot for an airplane. It automatically keeps the signal intensity of a program from increasing above a pre-determined volume level. This level is slightly below the station's maximum modulation or signal capacity. To go above this maximum would mean distorted reception in the home or the destruction of expensive equipment in the transmitter.

To stay below this danger point, engineers were hitherto obliged to dial down manually to an average signal intensity of about 30 percent of modulation. With the aid of the fool-proof, automatic "peak volume limiter", they can safely boost the average to 50 percent or more. To produce this same gain in signal intensity without the help of the device, it would be necessary to double the station's power.

Eventually it is expected that the new control unit will be installed in transmitters throughout the entire Columbia network.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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SYKES TO ADDRESS OPENING SESSION OF NAB MEETING

Judge Eugene O. Sykes, veteran Chairman of the Broadcast Division of the Federal Communications Commission, will address the National Association of Broadcasters at its opening session Monday, June 21st, in Chicago. His topic will be "The Duty and Responsibility of the Broadcasters."

The NAB will change the traditional convention procedure, it was disclosed this week when James W. Baldwin, Managing Director, announced the complete program for the meeting. Instead of holding the election of officers at the final session, the NAB will select its leaders on the second day. The Resolutions Committee will report at the same time.

While no major issues are on the NAB agenda, there are indications that the copyright issue will be again injected into the proceedings. There are also rumors that NAB members want to start a movement for the employment of a radio czar, such as the movie industry has in Will Hays.

Several amendments to the NAB constitution and by-laws are to be considered. Among these will be an increase of 50 percent in membership dues.

The annual election of officers will occupy the chief interest at the opening of the convention. Four officers and six directors must be elected. The incumbent president, C. W. Myers, of Portland, Ore., may be a candidate for re-election. There are a dozen or more other active candidates for the post, however,

The first day's session will include, besides Judge Sykes' address, speeches by the President, Mr. Myers, and the Treasurer, Harold Hough, of Fort Worth, Texas, and a report by Mr. Baldwin. There will be no afternoon session.

Following election of officers on Tuesday morning, the Engineering Committee, headed by J. H. DeWitt, of Nashville, will report.

The Wednesday sessions will be occupied with numerous reports and papers. The convention will close with the banquet Wednesday night, the 23rd.

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6/11/37

RUMORS FOCUS ON GARY, LANHAM FOR STEWART'S SUCCESSOR

With only a fortnight remaining before the term of Dr. Irvin Stewart will expire as member of the Federal Communications Commission, the broadcasting industry awaited eagerly the appointment of his successor this week.

Rumors included a half dozen prospective candidates, but the best informed reports centered about Hampson Gary, now General Counsel of the FCC, and Representative Fritz Lanham (D.), of Texas.

Oddly enough, both are from Texas, as was Dr. Stewart. Mr. Gary served a short term on the Commission before becoming General Counsel.

The names of former Representative Driscoll, of Pennsylvania, now Chairman of the State Public Utilities Commission, and T.A.M. Craven, Chief Engineer of the Commission, were still being mentioned, but not with such assurance as those of Messrs. Gary and Lanham.

Possibility that a dark horse may be selected by President Roosevelt was seen in his delay in making a choice. One report had it, moreover, that Majority Leader Rayburn, of the House of Representatives, had added confusion by endorsing a candidate whose identity was uncertain.

Although last year there were rumblings of discontent from Western Senators that there is no far Westerner on the Commission, it was understood that a group of the Western bloc had agreed that they have no candidate and have endorsed Mr. Gary. Senator Sheppard, of Texas, is reputedly supporting Mr. Gary, while Senator Connally has endorsed a minor candidate from his locality.

One thing in Mr. Gary's favor is the forthcoming International Radio Conference at Cairo. Because of the need for diplomacy at this meeting, the State Department may suggest that Mr. Gary, who was formerly U. S. Minister to Egypt, and who had served in the State Department for 7½ years, had been called to the Paris Peace Conference as an advisor by President Wilson, would be a valuable member of the Egyptian delegation.

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6/11/37

MUTER RETAINED AS RMA HEAD; DIRECTORS ELECTED

Leslie F. Muter, President of the Muter Company, of Chicago, was re-elected President of the Radio Manufacturers' Association, this week at the closing session of the convention in Chicago. It will be his fourth term.

Fred D. Williams, of Philadelphia, was re-elected Treasurer, and Bond Geddes was retained as Executive Vice-President in charge of the Washington office. John W. Van Allen, of Buffalo, remains as General Counsel.

The RMA adopted an amendment increasing the number of Directors from 18 to 25.

Directors who were re-elected are:

David Sarnoff, RCA; James M. Skinner, Philco; Paul V. Galvin, Motorola Co., Chicago, and Arthur T. Murray, United American Bosch Co., Springfield, Mass., representing set manufacturers; David T. Schultz, Raytheon, New York; Arthur Moss, Solar Co., New York, and Phil C. Lenz, Lenz Electric Co., Chicago, representing parts manufacturers.

The seven new members are P. S. Billings, Belmont Radio, Chicago; S. T. Thompson, Pilot Radio, Long Island City; Ernest Alschuler, Earla Radio, Chicago; H. E. Osmun, Central Laboratories, Milwaukee; Ray F. Sparrow, P. R. Mallory Co., Indianapolis; Jerome J. Kahn, Standard Transformer Co., Chicago, and Samuel J. Cole, Aerovox Co., New York.

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ADDITIONAL WAVES RECOMMENDED FOR HEARST RADIO, INC.

A favorable Examiner's report was filed with the Federal Communications Commission this week on the application of Hearst Radio, Inc., for additional point-to-point frequencies to use in its press communication service between New York, Chicago, and San Francisco.

Examiner R. H. Hyde recommended that Hearst Radio be granted authority to use 10,090 kc., unlimited time on WEEW, New York, WEEW, Chicago, and KGXQ, San Francisco, and 15,565 kc. on WEEW and 7,625 kc. on KGXQ, nighttime.

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## RCA-VICTOR BOOSTS WAGES AT CAMDEN PLANT

Wage increases ranging from 3 to 5 cents an hour for 8,500 employees of the Camden plant of RCA Victor Co. were announced by Robert Shannon, Vice-President, this week.

In a notice to the employees, Mr. Shannon said:

"Since the last general wage increase prior to the first of this year, we have continued to study base rates of pay. Our study shows that our rates are much higher than the general radio industry. However, we are pleased to announce increases effective Monday, June 7th, as follows:

"3¢ per hour added to the present base rates for all female employees.

"4¢ per hour added to the present base rates for all junior male employees.

"5¢ per hour added to the present base rates for all senior male employees.

"These increases apply to starting rates and all intermediate steps.

"These increases are in keeping with our desire to maintain base rates equal to or better than prevailing rates in similar industries of this area."

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## BBC TO GIVE EXTRA TELEVISION HOUR FOR TRADE

The British Broadcasting Corporation has announced that, for trade purposes only, an extra period of television, lasting approximately an hour, will shortly be given every weekday morning between 12:30 and 1:30 P.M. A special film, surveying the activities of television since the opening of the service about six months ago, has been produced by the BBC and will be shown every day in the extra hour. This transmission is intended solely for the benefit of manufacturers and those engaged in the sale of television sets, and not for the entertainment of home viewers.

In order to effect certain internal adjustments and to make improvements in studio facilities at Alexandra Palace, arrangements have been made, with the concurrence of the Television Advisory Committee and with the approval of the Postmaster-General, for television transmissions to be suspended for a period of three weeks, beginning Monday, July 26th.

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## RADIO TRADE IN JAPAN SHOWS STEADY GROWTH

"The radio trade of Japan has shown a steady and healthy growth during the past twelve years", according to a report carried in Broadcasting in Japan, just issued by the Broadcasting Corporation of Japan. "As early as 1925, large number of foreign made parts and receiving apparatus had been sold, but today almost all of these are seen replaced by those of domestic manufacture.

"Since the introduction of approval system for wire-less receiving sets and parts by the Broadcasting Corporation of Japan, seven years ago, the manufacturers have shown marked improvements in the design and the quality of their products.

"These sets occupy nearly thirty percent of the total receiver production, while nearly eighty percent of the parts manufactured in the country are those approved by the B.C.J.

"The year, 1936 has proven to be the biggest in the radio trade years of the past. The total number of receiving sets sold during the year is figured at about 1,200,000 and that of vacuum tubes for reception only amounted nearly 10,000,000. The total sales amount of the sets and parts can be safely figured at 40,000,000 Yen.

"Such was caused mainly by the phenomenal increase in the number of listeners for the country and by the growing tendency among listeners to exchange the old obsolete sets for the better ones, added also by the marked increase in exports trade demanded by neighboring countries.

"The future of Japanese radio manufacturing and trade seems promising for many fundamental reasons: - Firstly the radio listeners are expected to increase in greater rate for many years to come, due to increase in the number and the power of stations and its popularity among great mass of population; secondly, the manufacturing art of radio sets, developing rapidly with the constant, technical improvement, encourages export trade among oriental countries, as well as to occident."

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MASON-DIXON GROUP SEEKS TRANSFER OF CONTROL

Six Eastern stations now controlled by Mason-Dixon Radio Group, Inc. have applied to the Federal Communications Commission for authority to transfer control to J. Hale Steinman and John F. Steinman.

The stations are: WDEL and WILM, Wilmington, Del.; WAZL, Hazelton, Pa.; WEST, Easton, Pa.; WGAL, Lancaster, Pa., and WORK, York, Pa.

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6/11/37

## APRIL RADIO ADVERTISING SHOWS SEASONAL SLUMP

Total broadcast advertising during the month of April amounted to \$11,309,319, according to the National Association of Broadcasters. Gross time sales for the month were 2.7% below the level recorded for last month, the usual seasonal decline. While national network and national non-network business showed declines in volume, regional network and local advertising experienced gains. Total sales were 28.1% ahead of the level as registered during April of 1936. The principal gain over last year occurred in the national non-network field, the volume of sales in this portion of the medium rising 53.8%.

As compared to last month, other major media followed the usual seasonal tendencies in experiencing slight increases in advertising volume. As against last April, national magazine volume increased 17.6%, national farm paper volume 11.8%, and newspaper lineage 3.4%. These increases compare to the 28.1% gain experienced by broadcast advertising.

Non-network broadcast advertising remained at approximately the same level as was recorded for March. Local station volume showed the only increase, rising 5.5%. All sizes of stations showed marked increases as compared to last April, the principal increase being a 47.2% gain recorded by regional stations. Of the geographical districts, the South Atlantic-South Central Area showed the only increase of any importance as compared to last month. All sections of the country recorded gains in business as against last April.

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## SOVIET TELEVISION EXPECTED TO COVER MOSCOW PROVINCE

A high-fidelity television center is to be constructed in Moscow, the Signal Corps Bulletin of the War Department notes. The Peoples Commissariat of Communications has approved the construction project as presented by "Radiostroi." This project has been classed as especially necessary and urgent. It is hoped that the transmission of high-fidelity television will start in May or June 1937.

The principal equipment for the Moscow Television Center was purchased from the Radio Corporation of America. This equipment is the very latest development of the Television Radio Laboratories of the R.C.A. under the direction of Dr. V. K. Zworykin, the inventor of the iconoscope.

The latest model of iconoscope will be used, thus insuring high-fidelity transmission.

Due to the large number of elements transmitted it is necessary to employ ultra-short waves. The transmitter will operate on a frequency of 49.75 megacycles, that is, on a wavelength under 6 meters. The unmodulated power brought to the antenna will be 7.5 kw. When transmitting an all-white field, the peak would reach 30 kw.

On account of the comparatively high-powered U.K.V. transmitter and the location of its antennas on the Shuhova tower, which is 150 meters high (300 meters above sea level), it is expected to be able to furnish high-fidelity television within a radius of 50 to 60 kilometers, which takes in most of Moscow province.

The sound transmitter will operate on a frequency of 52 megacycles and will have a power of 7.5 kw. The small difference between the carrier frequency of both transmitters (2.25 megacycles) permits the reception of sound and images on the same antenna, and this simplifies the scheme of reception. The sound tract of the transmission covers a field of frequencies from 50 to 10,000 cycles per second, and this feature provides considerably better artistic reproduction of sound than is realized through the medium of other short-wave transmitters.

A stock of television receivers has also been purchased in the United States to be used as patterns in the manufacture of similar sets by the Glavesproma factory. These receivers will be placed in a cabinet measuring 1 meter high, 65 centimeters deep, and 40 centimeters wide.

The television images will be seen on the cathode screen of the kinoscope tube by means of an inclined mirror placed inside the tops of the cabinet, which can be elevated. The image will average 14 by 19 centimeters.

The sound will pass through an electro-dynamic loudspeaker located in the lower part of the cabinet.

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#### AD AGENCY MEN CALLED "CHAMPION DEADBEATS"

"Radio's champion deadbeats", says Variety, "are the advertising agency staffmen, who like to go places, meet blondes and guzzle expensive refreshments. They're happy to allow radio actors, comedians, musicians, writers and directors to lift the check.

"Some of the Broadway boys are grumbling about the impositions heaped upon them by such admen. They wouldn't take that much social abuse of good nature and good fellowship from a Hollywood scout. Nor would a Hollywood scout attempt the inconsiderate and chiseling night life tactics of the agency lads."

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TRADE NOTES

September 26, 1937, has been set as the date when Station WHK, Cleveland, Ohio, will join the National Broadcasting Company as a member of the Basic Blue Network, replacing WGAR. The network rate per evening hour will be \$340. WHK is owned by the Radio Air Service Corporation, an affiliate of the Cleveland Plain Dealer and the Cleveland News. It operates full time on a regional channel frequency of 1390 kilocycles, with a daytime power of 2500 watts and nighttime power of 1000 watts.

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The Federal Trade Commission has issued an order to cease and desist against Allura, Inc., Sacramento, Calif., directing discontinuance of certain unfair methods of competition in the sale of Allura, an eye lotion. Findings are that the company made false and misleading representations in advertising matter and radio broadcasts in violation of Section 5 of the Federal Trade Commission Act.

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A new broadcasting station at Coeur d'Alene, Idaho, was recommended to the Federal Communications Commission this week by Examiner P. W. Seward. The applicants, Clarence A. Berger and Saul S. Freeman, propose to use 1200 kc. with 100 watts power, daytime.

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A substantial increase in efficiency of coverage is reported by Station WXYZ, NBC's Blue Network station in Detroit, as the result of the installation of a new vertical radiator antenna. The new antenna is a single self-supporting tower located on top of the fifteen-story Maccabees Building, where WXYZ's studios are located. It is 283 feet in height and towers 474 feet above Woodward Avenue in Detroit. The top of the new tower is equipped with a turnstile antenna to be used later for ultra-high frequency transmission.

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FIVE APPLICANTS SEEK TEXAS PERMIT; ONE CHOSEN

Wichita Falls, Texas, with a population of only 43,690, apparently has attractions for would-be broadcasters. Five applicants have sought authority to construct a station there. Examiner John P. Bramhall this week recommended that one, the West Texas Broadcasting Co., be given a construction permit. The applicant proposes to operate on 1380 kc. with 1 kw. power, unlimited hours.

