

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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## NBC TELEVISES FIGHT AS NAB SEES LAW BARRIER

The first heavyweight fight was televised in the United States for public reception Thursday night when the National Broadcasting Company placed its camera at the Baer-Nova ringside in the Yankee Stadium, New York City.

Yet only a few days earlier, Neville Miller, President of the National Association of Broadcasters, told a Senate subcommittee that there is a serious question as to whether or not the televising of boxing exhibitions does not constitute a violation of the Federal law which prohibits the transmission of fight pictures across State lines.

On the day of the fight, RCA Victor in newspaper advertisements in New York announced that NBC's television camera would be at the ringside "ready to send the big fight to you through air by pictures".

While there was no data available immediately as to how many television receivers were tuned in on the visual broadcast, it is assumed that some of these at least were in New Jersey or other States than New York.

Mr. Miller's remarks were made at a hearing on the Barbour Bill before a Sub-Committee of the Senate Interstate Commerce Committee. The measure, sponsored by a one-time heavyweight boxer, Senator Barbour (R.), of New Jersey, seeks to eliminate the Federal ban on transmission of fight pictures across State lines.

Mr. Miller pointed out that the question of transmission of fight pictures by television heretofore has not arisen, but he added that it probably will unless the Barbour Bill is enacted into law.

"There have been many changes in American life and American opinion since 1912 when Congress enacted the present law making it unlawful to ship in interstate commerce films of prize fights", he said. "Since that time broadcasting has been developed as a medium of public entertainment and as a means of dissemination of news and information. Sports of all kinds have become more popular, and the American people have become more sport minded and interested in sporting events.

"Today many sporting events, such as football games, baseball games, prize fights and horse races are broadcast, and these programs are listened to by large nationwide audiences. No distinction, as far as I know, has been drawn between broadcasting of prize fights and the broadcasting of other sporting events, and all today are an accepted form of entertainment.

"Television is now in the process of being developed, and a number of broadcasters possess the necessary Government licenses to operate television transmission stations. Television receiving sets are now being manufactured, and sold to the public in areas where service is available. The program service in television is being developed, and, unless prohibited by law, will include the transmission of pictorial representation of prize fights.

"Many of such transmissions will be across State lines, and therefore will fall within the category of interstate commerce. Although no court as yet has been called upon to decide whether the Act of 1912 would apply to a telecast of a prize fight, it is conceivable that the question may be raised, and no broadcaster desires to run the risk of violating the law, even though the possibility of his act being a violation may be remote.

"Programming is one of television's most difficult problems, and it must depend upon special events as a major source of material. As prize fights have proved to be very acceptable to the public as broadcast program material, they will undoubtedly prove to be very acceptable for television program material. A prohibition of the use of prize fights for television programs would deprive the industry of very valuable program material, and accomplish no good purpose.

"Speaking on behalf of the broadcasting industry, I desire to urge the passage of Senate Bill 2047, introduced by Senator Barbour of New Jersey."

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#### FCC CONTINUES GOVERNMENT TELEGRAPH RATES

The Federal Communications Commission this week ordered that the presently effective rates for the handling of United States Government telegraph messages as promulgated by its Order No. 41, effective July 1, 1938, be continued in effect commencing July 1, 1939, pending decision and the further order of the Commission in Docket 5337, which is now before the Commission for decision.

The question of government telegraph rates for the ensuing fiscal year was presented in an extended hearing before an Examiner some time ago. The Commission by its action today extended the existing rates until a decision is reached as a result of that hearing.

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## WHEELER DROPS REORGANIZATION PLAN FOR SESSION

The long-dormant McNinch-Wheeler Bill, to establish a three-man Federal Communications Commission, has been dropped definitely for this session, Chairman Wheeler, of the Senate Interstate Commerce Committee, announced this week.

While this move was not unexpected in view of the storm of opposition that followed introduction of the measure, there has been some indication that hearings might be held jointly on the Wheeler and White bills if Congress remains in session until late Summer.

President Roosevelt is understood to have told Senator Wheeler that he does not consider the FCC reorganization essential at this session.

Whether or not an investigation of the Communications Commission will be ordered either by the Senate or House before Congress adjourns is still conjectural, but it appears at this stage that nothing will be done in this direction either.

Critics of the FCC have been rather quiet for the last few months, and the Administration has given no indication that it wishes the radio inquiry to go ahead.

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## ORAL ARGUMENT ON RULES HEARD BY COMMISSION

Spokesmen for ten groups of broadcasters appeared before the Federal Communications Commission on Thursday and argued on various provisions of the proposed new FCC rules and regulations. One of the chief points argued was the FCC ban on super-power broadcasting or any regular broadcasting with power in excess of 50 KW.