Examiner Melvin H. Dalberg at the same time recommended that the application of the Beaumont Broadcasting Association, Beaumont, Texas, be granted. The applicant asked for authority to use 1420 kc. with 100 watts power, unlimited hours.

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6/11/37

BROADCASTING ABROAD

The broadcasting service in the Irish Free State is a Government monopoly and is operated by the Department of Posts and Telegraphs.

There are three broadcasting stations in the country. The Athlone Station situated in County Westmeath is the central high power station and provides a national service. The other two stations are at Dublin and Cork.

All broadcasting programs are originated in the Dublin station studios and are transmitted simultaneously from the three stations. The local programs are designed to have a distinctive flavor. There is a great deal of Irish music and dancing, and talks in Irish and English on Irish history, music, and literature. Descriptive broadcasts of Gaelic football and hurling are also popular. Broadcasts to schools are given for one half-hour daily, except Saturdays, Sundays and holidays.

Sponsored advertising programs have been tried out during the past few years, but the Government does not encourage such programs. At present the only sponsored program is given by the Irish Hospitals Trust, Ltd., advertising their lottery tickets.

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According to the U. S. Signal Corps, experimental television transmissions of weather charts to airplanes are being made in Berlin.

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Broadcasting and newspapers are temporarily replacing, as the educational media of the children, the primary schools of Wellington district, New Zealand, in which, as a precaution against the spread of infantile paralysis, children are not permitted to assemble, according to World-Radio. Closing of the schools soon after the long Summer recess would have meant serious interference with educational progress, but Wellington Education Board is keeping its teachers on duty. They prepare daily lessons for their pupils, which the newspapers publish each morning. Then the National Broadcasting Service comes into use at 9:30 A.M. for an hour's school session. The pupils complete the daily task, their work being sent post-free to the Education Board for correction. This unique emergency scheme began with "Arithmetic Day."

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## FCC ISSUES ORDER AGAINST WESTERN UNION

The Telegraph Division of the Federal Communications this week directed that a Report and Order issue holding the Western Union Telegraph Company's practice of imposing an artificial delay on the handling, transmission, or delivery of ordinary messages to be unjust and unreasonable, unjustly and unreasonably discriminatory, and unduly and unreasonably prejudicial.

It also directed that the Report and Order declare the ratio between the charges prescribed by the Western Union Telegraph Company for ordinary plain language and code messages and urgent plain language and code messages to be unjust and unreasonable, unjustly and unreasonably discriminatory and unduly and unreasonably prejudicial.

Since the facts and evidence upon these questions may vary as to the other carriers operating in the international field, separate decisions and orders applicable to each of them may subsequently issue as may be found necessary or proper.

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ALFRED J. McCOSKER TO RECEIVE HONORARY DEGREE

Alfred J. McCosker, President of the Bamberger Broadcasting Service (WOR), will receive an honorary degree of Doctor of Laws at the John Marshall College of Law commencement exercises to be held at the State Normal School, Jersey City, N. J., June 16th. Mrs. Franklin D. Roosevelt and Orwin W. Kaye, Regional Director of the National Youth Administration, will be similarly honored at the exercises.

Mr. McCosker will be cited, according to Dean Alexander F. Ormsby, as one "who with able direction and incalculable force for the spreading of knowledge has united in his experience the two most far-flung instruments in education - press and radio." It was particularly fitting to honor Mr. McCosker, Dean Ormsby explained, because "he was once such a youth as John Marshall seeks to educate - a boy without considerable financial resource."

Born in 1886, Mr. McCosker was educated in the parochial schools of New York City. He began his career as copy boy to the late Arthur Brisbane, and during the years that followed he held every position on a newspaper up to and including editor. He joined WOR in 1923, became Director and General Manager in 1926, and was made President in 1933. He was President of the National Association of Broadcasters from 1932 to 1934, and since then has been a member of its Board of Directors. He has been Chairman of the Mutual Broadcasting System since it was organized in 1934.

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6/11/37

## CANTON, CHINA, SEEN AS GROWING RADIO MARKET

A market exists for radio receivers in Canton, China, and vicinity, according to U. S. Consul General Irvin N. Linnell. Apparatus of American and European manufacture is on sale by dealers among whom competition is very keen. Inexpensive table models of from 4 to 6 tubes are in greatest demand, those of American make being the most popular.

"It is believed that the local demand for radios will be stimulated somewhat by the completion of a powerful broadcasting station in Canton, which is scheduled to commence operations very soon", the report adds.

"Electric current is available in the large cities of the Canton district but not in the rural areas. Since it is believed, however, that radios are in greater demand in urban centers than in rural districts, probably there is a larger market at the present time for current-operated receivers than for battery-operated apparatus."

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## NEW KNX-CBS BROADCASTING CENTER ULTRA-MODERN

Photo-electric signal devices, built-in sound effects, invisible control-room windows, inverted studio walls and cavernous reverberation chambers - these are some of the features which the country's leading engineers, architects and acousticians have devised for the new KNX-Columbia broadcasting center in Hollywood.

Construction work has progressed rapidly since the ground-breaking ceremony last April, and CBS officials are confident that the studios will be ready for its dedicatory broadcast by next December. Even as workmen are completing the foundation for the structure, which is to cover an entire city block, experiments to produce new refinements in radio architecture are being directed by William Lescaze, foremost modernist architect responsible for the design; Earl Heitschmidt, assistant architect in charge of Hollywood construction; Dr. Verne Knudsen, University of California acoustical engineer and consultant to the Columbia Broadcasting System; and CBS engineering heads in New York and on the West Coast.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

*L.A. & Fall*

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June 15, 1937

## U. S. HAS MORE RADIOS THAN EUROPE SANS RUSSIA

While incomplete, figures recently issued by the International Broadcasting Office at Geneva indicate that the United States is still well in the lead in the number of radio receiving sets. In fact, this country probably has more radio sets than all of Europe, excluding the Union of Russian Soviet Republic, which was not included in the count. Nevertheless, Europe gained more than 3,000,000 radios in 1936.

This addition brought the total number of radio sets in the "European zone", as defined by the Convention of Lucerne, to approximately 28,000,000. This count includes Spain at its 1935 figure, as no statistics are available on registrations in 1936.

The number of radio-equipped homes in this country on January 1, 1937, was 24,269,000, and this figure did not include "extra" sets or auto radios.

The Columbia Broadcasting System estimated later in the Spring that there would be 25,000,000 radio families this Summer but a total of 34,000,000 sets. The extra 9,000,000 was obtained by allowing 4,000,000 "extra" sets for the radio-equipped homes and 5,000,000 automobile radios.

Germany surpassed Great Britain during 1936 in the number of receiving sets in Europe for the first time in several years, the Geneva record shows. It reported 8,167,957 sets as compared to 7,914,506 for England.

Greece more than doubled its supply of radio sets and easily led in the percentages of increases. Only one country showed a loss. That was Bulgaria.

The chart as issued by the International Broadcasting Office follows:

|                  | Dec. 31<br>1935 | Dec. 31<br>1936 | Percentage<br>Increase |
|------------------|-----------------|-----------------|------------------------|
| Great Britain    | 7,403,109       | 7,914,506       | 6.91                   |
| Germany          | 7,192,952       | 8,167,957       | 13.55                  |
| France           | 2,625,677       | 3,218,541       | 22.58                  |
| Holland          | 946,844         | 989,115         | 4.46                   |
| Sweden           | 834,143         | 944,487         | 13.23                  |
| Czechoslovakia   | 847,955         | 928,112         | 9.45                   |
| Belgium          | 746,395         | 890,323         | 19.28                  |
| Denmark          | 609,226         | 652,255         | 7.06                   |
| Austria          | 560,120         | 593,815         | 6.01                   |
| Italy            | 530,000         | 622,692         | 17.54                  |
| Poland           | 491,823         | 677,404         | 37.73                  |
| Switzerland      | 418,499         | 464,332         | 10.95                  |
| Hungary          | 352,907         | 365,354         | 3.53                   |
| Norway           | 191,378         | 240,251         | 25.54                  |
| Finland          | 144,721         | 177,376         | 22.56                  |
| Roumania         | 127,041         | 162,766         | 28.12                  |
| Latvia           | 82,175          | 96,331          | 17.23                  |
| Yugoslavia       | 81,385          | 96,660          | 18.77                  |
| Irish Free State | 78,627          | 98,949          | 25.85                  |
| Egypt            | 41,370          | 57,633          | 39.31                  |
| Algiers          | 41,344          | 56,467          | 36.58                  |
| Portugal         | 40,409          | 53,659          | 32.79                  |
| Danzig           | 29,000          | 32,484          | 12.00                  |
| Lithuania        | 26,763          | 35,234          | 31.65                  |
| Estonia          | 24,193          | 37,800          | 56.24                  |
| Morocco          | 23,079          | 29,448          | 27.59                  |
| Bulgaria         | 17,213          | 15,000          | 12.85 decrease         |
| Luxembourg       | 15,000          | 25,000          | 66.67                  |
| Palestine        | 12,200          | 20,388          | 67.11                  |
| Iceland          | 12,183          | 12,938          | 6.20                   |
| Tunis            | 10,582          | 13,383          | 26.47                  |
| Greece           | 6,317           | 13,717          | 117.14                 |
| Turkey           | 6,175           | 9,033           | 46.28                  |
| Syria and Levant | 4,307           | 6,345           | 47.32                  |

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RADIO INDUSTRY ON CBS NET JULY 10

On July 10 on a national network of the Columbia Broadcasting System, a program on "The Radio Manufacturing Industry" will be presented by the U. S. Department of Commerce. Under arrangements of the Radio Manufacturers' Association with government officials, the radio industry broadcast has been arranged from the Washington studio (WJSV) of the Columbia Broadcasting System at 2:30 to 2:45 P.M., E.S.T.

The government broadcast on the radio industry is one of the series of programs, in dramatic and interesting style, covering the principal American industries. Material for the government broadcast is being furnished through RMA and its members. The steel, automobile, and electrical industries were among recent programs covered by the Department of Commerce presentations on the Columbia network.

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6/15/37

WRVA MAKES BID FOR 50 KW

A strong presentation of the merits of Station WRVA, of Richmond, Va., in its application for an increase from 5,000 to 50,000 watts power was made before Examiner Robert L. Irwin at the Federal Communications Commission last Thursday (June 10). The hearing ran all that day and was not concluded until Friday noon.

C. T. Lucy, of Larus & Brothers Company, owners of WRVA, made the general statement regarding the station; former Representative Frank D. Scott, of Michigan, acted as counsel, and Paul Godley, well-known radio engineer, handled the technical end.

Mr. Lucy dwelt at considerable length on the public service of WRVA not alone to the city of Richmond but to the entire State. He said that the station had put on 500 educational programs in behalf of the University of Virginia free of charge. Also approximately 2700 programs for the State and Federal Departments of Agriculture were carried. Likewise, offerings have been made in behalf of the Virginia Conservation Highway and other departments. There, too, was work done for the Richmond Board of Health and local authorities.

Mr. Lucy said that for eleven years WRVA had maintained remote control connections with these various public departments and was the only station in Virginia which had ever done this. Mr. Lucy also spoke of the excellent results attained by the wooden broadcasting tower of Station WRVA, the only one of its kind in this country and the tallest wooden structure in the United States.

Among others participating in the hearing were John M. Littlepage, representing WISN, of Milwaukee; Phil J. Hennessey, Jr., NBC, and George O. Sutton. Decision in the case was reserved.

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DEMOCRATS STILL OWE COLUMBIA \$18,860.31, REPORT SHOWS

The Democratic National Committee still owes the Columbia Broadcasting System \$18,860.31, according to a report filed last week with the clerk of the House of Representatives.

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## WLS "HINDENBURG" BROADCAST DUPLICATE RECORDS BEING MADE

So great has been the demand to hear a rebroadcast of the remarkable recording made by Station WLS, of the "Hindenburg" disaster, that though the station does not contemplate broadcasting this recording again, it is having copies made for the many people who have requested them.

"This recording in its entirety runs 40 minutes and 50 seconds on a 33-1/3 disc," Glenn Snyder, Manager of WLS, Chicago, explains. "That takes in the advance material that was recorded prior to the crash and to the moment our men left the field. There is no word of explanation as to why or how it was made - just the actual recording made at the time.

"We are having made a 30 minute recording of this, into which we have put a word of explanation at the opening as to how it happened to have been made, and eliminated some of the repetitions and other material not particularly interesting. This is a 78 and takes three twelve-inch records, both sides, to complete it. As you know, anybody with a phonograph could use this, and only some one with electrical transcription machines could use the 33-1/3.

"It is costing us some \$300.00 to have the master remade for phonograph record use. It will then take some three 12-inch records for the recording which records will cost us something like \$3.50 per set. We do not want to make any effort to seel them and neither can we afford to give away many at that price but a few such sets will probably be available and could be obtained for cost."

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## JACKSON HEADS NEW RADIO-AVIATION GROUP

W. E. Jackson, Chief of the Radio Development Section of the U. S. Bureau of Air Commerce, last week was elected Chairman of the Radio Technical Committee for Aeronautics.

The Committee was organized two years ago under the auspices of the Air Commerce Bureau. Composed of representatives from Government agencies concerned with aeronautic radio and manufacturers and users of aeronautic radio, it investigates development of anti-static antennae, direction-finding equipment, instrument-landing apparatus and ultra-high frequencies.

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6/15/37

TRANSRADIO SUIT AGAINST NETS SETTLED

The Transradio Press suit against 17 defendants for \$1,700,000 charging conspiracy in restraint of trade was settled out of court last Thursday afternoon following several days of negotiations between attorneys of two defendants, the Columbia Broadcasting System and the National Broadcasting Company, and counsel for the plaintiffs, Transradio Press Service and Radio News Service, Inc.

Transradio announced that there had been a "satisfactory adjustment" with CBS and NBC. Details were unavailable. Press associations, and individuals were mentioned only by way that the suit against them had been discontinued.

Herbert Moore, President of Transradio, said that by mutual arrangement the details of the "adjustment" would not be divulged. He stated that he was "glad to see that it has come to a satisfactory conclusion."

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17 UNIVERSITIES OFFER SUMMER RADIO COURSES

Summer courses in some phase of radio education will be given at the following institutions during the Summer of 1937, according to the National Committee on Education by Radio:

University of Florida, Gainesville; Northwestern University, Evanston, Ill.; Butler University, Indianapolis, Ind.; Purdue University, West Lafayette, Ind.; University of Wichita, Wichita, Kans.; University of Michigan, Ann Arbor, Mich.; University of Montana, Missoula, Mont.; Columbia University, New York, N. Y.; New York University, New York, N. Y.; Ohio State University, Columbus, Ohio; Waynesburg College, Waynesburg, Pa.; University of Texas, Austin, Texas; Southern Methodist University, Dallas, Texas; Baylor University, Waco, Texas; University of Washington, Seattle, Wash.; West Virginia University, Morgantown, W. Va.; and University of Wyoming, Laramie, Wyo.

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6/15/37

BRITISH REPORT MRS. F.D.R. GETS \$3,000 A BROADCAST

Although the amount paid Mrs. Franklin D. Roosevelt for her radio broadcasts has been studiously kept secret in this country, the British Broadcasting Corporation, in a recent issue of World-Radio announced blithely that the price paid by a commercial sponsor is 600 pounds, or \$3,000 for 15 minutes.

Devoting about two columns to a review of the First Lady's radio work, the BBC journal said, in part:

"It would attract notice, for a single address, even in America, where large fees are an everyday occurrence. That sum is, however, paid for a series of speeches of a quarter of an hour each in a 'sponsored program', as it is called when an advertiser pays for, or sponsors, a broadcast for the purpose of an advertisement.

"Mrs. Roosevelt's popularity and, therefore, her advertising value are attested by the fact that her 'fan mail' amounts to approximately 100,000 letters a year. This number includes letters relating to her broadcasts and other matters.

"In spite of the large fees she receives, Mrs. Roosevelt makes no money by her broadcast addresses. All her fees are sent direct to a philanthropic society, which distributes the amounts to the various institutions to be benefited.

"Like every other broadcast speaker, Mrs. Roosevelt is not immune from public criticism. On one occasion, it has been related, a man, amazed at hearing the large fee she received, wrote that, in his opinion, no broadcaster was worth so much money.

"'I think that you are perfectly right that no one is worth two hundred dollars a minute', Mrs. Roosevelt replied. 'I never dreamed for a minute that I was. I do not feel that this money is paid to me as an individual, but that it is paid to the President's wife. It puts money into circulation. The money is spent for a good purpose, and these people would not otherwise be helped. Therefore, I think I am perfectly justified in doing it.'

"The result of doing exactly what the director desires is that Mrs. Roosevelt has become an exceedingly efficient speaker 'on the air', with a technique so enormously improved that the people who engage her feel that they get full value for their money, even though it costs them over six hundred pounds every time she broadcasts for a quarter of an hour."

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6/15/37

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::: TRADE NOTES :::  
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Plans for developing export trade were considered at length during the Chicago convention of the Radio Manufacturers' Association by their Export Committee. S. T. Thompson, of Long Island City, will continue for another year as Chairman of the Committee, but during his absence in Europe, the Export Committee meeting at Chicago on June 8th was conducted by J. F. Weldon, of Chicago.

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New short-wave equipment, with the call letters W-9XSB, has been acquired by the South Bend (Ind.) Tribune, which also operates stations WSBT and WFAM. It was used for the first time at a recent Notre Dame athletic contest. The announcer covering the event used a short-wave pack transmitter complete in one unit carried on his back. This transmitter sent the broadcast to the local studio of WSBT-WFAM, from which point it was fed into regular lines and broadcast on long wave transmission.

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The International Radio Corporation, manufacturers of Kadette radios, has established an Eastern office at 11 West Forty-second Street, New York City, and is preparing plans for a national advertising campaign in the Fall. Newspapers will be the backbone of the drive. E. H. McCarthy, formerly with General Electric and Grigsby-Grunow, has been named Eastern Sales Manager.

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April sales of Canadian set manufacturers, according to statistics of the Canadian RMA, totaled 13,494 sets with a list value of \$1,000,723, compared with April, 1936, sales of 8,340 sets worth \$703,925.

Of the Canadian sales last April, 9,147 were A.C. sets valued at \$735,293; 1,263 battery sets valued at \$90,738, and 3,084 automobile sets valued at \$174,692.

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Information from Assistant Trade Commissioner Joe D. Walstrom at Buenos Aires, reveals that while chain broadcasting has been used in Argentina to a limited extent for some time, a special broadcast took place on May 4 in which President Justo spoke on behalf of the Government's new 200,000,000 peso internal bond issue, for repatriating the foreign debt. The broadcasting stations included all of those in Buenos Aires, plus others in 10 interior cities.

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"Clipping" of radio broadcasts on the death of John D. Rockefeller, as well as dramatizations of his life, has been begun by the Ivy Lee-T. J. Ross public relations office, according to Newsdom. They are collecting copies of all programs dealing with the death of the oil magnate. When they have compiled the data, they will present it to the Rockefeller family.

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Armstrong Perry, for five years Director of the Service Bureau of the National Committee on Education by Radio, was one of the passengers injured when the plane in which they were flying from Brazil to Caracas, Venezuela, crashed in a Venezuelan jungle on April 22nd. Mr. Perry is said to have been very seriously injured and unconscious for nine days. According to the latest report, the survivors were rescued on May 7th, and Mr. Perry is recovering in a Caracas hospital. Since leaving the National Committee on Education by Radio in January, 1936, Mr. Perry has devoted himself to freelance writing and was in Venezuela collecting material.

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One of the most extensive radio-news schedules in the country was inaugurated last week by Scripps-Howard's Cincinnati outlet, WCPO. James Hanrahan, Manager of the station, said that at least 14 news broadcasts will be scheduled daily, in addition to numerous short news flashes.

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 :::: BROADCASTING ABROAD ::::  
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Radio broadcasting in Cuba is controlled and regulated by the Direccion de Radio (Radio Bureau) of the Department of Communications. Although there is widespread affirmation of the need for modern legislation and regulations covering all phases of the broadcasting situation, and proposed measures have been prepared for adoption by the Cuban Congress, no legislation has been adopted since the original broadcasting control Decree Law No. 186 of February 12, 1925, and modifications which have appeared from time to time, according to the U. S. Commerce Department.

"Much has been said concerning the non-enforcement of existing legislation which, incomplete and defective as it may be, would if applied very likely alleviate at least in some degree, the unfavorable conditions with which radio set owners have to contend in the reception of broadcasts from Cuban stations", the report states.

"Considering economic importance of the Island, its size and geographical position of proximity to the United States, Cuba is served by too many broadcasting stations. These are highly concentrated in Habana and, with few exceptions, are not satisfactorily modulated. There is, therefore, a great deal of interference not only among Cuban stations but among Cuban and foreign stations, both long and short-wave.

"One of the best Cuban stations is constructing a modern establishment in the outskirts of Habana, using a 300 foot vertical radiator with all equipment of American manufacture. The new station has 25,000 watts power and will be the largest in Cuba. It is planned to set up the studio in Habana modelled after the most up-to-date in use in the United States. The building and antenna are almost completed and the station equipment is being set up. The new station should do much to raise the general level of radio broadcasting on the Island.

"There is no great tendency to improve radio programs. A very few stations have continued their efforts toward improvements and have met with a slight measure of success, but the usual program is marked by monotony and excessive advertising announcements. The quality of station equipment in most cases is mediocre and a large proportion of the apparatus is of local production and assembly. There is great use of records, but little effort to diversify the record selections.

"The broadcasting time chares run from as low as \$5 an hour to \$50 an hour. Considerable use is made of 'menciones de 35 palabras' (announcements of 35 words)."

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Important modifications and extensions of the Italian broadcasting service will shortly be begun as the result of a convention just signed between the Minister for Communications and the Board of Management of the EIAR, according to the Rome correspondent of World-Radio. The Rome short-wave station is to be greatly strengthened. There will be two transmitters with a power of 100 KW in the aerial for wavelengths between 49 and 31 metres, two transmitters of 40 KW power for the wavelengths between 25.19 and 16 metres, and a third transmitter of 50 KW power, with directional aeriels, for various wavelengths. This group of transmitters, to be installed in the grounds of the present Rome short-wave station at Prato Smeraldo, will, it is hoped, allow 2RO to be heard perfectly under any conditions all over the world.

The power of Naples station is to be increased from 1 KW to 10 KW, while Turin will have an auxiliary station of 5 KW power. Two new stations are to be built by the end of 1937; one in Ancona and the other at Catania, in Sicily. To facilitate broadcasts of speeches by the Duce and other manifestations in Piazza Venezia, special lines will be laid underground between this point and the studios of the EIAR in Via Montello, Rome. The estimated cost of the broadcasting improvements, for the year in course, amount to over 21 million lire (\$1,115,000) and they are to be begun shortly.

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6/15/37

## WORKING HOURS UP; EMPLOYMENT DOWN, U. S. REPORTS

Increased working hours and a slight decrease in employment in the radio manufacturing industry were detailed in the latest report for March, 1937, of the U. S. Bureau of Labor Statistics, the Radio Manufacturers' Association notes. Smaller radio employment in March was said in the government report to be seasonal.

Radio factory employment in March decreased 4.5 percent but was 6 percent higher than March, 1936. The March, 1937, radio employment index figure was 163 percent, compared with February index figure of 170.6 percent.

Radio factory payrolls last March increased 2.3 percent over the previous month and were 21.2 percent above March, 1936. The March index figure on payrolls was 127.1 compared with 124.2 during the previous month of February.

Average weekly earnings last March of radio factory employees were reported at \$20.36, an increase of 7.1 percent over the February average earnings of \$19.11, and the March earnings were 14.2 percent above March, 1936. The March, 1937, national average weekly earnings of all manufacturing industries was \$25.54, while the national average of all durable goods manufacturing establishments was \$28.78, both increased a small percentage above February.

Average hours worked per week in radio factories last March were 36.5 hours, an increase of 7.5 percent over the February average of 34.1 hours, and the March average was 10.8 percent above that of March, 1936. The national average work hours of all manufacturing industries during March was 41.0 hours, while the national average work hours of all durable goods manufacturing industries was 42.4 hours, both increased slightly over one percent as compared with February.

Average hourly earnings last March of radio factory employees was 56 cents, the same as the previous month of February, and they were 3.5 percent above average hourly earnings during March, 1936. The National average hourly earnings of all manufacturing industries in March, 1937, was 61.3 cents, while the national average of all durable goods manufacturing industries was 67 cents, the former increased 2.1 percent and the latter 3 percent over the previous month of February.

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## I. T. &amp; T. INCOME DOUBLE WHAT IT WAS A YEAR AGO

The consolidated net income of the International Telephone & Telegraph Corporation for the three months ended March 31, 1937, amounted to \$1,658,438, as compared with \$815,968 for the three months ended March 31, 1936, according to a report just made to stockholders.

No incomes or losses accruing from Spanish subsidiaries have been included in the consolidated income accounts for either of the quarterly periods.

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## SENATE HEARINGS NEAR ON COPYRIGHT BILLS

Early hearings on three copyright measures pending in the Senate, two of them favored by the broadcasting industry, were forecast this week.

The Senate Patents Committee has scheduled hearings on a patents measure to begin June 22nd and expected to last two days. Immediately following these hearings the Committee plans to invite testimony on the three copyright measures, according to the Committee Clerk. No definite date has been set.

The measures pending before the Committee from last session the Duffy Bill; the Sheppard Bill, which is identical with a measure suggested by Ed Craney, Manager of KGIR, Butte, and the Guffey Bill, proposing recognition of the rights of performing artists in restricting broadcasting of their works. The two former measures are favored by broadcasters and other copyright users, while the Guffey measure will be opposed.

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## WMCA ORDERS 40-HOUR WEEK AND PAY RAISE

A 40-hour week has been inaugurated at WMCA, according to Donald Flamm, President of the station. The agreement between the station management and representatives of the operating and production announcers departments came as the result of negotiations between representatives of the employees and the management last week.

Under the terms of the agreement delivered to department heads, all announcers and producers receive salary increases, effective immediately with a provision in the announcer's agreement that provides for what amounts to a guarantee that the announcer will receive commercial assignments to increase his salary by at least 20%. The agreement as announced runs to January 1, 1938, with provisions for a three-year renewal.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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## STUDEBAKER SEES PEAK IN SCHOOL USE OF RADIO

School use of radio next Fall will reach an all-time high in the annals of American education, United States Commissioner of Education John W. Studebaker this week reported to Secretary of the Interior Ickes.

The Commissioner based his report upon the hundreds of requests for educational radio scripts received each month from schools and colleges all over the United States by the Educational Radio Script Exchange.

"While many of the schools and colleges are planning to use our scripts for mock broadcasts over public address systems and for other intra-school purposes", Studebaker said, "many others tell us that they plan to produce them over local radio stations when the new school year begins. A number of schools plan to continue their broadcasting activities through the Summer months."

The Script Exchange has been responsible for nearly 1,000 local educational broadcasts since the first of the year. Letters requesting scripts from schools, colleges, universities, CCC Camps and civil organizations indicate that that number will be doubled, or even tripled, during the Fall school term.

The Script Exchange is America's only free education radio script agency, Commissioner Studebaker pointed out. Organized last October as a joint effort of the Federal Radio Education Committee and the Educational Radio Project of the Office of Education, U. S. Department of the Interior, the Exchange has won universal acclaim of educators and broadcasters. Proof that it has stimulated the use of radio for educational purposes is shown by the wide distribution of its scripts. The Exchange has distributed more than 40,000 copies of 100 tested educational scripts in the United States alone, and has aided in their production by sending to broadcasting units, on request, Radio Manuals containing suggestions for production, and Radio Glossaries, defining the many technical words and phrases used in the studio and control room. More than 10,000 Glossaries and Manuals have been sent to organizations that are producing or are planning to produce programs from the scripts.

The primary purpose of the Exchange is to supply good broadcasting material to American schools, colleges and universities, CCC camps, local radio stations and civic organizations interested in radio education, but so far has its fame spread that requests have been received from broadcasters all over the world.

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Sample copies of scripts have been sent to every continent. Among the countries that have requested Exchange scripts are Alaska, Argentina, Australia, Canada, Canal Zone, Colombia, Cuba, France, England, Denmark, Newfoundland, Puerto Rico, Virgin Islands and the Union of South Africa. The scripts have been produced in several foreign languages outside the United States.

Numerous organizations have produced Exchange scripts over local radio stations. These groups include the dramatic classes of schools, colleges and universities, P.T.A., CCC and Theater Guild units, groups from various civic organizations and the production units of local stations which use the scripts for sustaining programs.

Exchange scripts are used for many different purposes besides broadcasting. One of their principal uses is for mock broadcasting over the public address systems of schools, colleges and CCC camps. High school teachers say they use the scripts in connection with their history and science classes to create a greater interest among the students in their studies. College instructors use the scripts as supplementary texts in journalism and radio classes. Little Theater and civic organizations produce the scripts as stage plays.

The scripts and the manuals and glossaries are used successfully by numerous dramatic classes. The manuals and glossaries constitute a primary text for radio dramatics and the scripts provide vehicles for practice.

When the Exchange was organized under supervision of Commissioner Studebaker and Director William D. Boutwell of the Office of Education Radio Project, it offered only one series - six scripts called "Interviews With The Past." Since then many other scripts, covering a wide variety of subjects, have been added. Scripts now available include series on history, geography, civics, economics, science, literature and art.

Many other scripts will be added to the Exchange in the near future. Notable among these is a series dramatizing the services and costs of departments of municipal government.

The Exchange has about 1,600 other scripts on file which it has gathered from broadcasting units all over the country.

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CONNERY DEATH SEEN AS END TO RADIO INQUIRY RESOLUTION

The death this week of Representative William Connery, Chairman of the House Labor Committee, was believed to have ended for this session any serious agitation on Capitol Hill for an investigation of the broadcasting industry.