Louis G. Caldwell, speaking for the Clear Channel Group of stations, made the principal arguments for greater power. The National Association of Regional Broadcast Stations opposed an increase beyond 50 KW.

Other broadcasters that were represented in the oral arguments on the FCC rules were: The National Association of Broadcasters, the National Independent Broadcasters, NBC, CBS, and Stations WOR, WHKC, WQXR, WCBD, WMBI and WCAU.

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## McDONALD SAYS AERIALS ARE ON THE WAY OUT

Unsightly antennas and aerials on homes, apartment houses, and hotels will soon be a relic of the past, according to Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, of Chicago.

Addressing Zenith distributors at their annual convention in Chicago, Commander McDonald said:

"The telephone and electric light companies have done their part in endeavoring to conceal unsightly wires and the radio industry is now making its first move to follow suit. Nothing has more distorted our sky line of beautiful residences than the clothes line effect of antennas and aerials. The entire new line of radios introduced at this convention are equipped with the new development, which Zenith first tried out on one model in January of this year, the Wavemagnet, which does away with the necessity of aerials, antennas and ground wires. This new development, the Wavemagnet, also permits a radio to be moved from one part of the house to the other, as the radio is no longer anchored to an antenna. The Wavemagnet also acts as a static eliminator, as it greatly reduces man-made static produced by motors, generators and electrical devices. This new device will also save the public millions of dollars in the cost of antennas and aerials."

Following trade conventions in New York and Chicago, Commander McDonald stated that the orders of distributors attending these conventions for their June and July requirements represented an increase of 164 percent over the orders placed by the same distributors at the same annual conventions last year. This increase of 164 percent was in number of units. There was an increase of 149 percent in dollars over the same conventions last year. This increase is largely accounted for by the introduction of the new radio line of receivers which do not require antennae, aerials or grounds.

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## CANADA LOOKS FOR IDEAL RADIO ANNOUNCER

Only four announcers of the Canadian Broadcasting Corporation are considered ideal, and out of 1,500 examined in the last two years only 15 were selected, Maj. Gladstone Murray, the General Manager, recently told the Canadian Parliamentary Radio Committee.

What they were seeking, said Major Murray, was the warmth and life of American announcers without the "high pressure" feature and without the "atmosphere of inevitable tragedy" in every news bulletin. The ideal voice should possess the calm and detachment of good British announcers, without the "olympian air".

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## FCC'S EXPANSION TO BE DENIED; FUNDS TO BE ALLOWED

The Federal Communications Commission will have to operate on pretty much the same basis for the next fiscal year as it has during the current year, it appeared this week.

Although Chairman McNinch asked for substantial increases to finance a proposed expansion, particularly in the Press Division, Congress refused to consider his request in the light of a proposed FCC reorganization.

Now, with the fiscal year nearing an end, House leaders said that the FCC will be given funds in the last deficiency measure but on the same basis as last year's appropriations. That would mean a 1940 appropriation of \$1,700,000 instead of \$2,000,000 as requested by Chairman McNinch.

Representative Woodrum, Chairman of the House Sub-Committee on Deficiency Appropriations, said the FCC fiscal problem will be taken up when hearings are held on estimates for the third deficiency measure, probably early in June. He indicated that members of the Commission may again be invited to appear before the Committee.

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## MBS SIGNS ELLIOTT ROOSEVELT AS COMMENTATOR

Elliott Roosevelt, second son of President Roosevelt, whose regular talks heretofore have been heard only in Texas, will broadcast over the Mutual Broadcasting System three times weekly, beginning Saturday, June 3, from 7:15 to 7:30 P.M., EDST, it was announced this week.

Sponsored by the Emreson Radio and Phonograph Corporation, Mr. Roosevelt will be heard over WOR, Newark; WOL, Washington, WAAB, Boston, and 23 stations of the Texas State Network on Tuesdays, Thursdays and Saturdays from 7:15 to 7:30 P.M., EDST.

Because of this new radio contract, Mr. Roosevelt will divide his time between New York and Washington, and the broadcasts will originate from these cities.

It is expected that the program will be extended to coast-to-coast proportions in the near future.

The first broadcast will come from the studios of WOR, 1440 Broadway, New York City.

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## G.E. PICKS UP NBC TELEVISION SHOW 130 MILES AWAY

Contrary to theory that television programs can be received only 40 or 50 miles from the transmitting station, General Electric engineers in Schenectady, using a standard console Type G.E. receiver, picked up the complete two-hour program telecast by NBC from the Empire State building recently. Both picture and voice were received exceptionally well, G.E. engineers said, despite the fact the airline distance to the transmitter was 130 miles and the receiver was located approximately 8,000 feet below the "line-of-sight". This is believed a record for reception of a regularly broadcast television program.