Besides being the author of the resolution calling for a special House inquiry, Representation Connery was the chief force in promoting the investigation. However, a few weeks before his death, it appeared that the resolution would be pigeon-holed for this session.

Mr. Connery was chief spokesman in the House for Catholic and Labor interests that were dissatisfied with the administration of radio. He also was lined up with some of the more demanding of the educational groups.

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CAIRO PREPARING FOR WORLD COMMUNICATIONS CONFERENCE

Egypt has begun preparations for the world conference in Cairo on radio and wire communication problems.

A report to the Department of Commerce from American Commercial Attache, James T. Scott, at Cairo, regarding the International Telecommunication Conference to be held beginning February 1, states that an organizing committee has been formed in the Egyptian capital under the chairmanship of the Minister of Communications.

The organizing committee has nominated an executive committee under the chairmanship of the General Manager of the Egyptian State Railways, Telegraphs and Telephones, to take charge of the general arrangement for the conference, according to the report.

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Renewal of the licenses of Press Wireless, Inc., New York, for operation of point-to-point stations KJX, Daly City, Cal., and WBS, Hicksville, N. Y., was recommended to the Federal Communications Commission this week by Examiner R. H. Hyde.

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## U. S. IS BIGGEST NON-PAYING SPONSOR ON THE AIR

The Federal Government is easily the largest non-paying sponsor on the nation's networks and radio stations, it was emphasized this week as the Byrd Committee on Government Reorganization disclosed that at least \$150,000 a year is being spent just to prepare programs.

Indications were that the Committee will propose strict budgetary control of the Government's radio activities and probably a pruning of the expenditures, which are growing yearly.

New Deal agencies are the chief users of radio time on the networks and independent stations in campaigns to promote New Deal policies. The programs are of an educational, informational, or propaganda nature for the most part with entertainment features at a minimum.

The Department of Agriculture is the biggest user of free radio time. Last year it sponsored programs on the major networks and more than 300 independent stations. It expended \$28,740 in 1936 preparing these broadcasts.

The U. S. Office of Education, however, is expanding its radio activities so rapidly that it threatens to overshadow all other governmental agencies. It recently acquired a well-equipped studio for the production of its programs in the new Interior Department Building. Last year the Office of Education spent \$54,962 preparing five programs for weekly broadcasts over NBC and CBS.

The Federal Housing Administration has made extensive use of radio in promoting home ownership and modernization. Last year it spent \$40,470 on this activity, of which \$7,741 was for talent.

The Resettlement Administration confined its radio promotion to transcriptions in order to reach rural areas via small stations. Last year it spent a total of \$28,615 on this activity.

The Works Progress Administration admittedly uses considerable radio time, but no figures were obtained by the Byrd Committee because this activity is inter-linked with the WPA theatre project.

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## MUNICIPAL STATION ALSO HAS TROUBLE PLEASING EVERYBODY

With sporadic suggestions of government ownership and operation of broadcasting stations still being made by educational organizations, the recent difficulties of the municipally-owned New York City station, WNYC, are proving interesting to commercial broadcasters.

Frederick J. H. Kracke, New York Commissioner of Plant and Structures, which operates the station, this week was called upon to defend a broadcast over the city's outlet before the Board of Aldermen because of complaints that it had been anti-Jewish.

The chief point of his defense was that freedom of speech over the air was involved.

Alderman Samson Inselbuch, of Brooklyn, had charged WNYC's broadcast on the night of June 5 of speeches presenting the Arab side of the conflict between Jews and Arabs in Palestine was anti-Jewish. On June 11, WNYC presented a one-hour program of four speeches, giving the Jewish side of the question. Rabbi Stephen S. Wise, Louis Lipsky, Zionist leader, Rabbi Abba Hillel Silver and Pierre van Paasen, journalist, were the speakers.

"WNYC operates for the instruction, recreation, entertainment and welfare of the inhabitants of New York City", Mr. Kracke told the Aldermen. "It is the foremost example of governmental radio station operation in the United States. It has often been pointed out that abroad government broadcasting monopolies have one of two policies regarding controversial subjects. They either broadcast the government viewpoint or they do not broadcast any viewpoint at all.

"It is contrary to American ideals to advocate regulation of radio by a government agency whose authority would extend to the point of exercising a complete censorship over programs. The use of the air as a public forum is important to the maintenance of a democratic form of government."

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H. H. the Maharaja Gaewar of Baroda and H. H. King Yeta III, Paramount Chief of Barotseland, appeared in the BBC's television broadcasts from Alexandra Palace, London, during their visit to England for the Coronation. They took part in a program entitled "Some Visitors to London", during which they were interviewed by Leslie Mitchell, one of the television announcers. Viewers saw King Yeta wearing the uniform that was presented to him by His Majesty King Edward VII.

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## PALACE OF SOVIETS TO BE AMPLY "RADIOFIED"

The Palace of Soviets which is now under construction in Moscow will be radiofied with the application of the most modern technique, according to the Russian Radio Centre.

"A specially important task is the radiofication of the big hall of the Palace of Soviets, the volume of which will be 970,000 cubic meters", the announcement states. "Its circular amphitheatre will seat 20,000 people. Its diameter will be 125 meters, its height more than 100 meters. The big hall is intended principally for mass meetings.

"To insure the hearing of translation of speeches of orators in different languages, high-frequency installations will be fixed in the hall. The places for delegates will be equipped with ultra-shortwave detectors able to switch on to all the wavelengths over which the translations of the different speeches will be transmitted simultaneously.

"The radio-fication plan foresees an internal and external broadcasting network, the aim of which will be the broadcasting of sessions and artistic productions, the directing of the movement of currents of people and the notification and summoning of different people from the premises."

A radio relaying station also is being installed in the "Komsomolskay" station of the Moscow Kaganovitch Underground Railway. The whole station is being wired for the radio. Passengers will be notified by radio of the departure of trains.

A plan is now being drawn up for the radiofication of all the tunnels of the underground, Radio Centre stated.

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## FOUR NEW STATIONS AUTHORIZED THIS WEEK BY FCC

Four new broadcasting stations were authorized this week by the Federal Communications Commission. Construction permits were granted to the following:

Owensboro Broadcasting Company, at Owensboro, Ky., to use 1500 kilocycles, 100 watts, unlimited time, effective July 13; Harold M. Finley and Mrs. Eloise Finley, La Grande, Ore., to use 1420 kilocycles, 100 watts night and 250 watts day, and unlimited time, effective July 13; Edwin A. Kraft, at Petersburg, Alaska, to use 1420 kilocycles, 100 watts, unlimited time, effective August 10; Okmulgee Broadcasting Corporation, Okmulgee, Okla., to use 1210 kilocycles, 100 watts and daytime operation, effective July 20.

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::: TRADE NOTES :::  
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Hearing in the special telephone investigation were resumed Thursday by the Telephone Division of the Federal Communications Commission, and will continue through June 30th.

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William S. Paley, President of the Columbia Broadcasting System, is one of the Trustees of the Museum of Modern Art that will replace the Rockefeller mansion at 10 West Fifty-fourth Street, New York City.

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When Francis Heric, 16, of Rochester, N. Y., rides his bicycle, he "peddles to music". He has rigged his bike with a two-tube radio of his own design that gives satisfactory reception of programs broadcast by local stations. The radio's chassis rests on the handlebars, the aerial is attached to the rear fender, and power is supplied by batteries in the front basket.

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A new broadcasting station, WBIL, New York City, resulting from the purchase of WLW from the Paulist Fathers by Arde Bulova, jeweler, went on the air Thursday night. John Iraci, President of the International Broadcasting Corporation, which operates WOV, is the Director. WBIL operates from the WOV studios at 132 West Forty-third Street.

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The Sherwin Williams Company, paint manufacturers, will sponsor the Metropolitan Opera auditions of the air for their third season on the NBC networks next season. Beginning October 3, the program will be heard over the NBC-Blue Network each Sunday from 5:00 to 5:30 P.M., EST.

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Denial of the application of the Valley Broadcasting Company, Youngstown, O., for a construction permit to build and operate a station using 1350 kc., 1 kw power, unlimited time, was recommended to the Federal Communications Commission this week by Examiner Melvin H. Dalberg. The station would encounter serious interference, the Examiner found.

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The R. J. Reynolds Tobacco Company will sponsor a Columbia Network series for Camel cigarettes and Prince Albert smoking tobacco for the fourth consecutive year.

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: : : BROADCASTING ABROAD : : :  
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Radio broadcasting in Estonia is conducted by the State Broadcasting Company which is entirely capitalized by the Government. This company was organized in 1934, when it took over the assets of a former private company, including the present two broadcasting stations. Of these, the large station of 15,000 watts is at Tallinn, the other, a small relay station of 500 watts, being located in Tartu. The Tallinn station operation 731 kc. (410 meters) and Tartu 517 kc. (580 meters).

There are no official calls assigned to these stations. In practice they are linked up for broadcasting, and are announced "Tallinn ja Tartu".

There are no short-wave broadcasting stations in Estonia. Short-wave programs are received from European broadcasting stations, the reception of American short-wave transmission not being entirely satisfactory.

The daily programs of the Estonian State Broadcasting Company last from about 7 to 8 hours. Usually from 7 to 9 a.m. and from 6 to 11 p.m. The items on the programs are generally classified into three groups: musical, verbal and miscellaneous broadcasts. Musical programs include orchestral music, operas, soloists and dance music, both from active performance and from phonograph records. Verbal programs have consisted of lectures, press news, etc., while church services, meetings, studio plays, advertising, etc., have constituted the "miscellaneous".

Radio advertising continues to be frowned upon by the Estonian State Broadcasting Company, with the result that during 1936, only 83 hours of total broadcasting time were used or the reading of advertising texts, as against 106 hours spent for this purpose in 1935.

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TWO-DAY NOTICE ON RELAYS NO LONGER REQUIRED

The Broadcast Division of the Federal Communications Commission this week deleted the provisions in the rules and regulations pertaining to the requirement of two-day notice and approval from the Commission for operation required of relay broadcast stations.

In the future, the operation of relay broadcast stations that may cause interference to other relay stations shall be governed by the provisions of Rule 1004. All the licenses of existing relay broadcast stations will be corrected in accordance with these amendments when the next renewals are issued.

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## THE PRESS AND RADIO: A BRITISH VIEWPOINT

The British viewpoint on the relationship of radio and the press was explained recently by the Director-General of the British Broadcasting Corporation, Sir J. C. W. Reith.

Discussing radio news bulletins, the Director-General said:

"They give a taste of the news, and to suggest that anyone who is within reach of a newspaper is going to be satisfied with the Empire news bulletins that are given out would, we submit, be quite absurd.

"You will agree", he went on, "that there is a good deal in common to journalism and broadcasting. Competitors or allies? I hear people in this country say there is no doubt at all that there is no competition such as would result in a decline of circulation of morning papers, but there may be in regard to evening newspapers. I don't know.

"Europe is at this time in a tremendous state, and every mutilated division of it looks to England for information and courage'. It sounds topical, but that is a remark recorded in a secret State paper over one hundred years ago. I think it is an extraordinarily interesting remark, and very significant. We will look for the fulfillment of that aspiration of one hundred years ago in regard to the article of courage to the politician.

"The other article, information, interests you and it interests us. 'We are a free Press', you say, and pride yourselves on it. A great deal is said about freedom of this and that, in this sphere and the other - a certain amount of nonsense included. What do we mean by freedom? It wants definition, and I doubt if there is any freedom which is not, or should not be, conditioned. What by? By this and that. By moral responsibility. Is every possessor of great power and influence conditioned by moral responsibility? Some of them may be, but some of them don't give much evidence of it. Anyhow, freedom wants defining.

"You mean you are independent of State control. Well, so is broadcasting. In whatever respects the freedom of the BBC is curtailed it is in black and white in the Charter. If and when the BBC is doing something which it does not want to do, by Government orders, then that would be clear.

"In Germany and Russia and Italy broadcasting is a mouthpiece of the State and an instrument of Government. A controlled Press and a controlled broadcasting system may mean biased or censored news. But there are other forms of control. I suppose it is possible to have a commercial control which produces something like the same sort of results - in general effect. I would say with regard to broadcasting that the dividend motive is incompatible with the public service motive. Well, maybe you will find a newspaper or two to which that remark might apply, and if it is not the dividend motive it may be some other motive.



"Has broadcasting any effect on irresponsibility of whatever kind it may be, any effect on these ulterior motivations, whatever they may be? It was possible for news to be suppressed or invented. Is it ever done today? Anyhow, it is less easy. There have been unscrupulous influences, I suppose you would admit. Will they be as common in the future? Will they get away with it as easily in view of the fact that the reading public is also a listening public?"

"These ulterior motives, this irresponsibility and unscrupulousness, are to the embarrassment of honest and honorable journalism. Is not broadcasting an ally there? I submit that we are definitely allied to the responsible journalist. BBC news is accepted as accurate. There has been no demand for sensationalism in our news. Let us compete, if you like, in terms of who can give the best service. We are an extraordinary amenable body. There is all sorts of nonsense talked in this country about the unamenability of the BBC.

"The BBC is more than anxious to hear what people think about it, provided that those people are responsible.

"We are up against tremendous competition in the matter of foreign propaganda broadcasting, and the more you care for the Empire the more you will be willing to help us in perfecting and improving our Empire service."

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#### GOOD DEMAND FOR RADIO SETS IN IRISH FREE STATE

There is a good demand for radio sets in the Irish Free State and the market for sets is steadily expanding, according to Vice Consul E. J. King, Dublin, in a report made public by the Electrical Division, Department of Commerce.

Due to seasonal variations in radio reception and the availability of money in the agricultural communities which account for approximately two-thirds of the total population, the greatest demand for receiving sets is during the period from December to March, the report states.

Licensed radio receiving sets in the Irish Free State as of December 1, 1936, totalled 104,000 units compared with 78,600 units as of December, 1935, and 54,000 units recorded as of March, 1934, the Vice Consul reported.

As there is no domestic manufacture of radio receiving sets in the Irish Free State, the demand must necessarily be supplied by importations. Imports in 1936 were valued at £230,000 (\$1,150,000) compared with £235,000 (\$1,175,000) in 1935 and £225,000 (\$1,125,000) in 1934, official statistics show.

Both battery-operated and socket power radio receiving sets are used in the Irish Free State, it being estimated locally that approximately 55 percent of the sets in use are of the socket power type.

As electrification throughout the Free State progresses, however, the number of battery-operated radio is being reduced, according to the report.

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EMERSON CORP. PLANS BIG PROMOTION CAMPAIGN

With bookings running considerably ahead of a year ago, the Emerson Radio and Phonograph Corporation will launch a greatly enlarged advertising campaign late in August or early September, it was announced this week at a showing of the 1938 line to more than 100 distributors at the Hotel New Yorker, New York City. In addition to full pages in seven national magazines, a wide list of newspapers throughout the country will be used for both national and cooperative advertising. Billboards, radio and point-of-sale are also included in the promotion.