A group of engineers headed by C. A. Priest, Chief Radio Engineer of G.E., and W. J. Purcell, Engineer in Charge of WGY, erected a temporary directive antenna, diamond in shape last Friday night. It was suspended from four masts with the plane of a diamond parallel to and about 40 feet above the ground. The antenna occupied a space on the ground of about 300 by 600 feet.

The receiver was mounted in the back of a truck for convenience in selecting a location. Power was obtained from a small gas-driven electric generator. The picture as viewed by the group was 8 by 10 inches.

The program included a ladies' fashion parade, song by a quartet, a dancing act, a dramatic sketch, and a special television edition of the motion picture "Gunga Din". The sound accompanying the picture was received on the same receiver.

The place where the tests were conducted was about two miles from the new highpower television station which General Electric is erecting in the Helderberg mountains, 12 miles from Schenectady. The spot was at a location slightly higher than the station which commanded best view of New York and the south. The station is slightly down the mountainside so that part of the mountain acts as a shield to the south, since this transmitter plans only to cover the capital district.

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The sound distribution installation provided in the League of Nations building in Geneva is claimed to be the largest in Europe. It enables speeches delivered in either the Assembly Chamber or in a small meeting room to be heard in any part of the building, and at the same time they are transmitted to the two radio broadcasting stations of the League, as well as to any foreign stations which may desire to broadcast them.

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## COMMERCIAL ANNOUNCEMENT RULING IS CLARIFIED

Replying to an inquiry of the National Association of Broadcasters, the Federal Communications Commission this week explained that commercial announcements may be expressed in any form so long as the announcer states the program is sponsored and gives the sponsor's name.

The NAB had asked for clarification of an order recently issued by the FCC warning broadcasters that all sponsored programs must be so identified.

T. J. Slowie, FCC Secretary, writing to the NAB, said:

"The statute does not specify the exact language of the required announcement. You are informed that the Commission regards an announcement that a particular program is sponsored as in substantial compliance with Section 317 when the name of the sponsor is given."

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## A.P. LIFTS BAN ON SPONSORSHIP OF ITS NEWS

The Associated Press' Board of Directors last week adopted the recommendation of members of the Association and lifted its previous ban on the use of A.P. news on sponsored broadcasts.

The Directors authorized A.P. members to broadcast its news, either on a sustaining or commercial program, under a series of strict regulations.

The Committee's action provides for an additional assessment of 5% of the paper's basic assessment if A.P. news is used on sustaining programs and for a 25% increase if the news is sponsored. If the news is broadcast without sponsorship, A.P. must be credited, but "sponsored programs shall be broadcast by the member in the name of his newspaper and the A.P. shall not be identified therewith".

Network broadcasting of A.P. news is prohibited by a clause in the Committee's resolution limiting broadcasting to the "member's city of publication". In cities where one paper has a day A.P. wire and another paper a night wire, broadcasts sold by each paper must be confined to its hours of publication unless the papers themselves work out some other arrangement.



All commitments for broadcasting A.P. news are subject to the rules and regulations of A.P. and for the present all commitments shall be terminable on three months' notice, so that members can conform to any changes found to be necessary in these A.P. regulations. Resolution also specifically charges members with the responsibility for continuing to "guard the integrity of the news".

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NETWORK TIMES SALES \$117,780,000 IN 1938

Net time sales of the three major networks - NBC, CBS, and MBS - amounted to \$117,780,000, according to calculations of the Federal Communications Commission. After the deduction of agency and representative commissions, the FCC report divulged, the aggregate income was \$100,385,018.

The figures were produced last week to supplement voluminous data already produced in connection with the chain-monopoly investigation.

These figures, based on network and station questionnaire returns to the FCC, cover the sale of time only, and do not include revenues from the sale of talent or other income items. It was stated by the Commission witness, deQuincy V. Sutton, head accountant, that complete tables similar to those released at the super-power hearing of last June 6, 1938, were in process of compilation and would probably be ready in mid-June.

The FCC's figures did not purport to cover the broadcasting industry as a whole since income reports of approximately 40 stations and of the regional networks were not included. It was informally estimated that their figures would add perhaps \$3,500,000 to the aggregate of net time sales and \$2,900,000 after commissions.

The \$117,780,515 figure of the FCC compared with \$115,822,248 for 629 stations in 1937, while the \$100,335,018 figure compared with \$100,512,860 for 1937. This would indicate that in 1938 there was a decrease in the actual dollar income of the stations and networks covered under 1937.