The company is making list prices uniform throughout the United States, and has established a set of minimum dealer discounts. The line includes twenty-three table models at \$14.95 to \$54.95, ten radio and phonograph combinations at \$59.95 to \$139.95, seven consoles at \$44.95 to \$119.95, six farm sets at \$19.95 to \$54.95 and two auto radios at \$39.95 and \$54.95. One combination radio and phonograph set is priced at \$750. The "Miracle Tone Chamber" will be featured in advertising.

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RCA PLANS TELEVISION EXHIBIT AT N. Y. FAIR

David Sarnoff, President of the Radio Corporation of America, and Grover Whalen, President of the 1939 New York World's Fair, signed an agreement Thursday whereby television will be given a public demonstration by the Radio Corporation of America and the National Broadcasting Company at the World's Fair which is dedicated to "The World of Tomorrow."

The agreement, signed as part of the first ceremony of its kind ever to be televised, will afford the millions of visitors to the Fair an opportunity to watch demonstrations of every aspect of radio and television - the modern world's and the future world's most effective means of communication and entertainment.

By terms of the agreement, the Radio Corporation of America will construct on the Fair Grounds in New York City an ultra-modern building which will house a complete exhibition of all branches of the radio art and its developments. Facilities will be provided for practical demonstration of all aspects of modern radio and television.

This building, linked directly with the NBC television transmitter on the Empire State Building, will televise outstanding World's Fair events, and will bring to visitors, for the first time in radio history, joint demonstrations of the marvels of sound and sight broadcasting.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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*[Handwritten signatures and initials]*

June 22, 1937.

SILENCE CRITICS WITH SERVICE, SYKES ADVISES N.A.B.

The nation's broadcasters were advised this week to render such fine public service that critics of the American plan of broadcasting would be silenced by Judge Eugene O. Sykes, veteran Chairman of the Broadcast Division, Federal Communications Commission.

Delivering the principal address at the convention of the National Association of Broadcasters in Chicago, Judge Sykes spoke on "The Duty and Responsibility of the Broadcaster."

"The entire theory of the Radio Act and its successor, the Communications Act", he said, "is that broadcasting licensees are made trustees of the Federal Government to render a public service to the communities their stations serve; that this license is a privilege granted by the Government for just such time as this service is rendered and in no way constitutes a vested right to the use of a frequency.

"The criterion set up in this law for the issuance and for renewal of licenses, is 'if public convenience, interest or necessity will be served thereby', or as stated in another section of the Act if 'the Commission shall determine that public interest, convenience or necessity would be served by the granting thereof.' In the one phrase, the word 'convenience' is placed first, while in the other the word 'interest'. However, they mean the same thing.

"While another section of the Act expressly states that a broadcasting station is not a common carrier yet, by the terms of the Act, above quoted and by its very nature, it is a business clothed with a public interest.

"The Commission, having determined that you are a proper party to serve the public of your community and having granted you this gracious privilege in the form of a license, this duty then devolves upon you to render the best public service to your community that you can. You assume, by the acceptance of this license, a great responsibility of public service. How then is the best way in which you can fulfill this duty and responsibility?

"You are thereby accorded a wonderful opportunity for service which necessarily carries with it a grave responsibility. You are invited to enter the homes and firesides of your listening public for practically sixteen hours a day. These programs reach the men, women and children of the entire nation. They

They reach those who are now steering the destinies of our communities, state and nation, and those who are being trained to assume these reins of government when the present actors pass from the stage. These thoughts should ever be present with you and your programs should be so built that our younger generations who have the privilege of listening to the radio should be improved and be better equipped for their responsibility to be so soon assumed by them.

"While under our plan of broadcasting the stations must be self-supporting by their sale of time, yet you must bear in mind that this is but an incident and that your main object and purpose is one of public service. In fact, the better service you render the more popular becomes your station and the larger becomes your listening audience, hence the easier for you to obtain the necessary advertisement.

"You are still a young industry and Federal regulation thereof is still young, yet within this period of a little over ten years we have seen a wonderful growth in the industry and have had wonderful improvements not only from a technical nature but also in the programs and the character of public service being rendered. Yet, like all young industries, there is room for greater improvement not only in our regulation of this art and industry but in the nature and character of the programs of the stations.

"The best answer to make to those who are not satisfied with our American system of broadcasting is to render such a wonderful public service that these critics may, in the course of time, be silenced. The needs of our various communities differ. Therefore, what will be a public service on one community might not be in another. You should carefully familiarize yourself with your communities and see what local service you may render them and since your programs are going into these homes you must consider good taste. Certainly when broadcasting a dinner program it should not be interspersed with advertising announcements which would tend to destroy the appetites of this audience. You must be just and fair to every one in your community and your editorial policy should be one to bring about closer cooperation and not to stir up strife therein. You should build up and not tear down.

"I now desire to congratulate you upon the great and unique public service you rendered during the flood on the Ohio and Mississippi Rivers last February. The broadcast stations were a source of inestimable assistance in preventing loss of life and property and by keeping the public posted on the exact stage of the flood. Broadcast stations offer a very excellent means of acquainting the public almost instantly with any message the relief authorities may desire to disseminate. Many stations coordinated emergency units, procured supplies, directed relief activities, and raised many thousands of collars through appeals to the public for the Red Cross.

"Our engineers are now studying plans for the better cooperation of all radio facilities and relief organizations in times of emergencies. I feel sure we can always count on the broadcasters cooperating fully and to do their share. Service of this character is indeed public service of the highest order and which service I am sure was appreciated by our entire citizens.

"Another public service in which progress is being made is that of the Committee on Federal Radio Education headed by Dr. J. W. Studebaker, Commissioner of Education, and composed of an equal number of broadcasters and educators. I understand that two of the large foundations are very much interested and are willing to materially help in financing the work of this committee. I believe a successful conclusion of the labors of this committee will be of the greatest benefits to both radio and education."

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#### SEGAL AND SMITH DENY FCC CHARGES

Dismissal of charges alleging improprieties in the practice of law before the Federal Communications Commission was requested last Saturday in pleading filed with the FCC by Paul M. Segal and George S. Smith, Washington attorneys. The lawyers were cited by the FCC in an order issued May 19th to show cause why they should not be disbarred for purported filing of applications in the name of so-called "dummy" applicants, and for other specified reasons.

In separate answers, Messrs. Segal and Smith categorically denied all of the charges made in the FCC order as without foundation. The answers were in the nature of a full disclosure of the facts relating to the matters upon which the charges were based. A hearing on the charges was requested, unless the Commission should conclude that the order be dismissed.

The attorneys contended their conduct at all times has been entirely ethical, proper and professional, and that the acts cited in the FCC order were not improper or in violation of any existing rules or methods of legal practice. Dealing specifically with the allegation that "dummy" applications had been filed for the purpose of "deceiving" the Commission, the attorneys declared that their applicants were not "dummies" and that their procedure was in conformity with a prevalent and sanctioned practice before the Commission.

The four principal charges made against Messrs. Segal and Smith by the Commission and the categorical answers of the radio attorneys follow in brief:



Charge: (1) That they "knowingly and with intention to deceive, interpolate, or aid and abet in the interpolation of, certain signed and notarized depositions into the files of the Commission in the case of Richard M. Casto, contrary to the Rules and Regulations of the Commission.

Answer: Mr. Segal denied any part in the incident but recalled Mr. Smith's role in it. Mr. Smith said that the attachment of signed affidavits to the unsigned originals was done "with the full knowledge and acquiescence of the Secretary's office". He added that he had previously made "full disclosure" of the facts in the case and that the FCC had issued an order disposing of the matter.

Charge: (2) That Richard M. Castro was "a subterfuge or dummy applicant for another person, or persons, . . . to deceive and mislead the Commission."

Answer: Mr. Segal said Mr. Castro wrote to them and asked that they represent him in an application for a new station at Charleston, W. Va. "I believed then and I believe now", Mr. Segal said, "that Mr. Castro was a bona fide applicant and was in possession of funds which he had represented to George S. Smith he owned."

Charge: (3) That Messrs Segal and Smith organized the Palmer Broadcasting Syndicate, Inc., as a dummy applicant for obtaining authorizations from the FCC.

Answer: Mr. Segal said the Palmer Broadcasting Syndicate, Inc., was chartered for a client (unnamed) and that there was never any intention that it should become a dummy applicant or that the FCC should be deceived.

Charge: (4) That the attorneys through the Palmer Broadcasting Syndicate, Inc., "with the intention to deceive", filed applications for construction permits to build stations at Portland, Me., Lewiston, Me., and Cheyenne, Wyo., "for the purpose of deceiving and misleading the Commission in its consideration of said applications and applications of other applicants, and to hinder and delay other applicants."

Answer: The applications were legitimate, Mr. Segal said. There was no intention to deceive the Commission. He added:

"I was requested by the client referred to above to cause the formation of Palmer Broadcasting Syndicate, Inc., on or about June 26, 1934. I was told by that client to cause a Delaware corporation to be formed and to use clerical personnel as incorporators, original stockholders and original directors, during the formative and organization stages of the corporation's life. I was directed to cause such original stockholders to transfer the stock of Palmer Broadcasting Syndicate, Inc., to

my client after the completion of the corporate organization. I was told by my client that there were substantial reasons why, with regard to an application proposed to be filed at Portland, Maine, it was desirable to maintain anonymity of my client in connection with the filing of the application until such time as hearing should be held upon the application. This course not being in contravention of any law, rule or regulation and not being contrary to prevailing practice and wholly without sinister purpose, I did, pursuant to and upon my client's instructions, cause said corporation to be formed and cause applications to be filed before the Federal Radio Commission for construction permits for two radiobroadcasting stations, one at Portland, Maine, and one at Cheyenne, Wyoming. These applications were filed on June 27, 1934. They complied in all respects with the Radio Act of 1927 and the Rules and Regulations of the Federal Radio Commission and all of the facts and statements contained in the applications were true and correct to the best of my knowledge and belief.

"When these applications were filed they in no manner conflicted with any other applications. Both the Cheyenne and the Portland applications were filed with a bona-fide intention on the part of my client to prosecute such applications and to exercise and use the facilities if granted.

"Later, in the case of Cheyenne, Wyoming, the person who was to prepare the data and carry forward with the factual presentation on that application finally reported that he did not believe, upon the basis of his investigation, that the application could be successfully prosecuted, and accordingly my client permitted the Cheyenne application to go by default.

"In the case of Portland, Maine, all applications for local facilities in that city, including the application of Palmer Broadcasting Syndicate, Inc., the application of Eastern Broadcasting Company, and a number of other applications which were filed even later were all held up and no action was taken on them by the Commission for a period in excess of two years, and hence any delay in action upon the Palmer application or in action upon the applications which competed with it was not ascribable either to my client or to me.

"Finally about September 24, 1936, more than 2 years after the application had been filed, the circumstances concerning Portland, Maine, the service available to it, and the many other factors that determine whether or not an application should be granted, had so changed that my client came to the conclusion that the application should be withdrawn and, accordingly, on September 24, 1936, the Commission was requested to dismiss that application and it did so dismiss it on October 7, 1936.

"I should mention that for a short time during the long pendency of the Palmer Broadcasting Syndicate, Inc., application for Portland, Maine, there was another application filed by Palmer for the same facility, namely, for 1210 kc., to be used at Lewiston, Maine. Since the distance from Lewiston to Portland is some thirty miles, it was obvious that these two applications were in mutual conflict. The Lewiston application was filed on October 26, 1934, and during the time when no action could have been taken on it and at a time when my client was undecided whether there was a better chance to establish a station at Lewiston or at Portland. Thereafter my client decided that the application for Portland, Maine, was more meritorious and accordingly my client permitted the Commission to return the Lewiston application on May 10, 1935, without acting on it."

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#### WJSV ASKS FOR 50 KW; NEW TRANSMITTER SITE

The Columbia Broadcasting System, through its affiliated Washington station, WJSV, has asked the Federal Communications Commission for permission to increase its power from 10,000 watts to 50,000 watts and to relocate its transmitter from the present site on the Memorial Highway in Alexandria, Va., to a proposed site in Montgomery County, Md.

Harry C. Butcher, Vice-President of the CBS in charge of the Washington office, estimated the cost of the project, including the removal to the new location and the new 50,000-watt transmitter, at \$270,000.

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#### TWO NEW BROADCASTING STATIONS RECOMMENDED

Favorable reports on applications for two broadcasting stations were filed with the Federal Communications Commission this week.

Examiner Robert L. Irwin recommended the granting of a construction permit to the Elmira Star-Gazette, Inc., of Elmira, N. Y., for operation on 1200 kc. with 250 watts daytime.

Chase S. Osborn, Jr., of Fresno, Cal., was given a favorable report by Examiner John P. Bramhall. Osborn asked for 1440 kc. with 500 watts time, unlimited hours.

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## NAB ELECTS JOHN ELMER AS PRESIDENT

The National Association of Broadcasters meeting in Chicago for their annual convention, held their election of officers today (Tuesday) and Mr. John Elmer, President of Station WCBM, Baltimore, was elected as President of the NAB.

Other officers are: First Vice-President - John J. Gillin, Jr., Manager, WOW, Omaha; Second Vice-President, W. J. Scripps, WWJ, Detroit; and Harold V. Hough, Station WBAP, Fort Worth, was reelected as Treasurer.

Six new Directors were elected as follows: C. W. Myers, KOIN, Portland, Ore., retiring President; Frank M. Russell, National Broadcasting Company, Washington, D. C.; Harry C. Butcher, Columbia Broadcasting System, Washington, D. C.; Herbert Hollister, Kansas (Wichita); Theodore C. Streibert, WOR, Newark, and Gene Dyer, WGES, Chicago.

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## GOOD RADIO MART IN ECUADOR, CONSUL REPORTS

There is a steady, though small, market for radios in Ecuador, according to U. S. Consul General Dayle C. McDonough, of Guayaquil.

"Import permits without exchange are issued from time to time for radios by the control officials", he writes, "but the demand for such importations is limited and sales are small. A regular but small demand may be expected in the future. The American radios are preferred and foreign makes, with one or two exceptions, have not been successful on the Ecuadoran market.

"Radios as a rule can be sold only on the basis of installment payments. Accessories are expensive in this market and expert repair service is difficult to obtain and when available is costly."

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A Central Children's radio station is being built in Kharkov, Soviet Republic, Children themselves are taking part in the installation of the equipment.

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: : : TRADE NOTES : : :  
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Franklin Dunham, Educational Director of the National Broadcasting Company, will address the National Education Association in Detroit on "The Place of Radio in Education", during the 75th annual convention in Detroit, June 27 to July 1.

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Chancellor Frank H. Dodge in an order June 10th made permanent a temporary injunction issued March 23rd to restrain the city of Little Rock, Ark., from collection of an annual privilege tax of \$100 on radio stations. The court held that such stations are engaged in interstate commerce and hence are not subject to local taxation. City Attorney Ed I. McKinley, Jr., said appeal will not be taken to the Arkansas Supreme Court. In similar litigation, he said, the Georgia Supreme Court recently ruled in the same manner as Chancellor Dodge, whose ruling was in the suit of the Arkansas Broadcasting Co., owners of Stations KLRA and KGHI.

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Photo-telegraphic connections by wireless between Moscow and Khabarovsk were opened recently. This is the longest radio-photo-telegraphic line in the USSR and is equipped with Soviet apparatus. Besides Khabarovsk, pictures can also be transmitted by radio from Moscow to Tashkent. Tests are now being made of photo-telegraphic connections by radio with Toilissi.

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Details for the "satisfactory adjustment" between Transradio Press and the Columbia Broadcasting System and National Broadcasting Company arrived at last week in the \$1,700,000 suit against 17 defendants under the Clayton Act were still unavailable this week. One published report that CBS and NBC were to pay Transradio \$125,000 could not be confirmed through either the defendants or plaintiffs.

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Boake Carter is preparing to take his first week's vacation from broadcasting in eight years. He will sail June 27th from New London, Conn., as skipper of the 60-foot yawl "Alelnauser", owned by Sayre M. Ramsdell, Vice-President of Philco Radio and Television Corp., for which Mr. Carter broadcasts nightly.

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::: BROADCASTING ABROAD :::  
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Ninety-one broadcasting stations are functioning in China, Hong Kong, and Manchuria, ranging from  $7\frac{1}{2}$  watts to 100,000 watts in power. The most powerful station is MTCY, the 100,000 watt installation at Hsinking, Manchuria. The next largest installation is XGOA, the 75,000-watt station of the National Government at Nanking. At Hong Kong the British Colonial Government operates two stations of 2,000 watts each.

Of the total number of stations in this combined area over one-third, (37) are located in the city of Shanghai, which is reputed to have more radio broadcasting stations within its limits than any other single city in the world. Dials are crowded with stations; powerful ones often overlapping the weak; with bad reception for both; and competition at its keenest. With the exception of XQHC owned by the Ministry of Communications, XKOI controlled by the Chinese City Government and XSMP, the Police transmitter of the Shanghai Municipal Council, all of the Shanghai stations are privately owned. Five are foreign-owned, the remainder being Chinese. Broadcasting stations in China operate on a wave band of 550 to 1500 kilocycles with stations supposedly placed 20 kilocycles apart, but little adherence to frequency, resulting in serious interference. Only two or three stations use crystal control. Less than ten of the thirty-seven stations in Shanghai can be considered as being relatively well organized and equipped. Studios and transmitters are generally scattered with very limited and poorly engineered equipment, as compared with modern practices. XMHA, an American owned and operated station at Shanghai, is regarded as being the best operated.

As a step toward eliminating broadcasting congestion in Shanghai, the Ministry of Communications of the Chinese Government revoked the permits of XLHC (50 watts), XLHI ( $7\frac{1}{2}$ ); XLHL (100); XHHD (50); WLHE (50); XLHF (50); XHHR (50) and XQHF (200) on February 1, 1937. The reasons given officially for this action were lack of proper modern transmitting equipment to insure clear reception and keep programs on assigned frequency, and transfers in ownership and increase in power by some stations without permission. The stations involved are reported to have had an average investment of less than US\$2,000 each. Despite numerous protests to the government, including the suspension of an entire day's program by all Chinese broadcasting stations in Shanghai, the eight stations affected have remained closed. Broadcasting interests believe that this is the prelude to a thorough cleaning up and look for an additional twelve stations to be withdrawn during the next six months.

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## TRANSMITTERS BETTER AND CHEAPER, SAYS BAKER

Outstanding progress towards improved performance and economy has featured development of transmitter and speech input equipment during the last few years.

One of the bugaboos of broadcasting have been conquered and radio engineers still continue to perfect equipment for greater clarity, less distortion, wider range of tone cycles, at the same time bringing about reduction in price.

"Development, design and production of transmitters from 100 watt to 5,000 watt feature improved performance at the same or lower prices than last year", I. R. Baker, manager of transmitter sales for RCA told Editor & Publisher last week before leaving for the broadcasters convention in Chicago.

"The electrical design features considerably lower distortion over the entire audio band which, of course, makes for higher fidelity performance. In addition, the selection of power tubes has been directed toward the use of the smaller and less expensive tubes, thus reducing operation and maintenance costs."

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## CBS TECHNICIANS JOIN C.I.O. AFFILIATE

Over the opposition of the International Association of Theatrical and Stage Employees, A. F. of L. affiliate, radio technicians employed by the Columbia Broadcasting Company voted last week to join the American Radio Telegraphists Association, C.I.O. affiliate, it was announced by Mervyn Rathbone, President of the Radio Telegraphists.

Mr. Rathbone said the radio technicians had voted to join the radio telegraphists despite a threat by the theatrical and stage association that they "would be walking the streets out of a job for joining the C.I.O."

They voted also, according to Mr. Rathbone, to dissolve the Association of Columbia Broadcast Technicians and to organize about 300 radio technicians in seven out-of-town stations operated by Columbia. The technicians will become members of the New York Broadcast Local 16 of the American Radio Telegraphists Association. Mr. Rathbone said that employees of Columbia stations in Washington, D. C.; Boston, Mass.; Charlotte, N. C., and Los Angeles, Calif., were prepared to join the radio telegraphists.

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## BIG PRESS ADVERTISERS ALSO USE RADIO

Annual estimates compiled by the Bureau of Advertising, American Newspaper Publishers' Association and released last week, reveal that 394 national advertisers who spent at least \$50,000 each in newspapers in 1936 apportioned a total expenditure of \$272,953,478 in the three major mediums as follows: \$160,235,000, or 58.7% to newspapers; \$72,873,727, or 26.7% to magazines; \$39,844,751, or 14.6% to chain broadcast, according to Newsdom.

Altogether, of the 29 trade groups listed in the study, 24 placed the major portion of their appropriation for the three mediums in newspapers. The combined advertising expenditure in the three mediums by groups favoring newspapers was \$245,195,354 - compared with a combined investment of \$27,758,124 by trade groups favoring other mediums.

The study also includes a chart of the national advertiser's dollar for 1936 which is not a chart of figures included in the study as these figures cover only 394 advertisers who spent at least \$50,000 in newspapers last year. The dollar chart covers expenditures of all national advertisers in five mediums: newspapers, magazines, chain broadcast, car cards and outdoor.

The chart shows \$188,000,000, or 44%, going to newspapers, a gain of 12.5% over 1935; \$143,790,000, or 33.6% to magazines, a gain of 20.7% over 1935; \$59,671,000, or 14%, to chain broadcast, a gain of 21.1% over 1935; \$34,000,000, or 7.9%, to outdoor, a gain of 17.2% and about \$2,100,000, or .5% to car cards, compared with \$2,200,000 in 1935.

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The U. S. Commerce Department reports that 8,216 new radio licenses were issued in Palestine in 1936, bringing the total number of licenses in force to 20,388 at the end of 1936, against 12,172 at the end of 1935. The large increase in the number of licenses is attributed to the stimulation in the use of radio sets caused by the opening, on March 30, 1936, of the Palestine Broadcasting Station. As the total value of imports of radio sets has shown a slight decrease, the majority of new sets must have been small and inexpensive types purchased principally for reception from the local station.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

~~CONFIDENTIAL~~ — Not for Publication

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No. 1039

June 26, 1937

## ARCTIC EXPEDITION TO TACKLE RADIO PROBLEMS

Many problems still puzzling radio engineers are expected to be solved this Summer through further extensive researches to be made in the Arctic regions, according to Commander E. F. McDonald, Jr., President of Zenith Radio Corporation.

He made this statement in announcing that a specially designed code-and-radio transmission and receiving apparatus had been installed on the "Gertrude L. Thebaud", famous Gloucester fishing and racing schooner, which is being outfitted at Gloucester, Mass., for Commander Donald B. MacMillan's 1937 Arctic Expedition. The expedition was due to sail June 24th, and will be MacMillan's sixteenth trip to the North.

It is expected that the careful correlation of meteorological and magnetic observation will result in further information on long distance radio communication. The effect of the aurora borealis on radio reception will be studied with a view to solving the annoying problem of fading in long distance radio transmission and reception. Radio operator Walter Ramsden of the Zenith staff, a member of the American Radio Relay League, accompanied the expedition. The ship's radio transmitter will be known as Station WHFN.

The "Thebaud", veteran of several spirited brushes with the Canadian contender "Bluenose" in which victories fell turn-and-turn about, sailed for Baffin Land with a noted list of scientists and twenty college and preparatory school students who will share not only in the scientific researches to be made, but will serve as crew, as part of the daily instruction in seamanship and navigation.

The radio apparatus being carried on the "Thebaud" is much improved over the early apparatus brought aboard Commander MacMillan's ship the "Bowdoin" by Commander McDonald, when he signed on as a member of the Arctic expedition of 1923. MacMillan was the first Arctic explorer to use the radio and during his 1923 expedition he received on it news of President Harding's death. The expedition then within nine degrees of the North Pole, its ship frozen in the ice and buried under the Arctic snows and with igloos built over the hatches for protection against the cold winds, raised its flag to half-mast along with the rest of the country.



The "Thebaud" will make its headquarters off the northerly shores of Baffin Land. Stops will be made at Sydney, N.S., and at a string of Moravian mission stations along the Labrador coast where radio sets and windchargers for radio and electric light will be dropped to missionaries, governors and radio operators. Several of these northern posts now have no dependable source of radio power or electric lights, while others depend on gasoline-driven chargers. As gasoline is scarce and expensive in the North, the wind is expected to take over the job of lighting, and of running radio. Winchargers have previously been installed at a number of Arctic points with success, and are being used also by the Soviet Expedition now at the North Pole. As a matter of fact, the radio running from a single storage battery and the wincharger were both inspired by Arctic explorations.

Commander McDonald, during his 1923 and 1925 voyages to the Arctic with MacMillan, left many dry battery-operated radios with far northern missionaries and governors. In a few months their batteries ran down, leaving them cut off from communication. Realizing the injustice of bringing such temporary radio to the North, McDonald turned his thoughts to storage battery radio and a means of charging batteries from the wind for use in isolated and unelectrified parts of the earth. By 1935, he had succeeded in the solution of both problems.

Among the noted scientists with the MacMillan expedition are Dr. Martin J. Buerger of the Massachusetts Institute of Technology; Dr. David Potter, of Clark University; Dr. Alfred O. Gross, of Bowdoin College; Harold S. Peters, of the U. S. Department of Agriculture; V. C. Wynne-Edwards, of McGill University, and Dr. Kenneth W. Sewall, of the Massachusetts Memorial Hospital.

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CBS ADDS WAIM, ANDERSON, S. C., TO NETWORK

Station WAIM, Anderson, South Carolina, will be added to the Columbia Network on July 18th. The station, which is owned and operated by Wilton E. Hall, with business offices and studios located at Anderson College, operates full time on a frequency of 1200 kilocycles, 249.9 meters, with 100 watts power.

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6/26/37

BROADCASTERS CONDEMN PAN AMERICAN SHORT-WAVE STATION

Opposition to the Celler Bill to construct a \$700,000 government-owned short-wave broadcasting station in Washington to improve relations with Pan American countries was voiced by the National Association of Broadcasters at its Chicago convention.

Action on the bill, sponsored by Representative Celler (D.), of New York, upon the suggestion of Commissioner George Henry Payne, is being held up by the House Naval Affairs Committee pending a report from the Navy Department.

The text of the resolution adopted by the NAB follows:

"Whereas, there has been introduced into the Congress of the United States a bill known as the Celler Bill, which would authorize the construction, maintenance, and operation of a government broadcasting station,

"Whereas, the existing system of broadcasting in the United States makes available to the various departments of the government ample time for broadcasting either domestic or foreign programs,

"Whereas, the existing system of broadcasting in the United States affords to the departments of the government the greatest possible radio audiences,

"Whereas, the operation of a broadcasting station by the Office of Education is opposed by all existing Federal and State laws respecting education,

"Whereas, due to its official status, there would be great danger of utterances over such a station giving offense to friendly nations, and creating unnecessary international incidents,

"Whereas, the enactment of the Bill would result in a useless and extravagant expenditure of public funds,

"Now, Therefore, Be It Resolved, That the National Association of Broadcasters express its opposition to the passage of this Bill, and instruct its Board of Directors to use all legitimate means to cause its defeat, and urge the members of the National Association of Broadcasters to encourage their members in Congress to oppose the passage of this bill."

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## RADIO FIRE-POLICE ALARM IS APPROVED BY FCC

Burglar alarms that are picked up directly by cruising police cars are to be tested in Seattle, Wash., as the result of issuance this week by the FCC Telegraph Division of an experimental permit to the Howton Radio Alarm Company.

The tests, to be conducted in conjunction with the Seattle Police and Fire Departments, are to determine the practicability of the alarm which its sponsors claim is more economical and more effective than the automatic wired alarms. The experiments propose to equip certain banks and other business houses with the alarms, which consist of a high quality crystal controlled transmitter, storage battery, and phonograph record.

The recording has only two messages: one broadcasts a burglar alarm, while the other turns in the fire alarm. The first is set off by treadles and similar devices, whereas the second is operated by thermostat or other instruments sensitive to heat.

Promoters of the alarm claim that it is silent in operation, cheaper than wired alarms, and that it has the advantage of having no wires that may be cut easily by burglars. The cost per customer is estimated at \$5 a month.

The FCC Examiner, in recommending the granting of an experimental license, cited its advantages, as claimed by the sponsor, but raised the question of whether it would overcrowd the police radio waves, on which it would transmit the alarms, and whether false alarms might be increased.

Objection to the granting of the license was made by Western Union because of its threatened competition with wired alarms.

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## DELETION OF WRAX PROPOSED IN EXAMINER'S REPORT

Deletion of WRAX, Philadelphia, and the absorption of its facilities by WPEN, Philadelphia, were recommended to the Federal Communications Commission this week by Examiner Tyler Berry.

The Examiner at the same time recommended that control of both stations be transferred from Clarence H. Taubel to John Iraci, and that WPEN be granted an increase of power to 1 KW, and unlimited time on 920 kc., now shared with WRAX.

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## DUES RISE VOTED DOWN; PRESS AGENT PROPOSED BY NAB

Members of the National Association of Broadcasters voted down a proposed amendment to their Constitution to raise dues in Chicago this week and at the same time adopted a resolution to hire a press agent.

The latter will be known as a Director of Advertising and will work under the direction of the Managing Director. His job will be "to advance the art of radio broadcasting in the minds of the people and to portray a true picture of the value of the radio industry, in its present form, to the United States."

Among other resolutions adopted were endorsements of three-year licenses for broadcasting stations and condemnation of the Boylan license tax plan drafted by Commissioner George Henry Payne of the Federal Communications Commission.

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## TELEVISION EXHIBITION DRAWS CURIOUS CROWD

"The television exhibition, which is open to the public at the Science Museum, South Kensington, removes all cause for that slight trepidation afflicting many good people invited to watch a demonstration in a trade viewing-room", World Radio states. "Although no one is pressed to buy on the spot, many visitors to viewing-rooms do nurse a brooding sense of obligation to the kind and obliging salesman, and end up by buying at least a brace of terminals or a fixed condenser. But at South Kensington the public is welcome to inspect at leisure the most comprehensive television display yet staged in any country, and to see demonstrations of practically all the systems extant, from the early low-definition pictures to the most advanced cathode-ray and 'big screen' methods.

"The exhibition, which was opened by Lord Selsdon, Chairman of the Television Advisory Committee, traces the art from its earliest beginnings in the 'seventies, when it was accidentally discovered at the Valentia Cable Station that selenium rods used as resistances altered their value under the influence of strong sunlight. It includes the early apparatus with which John Logie Baird transmitted the face of a ventriloquist's doll in 1925; and in the modern section, there are practical demonstrations of modern reception on local transmissions as well as the broadcasts from Alexandra Palace. Firms showing their latest cathode-ray receivers in action include Baird, Marconi-E.M.I., Ferranti, Cossor, and G.E.C.

"The exhibition, to which admission is free, will continue until September."

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6/26/37

COPYRIGHT OCCUPIES SPOTLIGHT AT NAB CONVENTION

Copyright discussion and resolutions occupied the spotlight at the Chicago convention of the National Association of Broadcasters during one of the least controversial meetings on record.

Following a report by James W. Baldwin, Managing Director, during which he recommended, among other things, that broadcasters try to send at least one sympathetic U. S. Representative from each State to Congress, the broadcasters adopted several resolutions.

The resolutions urged:

- (1) Prosecution of the U. S. suit against the American Society of Composers, Authors and Publishers.
- (2) Passage of the Duffy Copyright Bill.
- (3) Approved the action of NAB Directors in organizing the NAB Bureau of Copyrights, Inc.
- (4) Set up a Committee composed of one NAB member from each State to gather data on copyright problems and correlate them.

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TWO NEW STATIONS RECOMMENDED BY FCC EXAMINERS

Construction permits for the erection of two new broadcasting stations were recommended to the Federal Communications Commission this week by Examiners.

The applicants are the Schuylkill Broadcasting Co., Pottsville, Pa., for 580 kc. with 250 watts power, daytime, and the Twin City Broadcasting Corp., Longview, Wash., for 780 kc., with 250 watts power, daytime.

Improved facilities were recommended also for WABY, Albany, N. Y. The station asked for an increase in daytime power from 100 to 250 watts.

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## INDEPENDENT BROADCASTERS REELECT EDWARD A. ALLEN

Edward A. Allen, of WLVA, Lynchburg, Va., was reelected President of the National Independent Broadcasters, Inc., during a meeting held in Chicago simultaneously with the NAB convention. The organization is composed of NAB members who own or operate 100-watt broadcasting stations.

Other officers chosen are:

Edward E. Bishop, of WGH, Vice-President; W. W. Behrman, of WBOW, Secretary, and Arthur Westlund, of KRE, Treasurer. Board of Directors elected include: James Curtis, KFRO; Clifford Chaffey, WEEN, and W. B. Greenwald, KWBG.

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## PALEY LISTED AMONG TREASURY'S "TAX-AVOIDERS"

William S. Paley, President of the Columbia Broadcasting System, was listed among the names of prominent persons accused of "tax-avoiding" by the Internal Revenue Bureau this week.

The report to a joint Congressional Committee stated that Mr. Paley had "avoided" portion of his tax by means of a personal holding company. While he reported an adjusted 1936 net income of \$104,563, with a tax liability of \$4,057, the Treasury estimated his liability would have been \$11,690 had his net income been undistributed.

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## RURAL MARKET LEADS CITIES IN RADIO FIELD

Farms and small towns are now buying radios at a faster proportionate rate than the large cities, E. F. McDonald, Jr. President of Zenith Radio Corp. told stockholders at the Company's annual meeting of stockholders held in Chicago this week, according to Radio Daily.

Production of radio sets by Zenith in the fiscal year starting May 1 is 50 percent ahead of last year, despite removal to a new plant, Commander McDonald said. He credited the increase largely to the switch in market from large cities to the rural communities.

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 :::BROADCASTING ABROAD :::  
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Broadcasting in Japan Proper is controlled by the Japan Broadcasting Corporation, which, in turn, is supervised by the Ministry of Communications. Programs are subject to strict censorship and nothing that might harm the interests of the country and its peoples is allowed to go on the air. Advertising of all sorts is prohibited. Political speeches cannot be included in the daily program. Even election campaign speeches and Diet proceedings cannot be broadcast.

The Japan Broadcasting Corporation operates 30 transmitting stations in Japan Proper, including 3 alternative transmitting stations for the large stations at Tokyo, Osaka, and Nagoya. These stations have certain local features included in their programs but in general they depend upon two main daily programs broadcasted from Tokyo and Osaka and then relayed to the smaller outlying stations. The stations are distributed on a plan seeking to give approximate equality of reception throughout the islands, aiming toward an ideal of one-station reception in all regions.

The strict Government control is exercised with a double purpose. Instruction of the people is the principal object, and the second is the discouragement of any facilities which would make Japan a field for the dissemination of foreign propaganda. The distribution of stations is part of this program, inasmuch as low-powered receivers are capable of satisfactory service under the plan in effect, and there is little encouragement to the purchase of higher powered types which would be within the range of foreign broadcasting. An early law, but one abrogated some years since, prohibited the use of receivers capable of receiving any foreign stations.

Ten-thousand-watt central stations in Japan Proper are located in the principal cities of Tokyo, Osaka, Nagoya, Hiroshima, Kumamoto, Sendai, and Sapporo. To supplement these main stations 20 others have been established with aerial power ranging from 300 to 3,000 watts, at important points throughout the country. All these stations have been linked by a permanent relay line, so that events of national interest can be broadcast to every corner of the country. Five more stations will be added during 1936.

The revenue of the Japan Broadcasting Corporation is obtained from the license fees paid by owners of radio sets. Each owner pays a monthly fee of 50 sen to the corporation, while an initial fee of 1 yen is paid to the Ministry of Communications. Broadcasting time is not sold and no advertising of any kind is permitted over the radio in Japan. The corporation pays the Government an annual monopoly fee amounting to 20 sen per subscriber.

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::: TRADE NOTES :::  
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Westinghouse Electric & Manufacturing Co. will present an exhibit and demonstrations of the latest developments in radio and television at the New York World's Fair in 1939. The company has just signed the first formal contract for exhibit space in a building to be erected at the Fair.

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The American Radio Telegraphists' Association has withdrawn from negotiations by maritime labor unions for a peace settlement pending the outcome of an election by the crews of eighty-eight Atlantic and Gulf steamship lines for a bargaining agency.

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Denial of the application of the Waterloo Times-Tribune Publishing Co., Waterloo, Ia., for a construction permit to operate a station on 1370 kc. with 100 watts power, daytime, was recommended to the Federal Communications Commission this week by Examiner George H. Hill.

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Maurice M. Boyd, of the National Spot Sales division of the Eastern Sales Department of the National Broadcasting Company, has been appointed head of the division, effective July 1st. He succeeds F. E. Spencer, Jr., resigned.

Mr. Boyd joined the National Broadcasting Company in January, 1933, coming from the Merchandising Division of Macy's. He also has been associated with Westinghouse and Stations WBZ-WBZA. He is a graduate of Purdue University.

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There were 100,000 receiving sets in the Irish Free State on December 31, 1936, or one to every 30 inhabitants. Several British manufacturers began to assemble their sets in this country during the year. One American set has been assembled in Dublin for the past three years. The import duty on completely assembled sets is 50 percent ad valorem, while knock-down sets may be imported at 25 percent ad valorem.

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## BRITISH ANNOUNCER OF "ALL-LIT-UP" FAME WRITES A BOOK

The British radio announcer who aroused an international chuckle recently by his description of the British naval review as "all lit up" has written a book.

Thomas Woodrooffe, the announcer, is the author, and the book's title is "Yangtze Skipper".

Ralph Thompson, reviewing the volume in the New York Times, remarks:

"Most radio announcers (no need to mention names) write pretty frothy books when they write books at all. Not Thomas Woodrooffe. His 'Yangtze Skipper' (\$2.50), the first volume published by the new New York firm of Sheridan House, is light reading, however one looks at it, but it is also good reading and highly entertaining.

"Mr. Woodrooffe went into radio work a few years ago, after retiring from the British Navy with the rank of Lieutenant Commander. In time he was put in charge of the British Broadcasting Company's outside programs, and, as those with a memory for vital detail will recall, it was he who stood at a microphone a month or so ago and began so lively a description of the British fleet all lit up that headquarters thought it best to cut him off short. There was brief and irreverent mention of the arrair in our own press; English papers, I am informed, took the thing more seriously and pointed out that Mr. Woodrooffe had been under great strain because of the coronation and would no doubt recover during an extended sick-leave."

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The Buenos Aires broadcasting Station LSl, which is operated by the municipal government and broadcasts from the Colon Theater, has placed an order for new American equipment which will make it one of the world's most powerful and up-to-date transmitters. While the present characteristics are 710 kilocycles, 5,600 watts, the new transmitter will have a 50 kilowatt antenna power. It is also claimed that it will be the first station in the world to use the Doherty high efficiency circuit. It is expected that the new transmitter will be in operation within a year's time.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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June 29, 1937

## RADIO LEGISLATION BELIEVED ENDED FOR THIS SESSION

With Washington's famed Summer growing warmer and members of Congress becoming more and more restless in anticipation of adjournment, indications are that Congress will enact no more radio legislation at this session.

However, as this is only the first session of the 75th Congress, all bills introduced will remain vital at next session.

Copyright legislation, it is believed, will be delayed, along with proposed tax measures and a bill to keep newspapers out of the broadcasting business.

Likewise, the proposal for erection of a Pan American short-wave station in Washington is not expected to be acted upon before next year although hearings may be started in the House if Congress remains throughout the Summer.

The Boylan tax bill, sponsored by Commissioner George Henry Payne, is apparently shelved for this session although it is by no means dead. Whenever the House Ways and Means Committee begins scouring around for new revenue, the broadcasting industry is likely to be examined.

Talk of a broad investigation of the industry and the administration of the Federal Communications Commission has practically stopped. Since the death of Representative Connery (D.), of Massachusetts, no Democrat has taken up the cudgel and even Representative Wigglesworth (R.), of Massachusetts, has been quiet.

Members of Congress, along with the broadcasting industry, are awaiting eagerly the appointment of a successor to Dr. Irvin Stewart, Vice Chairman of the Federal Communications Commission. Dr. Stewart will leave the FCC on Wednesday to take over his educational research job, and the post on the Commission will become vacant unless the President makes a nomination this week. For the last fortnight rumors of likely candidates have quieted somewhat, and FCC officials have inclined to the belief that a dark horse may be chosen.

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DR. ANGELL JOINS NBC AS COUNSELOR OF EDUCATION

Dr. James Rowland Angell, retiring President of Yale University, will become Educational Counselor of the National Broadcasting Company in September at a salary of \$25,000 a year, it was announced this week.

Seen as a move to improve the relationship between commercial broadcasters and organized educators, Dr. Angell's appointment was hailed by Dr. John W. Studebaker, U. S. Commissioner of Education, and others.

A statement issued at New Haven said that Dr. Angell accepted the appointment at the urgent invitations of officials of the National Broadcasting Company and the Radio Corporation of America, among them being Owen D. Young, Gen. James G. Harbord, and David Sarnoff.

Dr. Angell is expected to do for radio education what Dr. Walter Damrosch did for the improvement of musical programs in broadcasting.

Dr. Angell, in accepting the appointment, said:

"I am accepting the invitation with great enthusiasm and in the hope that the opportunity given me will allow me to render a real public service. The educational possibilities of radio are but just beginning to be fully appreciated, and I trust I can make some small contribution to increasing its significance for young and old alike."

Dr. Studebaker sent the following telegram to Maj. Lenox R. Lohr, President of NBC:

"I congratulate the National Broadcasting Company on securing the services of Dr. James R. Angell in studying educational and cultural broadcasting abroad and in this country. On the basis of his studies, he will be able to give valuable advice to your company and to educators. Without doubt he will aid all of us in the development of new plans for such cooperation between broadcasters and educators as will increasingly serve the general welfare."

Dr. Angell's decision was made after several months of consideration and numerous discussions with NBC officials.

"The National Broadcasting Company", Mr. Lohr said, "is greatly honored by the privilege of having associated with it in a full-time capacity a man of Dr. Angell's distinguished attainments and notable intellectual station."

"In joining us, he is only changing his base of educational endeavor from New Haven to New York, from a university to the air. He will have a free hand to devise and suggest methods by which we may more effectively serve radio's listening millions."

## ASCAP MAKES FRIENDLY GESTURE TO NAB PRESIDENT

Despite criticisms of the American Society of Authors, Composers, and Publishers at the recent Chicago convention of the National Association of Broadcasters, E. C. Mills, Chairman of the ASCAP Advisory Committee, this week wrote John Elmer, new NAB President, a letter of congratulation and good wishes.

Foreshadowing a conference on copyright problems, Mr. Mills wrote:

"May I extend personal and official congratulations to you upon your election as President of the NAB, and avail myself of this opportunity to say that at any time a discussion of mutual problems with this office seems desirable to you, I hold myself entirely amenable to your commands.

"That there are problems which merit discussion is beyond question. I want you to know that ASCAP has always sought and now seeks the goodwill of its broadcaster-customers and that we will be delighted at all times to discuss with you any proposals or suggestions looking toward an enhancement of a friendly, mutually agreeable and understanding relationship."

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## NBC ADDED 21 STATIONS IN HALF OF 1937

Expanding and intensifying its coverage in communities containing a total population of approximately 7,500,000 persons in seventeen different States, the National Broadcasting Company added twenty-one broadcasting stations to its nationwide networks during the first half of 1937. This brings the total number of NBC stations to 126, the largest group of affiliated stations in the world.

Addition of the new stations not only strengthens NBC from a national standpoint, but also materially improves network service in many local listening areas. Moreover, some points are now receiving national radio network programs for the first time.

Nineteen of the new outlets are already actively associated with the networks; the other two will become NBC stations within the next few months. The first group added 43,350 watts daytime power and 31,150 watts night-time power to NBC. The other two stations will add 2,600 watts daytime power and 1,100 watts night-time power, making a grand total for all 126 stations of 1,862,350 watts daytime and 1,719,600 watts night-time power.

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## NEWSPAPER FAILS TO DISLODGE LUTHERAN RADIO STATION

The Pulitzer Publishing Co., which operates both the St. Louis Post-Dispatch and Station KSD, failed to convince Examiner P. W. Seward that it should take the time now shared with the Evangelical Lutheran Synod of Missouri, a report to the Federal Communications Commission disclosed this week.

Station KSD had asked for unlimited time on 550 kc., which it now shares with Station KFUC, the Lutheran station, of Clayton, Mo.

Calling attention to "The Lutheran Hour" as the "most extensive nation-wide Protestant religious service broadcast, Examiner Seward said:

"It is not in the public interest to delete a non-profit station whose programs spread the Gospel in an attractive and interesting manner, and affords educational and cultural programs, especially when that station serves, and proposes to serve, the area with more diversified programs that will supply a local need of general public interest. Further, it is not in the public interest to grant a commercial station additional time when it appears that the only beneficial result from the granting of such additional time would be to afford the commercial station an opportunity to increase its profits. This is especially true when the additional time of the commercial station is to be devoted to a class of programs which is already available from other stations in the area."

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## CUBA PLANS BIG PURCHASE OF SCHOOL RADIOS

The Instituto Civico Militar (Civil Military Institute) of the Constitutional Army of Cuba, plans to provide each civil-military school which is to be established with a radio receiving set, self-contained lighting plant and motion picture projector, according to the U. S. Department of Commerce. The funds to make these purchases would be provided from the proceeds from the sale of farm and industrial products produced by each civil-military school. Persons interested in having further details on the project should communicate with the Instituto Civico Militar, Simon Bolivar 96, Habana.

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## BBC TELEVISION STATION DOMINATES LONDON

Following is a description of the London television station of the British Broadcasting Corporation as released by the British Broadcasting Corporation this week:

"From a hill 306 ft. above sea level the BBC's television station dominates London and a large portion of the Home Counties. It is built into the southeastern corner of Alexandra Palace - a North London landmark and pleasure resort for more than sixty years - and from the large bay windows of the upper offices below the aerial nearly all London can be taken in at a glance. The importance of height to television broadcasting can hardly be over-emphasized, for under normal conditions the range of the ultra-short waves used is extended as the height of the transmitting aerial is increased.

"Surmounting the reconstructed east tower, itself 80 ft. high, is the tapering lattice mast, rising to a height of 220 ft. Thus the aerial array for vision transmissions, which is mounted at the summit of the mast, is more than 600 ft. above sea level. Immediately below the vision aerial is the aerial for the accompanying sound transmissions.

"The new station fulfils the recommendations of the Television Advisory Committee appointed to consider the development of television in Great Britain. Provision is made for experimental transmission by the system developed by the Marconi-E.M.I. Television Company. The Company has provided a complete television system, including both vision and sound pick-up apparatus, and the television transmitter itself. The BBC has been responsible for the sound transmitter and its associated aerial, both of which were manufactured by Marconi's Wireless Telegraph Company.

"In its main essentials, therefore, the equipment comprises a television studio with an associated control-room and ultra-short-wave television transmitter, and an ultra-short-wave sound transmitter.

"The entrance hall is at the base of the tower. To the right is the receptionist's desk, and immediately facing the visitor is the main door to the stairway leading to offices and studios. On the left is the entrance to the ground-floor corridor, which serves the two transmitters, projection theatre, restaurant, and scenery-production shop. Nearest to the entrance hall is the television transmitter, which operates on a frequency of 45 megacycles per second (wavelength: 6.67 metres).

"Next is the sound transmitter hall, which accommodates an ultra-short-wave installation of orthodox design for radiating the speech and music accompanying the vision signals. Its operating frequency is 41.5 megacycles per second (wavelength: 7.23 metres).

"Adjoining the sound transmitter is the film-projection theatre, or miniature cinema, in which film excerpts can be selected and timed for inclusion in the transmissions. At least thirty people can be comfortably accommodated in the cinema.



"At the southwest extremity of the BBC section of the Palace is a large area intended either for scenery construction or for televising such objects as motor cars and animals which cannot be brought into the studio or televised outside. Lorries can drive straight in. Lifting tackle can take up scenery and properties weighing a ton through a trap-door in the roof to the second dock, 25 ft. above.

"An interesting feature at this point is the ramp or sloping runway down which the television camera can travel to a concrete 'apron', approximately 1,700 square feet, on the terrace outside, forming a platform for televising open-air performances or special experimental programs.

"Beneath the productions shop is the boiler plant serving the whole of the BBC section of the Palace. Also on the ground floor is the restaurant, providing an all-day service for the benefit of staff and artists. It has seating accommodation for sixty, and at least 1,000 meals can be provided during a working day.

"The staircase from the entrance hall leads up the tower to the studio floor - the second story of the tower. Engineers' offices are situated on the first floor. Offices on the studio floor are occupied by the Productions Manager, studio managers, and secretarial staff.

"Leaving the tower on this floor, the visitor enters the studio. Measuring approximately 70 ft. by 30 ft., with a height of 25 ft., this studio is divided into two stages - A and B - of which A, the larger, gives an acting area of approximately 24 feet square. It is equipped with two sets of tableau curtains. Lining the studio on two sides are hanging velvet curtains running on two tracks, the front curtain being black and the rear one white, to allow for the interchange of backgrounds. Each stage has separate lighting, controlled from a central switchboard. Emitron instantaneous television 'cameras' are used.

"Across the middle of the studio runs a steel lighting bridge, which allows additional lights to be trained on either stage.

"High up in the west wall, a large plate-glass window indicates the position of the control room, where the producer and the engineering assistants operate. The floor is covered with thick black linoleum and the walls are acoustically treated with an asbestos compound.

"Next to the control room, already mentioned, is the Marconi-E.M.I. tele-cine room, containing two projectors and scanning cameras for televising films.

"On the opposite side of the corridor on the studio floor are the artists' dressing-rooms. There are five rooms for men and five for women, each set of rooms having its own bath.

"At the southwest end of the studio floor is the concrete scene dock for storing scenery and properties. Adjoining the dressing-rooms is the Band Room, the walls of which have been acoustically treated.

"The BBC has also acquired the Alexandra Palace Theatre, which may be used later on for preliminary rehearsals and experimental programs."

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## TWO NEW STATIONS RECOMMENDED BY FCC EXAMINERS

Construction permits for two new broadcasting stations were recommended this week by Examiners to the Federal Communications Commission.

The applicants are: Carolina Advertising Corp., Columbia, S. C., for 1370 kc. with 100 watts nighttime power and 250 watts daytime, unlimited time; and W. E. Whitmore, Hobbs, New Mexico, 1500 kc., 100 watts power, daytime operation.

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::: BROADCASTING ABROAD :::

There are three broadcasting stations in the Philippines. They are KZRM, KZEG, and KZIB.

KZRM has purchased a high fidelity short-wave set developing 1 KW at the antenna. It is not yet certain on what wave-length the short-wave set will operate, but it will probably be on a 31 meter band at 9,570 kc frequency or a 25 meter band at 11,840 kc. frequency. KZRM is the only station receiving a subsidy from the Radio Broadcasting Fund under the terms of Act No. 3997, which requires that it have sufficient power and satisfactory facilities and apparatus to render reasonably satisfactory service under normal conditions throughout the Philippine Islands. By an agreement with the Radio Regulations Division made in 1935 and revised at the beginning of 1936, the subsidy is to equal the difference between the operating cost and advertising revenue of the station but may not exceed 6,700 pesos a month.

KZRM broadcast a total of 2,728 hours during 1936, of which 539 hours was educational, including speeches, and 758 hours made up of news, weather reports, stock quotations, etc. Another 710 hours was made up of entertainment by local talent, 430 hours of recorded music, mainly phonograph records, and 282 hours of sponsored programs, including some electrical transcriptions from the United States. There are occasional rebroadcasts of important events in the United States and Europe brought in on short-wave and rebroadcast by KZRM.

KZEG was opened in 1932 as a supplement to KZRM, using the same studios, but transmitting over 1 kw station with about 850 watts at the antenna. It broadcasts during the day, when KZRM is silent, and programs are heard throughout most of Luzon but not regularly in most other parts of the Islands. Programs are made up mainly of phonograph records. It receives no subsidy but had an advertising revenue of 13,845 pesos in 1936, or about 60 percent greater than in 1935. About 25 percent of the advertising revenue was from the owners of the station, however. Advertising revenue approximately covered the cost of operation.

KZIB is operated by I. Beck, Inc., department store owners and radio distributors. Programs are made up about 35 percent of local talent, 15 percent electrical transcriptions and 60 percent of phonograph records and are heard throughout most of Luzon and sometimes in the southern Islands. They have consistently applied for a subsidy but so far the Radio Regulations Division has held that their transmitter does not satisfy the requirements of power and audibility throughout the Islands. If the Government is accumulating a reserve toward nationalization of radio broadcasting, it is improbable that they will be able to spare a subsidy for KZIB. Advertising revenue averages about 1,000 pesos a month, which is not quite sufficient to cover operating expenses. KZIB has built a short-wave broadcasting set out of parts purchased locally, but has not yet been assigned a wave-length or a license to operate.

A few electric transcriptions are received from American advertisers. Aside from that, there is no considerable use of transcriptions, although phonograph records are used a good deal.

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#### SUN'S RAYS ABSORB RADIO SIGNALS, SCIENTISTS DECLARE

An explanation of how ionized rays from the sun not only halt short-wave radio transmission but absorb the signals entirely was given this week before the American Association for the Advancement of Science at Denver, Colo, last week. The electric currents shoot out from bright spots on the sun in the form of ionized rays and flow to the earth. The bright spots are flares of flame as big as the earth, but they last only a few minutes.

When the extra current flows from the sun flares, short-wave transmission fades out completely. Even static disappears for short-wave sets. The radio signals are completely absorbed by the extra electricity flowing thirty miles overhead.

The peculiar flares on the sun were discovered about two years ago. They occur now and then in black sun spots or occasionally alongside. With sun spots now approaching a maximum of nearly 200 a day it has been possible to measure the electricity coming from the flares.

R. S. Richardson of Mount Wilson Observatory, who has been spending nearly all his time recently watching them, reported that their visible light is about twice as bright as the sun.

It takes only one minute after these rays hit the earth's atmosphere for the doubled charge of current to appear in the lower layers, and for short-wave radio to fade out. The earth's magnetic currents are also affected almost instantaneously both below and above ground.

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 ::: TRADE NOTES :::  
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John J. Karol, Director of Research for the Columbia Broadcasting System, was elected President of the Market Research Council on June 25th. Membership of the Council is limited to 50, and is comprised of research men from agencies, media, and independent research organizations. Carroll Rheinstrom, Macfadden Publications, was elected Vice-President; Arthur Hirose, McCall Corporation, Secretary-Treasurer.

The highest neon-lighted advertisement in the world went into operation June 28th when huge letters atop the RCA Building in Radio City blazed "RCA", symbol of the Radio Age, across the night skyline of New York. The dedication ceremonies, including talks by David Sarnoff, President of RCA, and Grover Whalen, President of the New York World's Fair of 1939, were broadcast by the National Broadcasting Company.

Carrier pigeons, used for some time to transport news and pictures, were employed recently by radio station WOR, Newark, when Bob Edge, hunting and fishing commentator received information via pigeon transport from a fishing cruiser 73 miles at sea. W. G. Schauffler, pilot of the ship, sent news of fishing conditions to the Naval Air Station at Lakehurst, N. J., with the plegon, and from there the information was phoned to WOR.

A network of radio stations now covers the entire Soviet Republic. In domestic telegraph communication over long distances (from 3,000 to 9,000 km.) radio handles from 60 to 70 percent of the traffic. International communications are carried on principally by radio. As to broadcasting, the Soviet has about 70 stations which broadcast daily in over 60 languages of the various nationalities.

New broadcasting equipment and new transmitter of WISN, the Wisconsin News, Milwaukee, was dedicated recently at a special broadcast over the Columbia network, with which the station is affiliated. The new equipment includes a 254 foot vertical radiator antenna, reaching skyward from the street a distance of 325 feet; a Western Electric volume booster amplifier, and a new, 1938 model RCA 1,000 watt high fidelity transmitter, the first of this new improved type which has been installed by any radio station in the United States.

A contract between the five New York State Racing Associations and the Columbia Broadcasting System, signing of which has just been announced, will give Columbia exclusive network broadcasting rights to all races run at the Aqueduct, Belmont, Empire, Jamaica, and Saratoga tracks, beginning with the 1938 season. Bryan Field, New York Times racing editor has been signed by Columbia to cover the events.

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## PHILCO TO MAKE 2,000,000 RADIOS THIS YEAR

In introducing a new line of 1937-38 radios in New York during the past week, James M. Skinner, President of the Philco Radio and Television Corporation, announced that the factories are geared to turn out 2,000,000 home and auto sets during 1937, an increase of 200,000 over 1936.

Previously Philco had stated it will use 5,000,000 lines of newspaper space in advertising its new radios.

Seven of the new instruments are designed with an inclined control panel which slopes back about 30 degrees from the vertical to facilitate tuning. Hence the slogan "no squat, no stoop, no squite" when tuning.

A new form of automatic tuning is described as "concentric" because self-centering cones are used to provide automatic and accurate location of stations. The pointer is swung to the desired station at which point the tuning handle is depressed and this then slips the built-in cone into position, thus centering the station. The action is silent and speedy. The set is automatically tuned off during the operation, thereby eliminating inter-station noises.

Spread-band dials that simplify and make easy the tuning of stations in the crowded foreign short-wave band are included on all of the new outfits. Glowing beams indicate when the tuning range is accurate, while acoustic clarifiers, inclined sounding boards, twin tone controls and improved loud-speakers improve the tonal quality of the instruments. Then, too, there are "flood-lighted" call letters on the automatic tuning dials, noise excluders and robot tone controls.

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### NBC INTERNATIONAL BROADCASTS REACH NEW HIGH

The elaborate Coronation coverage by the National Broadcasting Company brought the total number of international broadcasts over the NBC networks during May to a new high for a single month of 107, over the previous record of 98 foreign pick-ups set last December at the time of the abdication crisis in England. The time occupied by programs originating abroad during May totaled 39 hours and six minutes.

Of the principal program origination points in this country, New York, Chicago and Hollywood showed gains over May, 1936. San Francisco hours decreased.

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6/29/37

TRANSRADIO PLANS FACSIMILE DEMONSTRATION

Herbert Moore, President of Transradio Press, termed the recent "satisfactory adjustment" between Transradio and the Columbia Broadcasting System and National Broadcasting Company a "common sense" solution to the controversy, according to Editor & Publisher. He expressed confidence that the settlement will contribute to a better understanding between newspapers and radio, declaring Transradio had demonstrated it observes the tradition of honesty and accuracy in news. Transradio's purpose makes it "preposterous and utterly suicidal for us to pirate news" he asserted.

He announced plans for the first large-scale demonstration of facsimile broadcasting. Early in the Fall, he said, Transradio will invite a group of interested broadcasters to New York for private demonstrations which will test the facsimile project as a practical adjunct to regular broadcasting. The process to be used is the Fulton process, which Transradio regards as adaptable to home operation. Development of equipment has now reached the point where home reception can be achieved with complete success, he said.

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WOR-MUTUAL PLANS EXPANSION AT MEETING

Plans for the addition of more stations in new territories to the Mutual Broadcasting System and a guarantee of definite periods on all stations of the network for commercial programs were among the major developments of the semi-annual meeting of the MBS held in Chicago last week after the convention of the National Association of Broadcasters.

Announcement was also made of three new sponsored cooperative programs for the stations on the network starting next Fall; plans were made to more closely unite the present group of stations, and an improved and enlarged sustaining service from all affiliated stations was forecast which will bring added special feature events to WOR-Mutual listeners.

The meeting was attended by more than thirty representatives of Mutual stations. Representing WOR were Alfred J. McCosker, President of WOR and Chairman of the Board of Mutual, and Theodore C. Streibert, Vice-President of WOR and First Vice-President of the Mutual system.

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