The total net sales shown by the FCC for 1938 included \$35,455,510 retained by the networks from network time sales after allowing discounts (but before allowing \$8,414,105 in commissions paid) and after making payments to stations and other networks. The networks paid out to affiliated stations \$18,481,773, which included \$5,347,388 to their 23 owned and managed stations.

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: : : TRADE NOTES : : :  
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George H. Frey, NBC network salesman, has been appointed Sales Service Manager of the Eastern Division, effective immediately. Reporting to Roy C. Witmer, Vice President in Charge of Sales, he will assume the duties of the Assistant Eastern Sales Manager, until recently performed by I. E. Showerman, now Eastern Sales Manager.

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New lines of radios were displayed in Bridgeport, Conn., this week by the General Electric Company at a meeting of the company's district sales managers and radio representatives from all parts of the country. Included are twelve table models, four consoles, two radio-phonograph consoles and one table radio-phonograph. A self-contained antenna circuit with a metal screen shield, eliminating aerial and ground connections and reducing static, which was introduced last year, has been extended to most of the new sets.

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Summer business now on the books for CBS shows a marked advance over all previous Summers. Columbia clients will broadcast fully 45% more program-hours this Summer than last, and will utilize over 60% more station facilities, according to a CBS release. Last year 54 programs were broadcast weekly during the Summer months; this year there will be 67. Last year 20 programs took Summer vacations from the network; this year only twelve are planning to suspend, with eight of the twelve already scheduling a definite return to Columbia after their hiatus.

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For the first time representatives of the broadcasting industry were invited to President Roosevelt's annual White House reception for Washington newspaper men on Wednesday night. Among those present were Kenneth Berkeley and Carleton Smith of NBC-WRC-WMAL, and Miss Ann Gillis, of CBS.

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David Sarnoff, President of the Radio Corporation of America, has announced that a quarterly dividend on the outstanding shares of the Corporation's \$3.50 Cumulative Convertible First Preferred stock, and a quarterly dividend on the outstanding shares of "B" Preferred stock, were declared at the regular meeting of the Board of Directors last week. The dividend on the First Preferred stock is 87-1/2¢ per share, and the dividend on the "B" Preferred stock is \$1.25 per share. These dividends are for the period from April 1, 1939, to June 30, 1939, and will be paid on July 1, 1939, to stockholders of record at the close of business June 9, 1939.

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PUBLISHERS' ORGAN PEEVED AT F.D.R. RADIO PAT

"President Roosevelt has again demonstrated his proclivity for taking a dig at newspapers, this time in a radio electrical transcription sponsored by the National Emergency Council and designed for use by more than 125 stations", Editor & Publisher comments editorially in a recent issue.

"Starting off a series of broadcasts in which the entire Cabinet will be heard, the President said, among some more pleasant things: 'It should be possible, through broadcasts, to correct the kind of misinformation that is sometimes given currency for one reason or another. In some communities it is the unhappy fact that only through the radio is it possible to overtake loudly proclaimed untruths or greatly exaggerated half-truths. While, to be sure, the people have learned to discriminate pretty well between sober facts and exciting fiction, they have a right to expect their Government to keep them supplied with the sober facts in every possible way.'

"The best answer, we think, was made by Westbrook Pegler, who said:

"'I go along with the President in that, but insist that he himself spoke a half-truth there, because he knows that no single paper or chain of papers ever had half the influence in this country that Charles E. Coughlin possessed when he was on top and that vicious liars who deal in intruth and innuendo enjoy a degree of license on the air which is unthinkable in the papers and equalled only in the halls of Congress, where every member has a license to lie and slander. . . .

"'Is it fair to ask whether Mr. Roosevelt or any of his bureau chiefs would publish, on the air or in print, any material prepared by any of the New Deal journalists which presented "sober facts" in an uncomplimentary way, and how soon that free soul would be canned for cause?'"

"We are waiting hopefully for the day when the President finds it possible to allude to the press without seeking to belittle it in the mind of the public."

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### CBS ADULT EDUCATION BOARD NOTES PROGRESS

Marked progress by radio in the field of education during the past year was noted by the Columbia Broadcasting System Adult Education Board at its annual meeting in New York recently.

"There is reason for congratulation in the reaffirmation of the fact that millions of Americans have a taste for serious programs", the Board said in the report which it adopted. "Both audiences and program makers are changing because the broadcasters are tirelessly searching for new ideas, and listeners are learning an all too familiar lesson, that trivialities wear out, even as entertainment."

Sterling Fisher, CBS Director of Education, pointed out in his report that a great gain was registered in the number of Columbia's adult education programs and time devoted to them in 1938 as compared with 1937. Totals were 897½ hours and 3,619 broadcasts in 1937 and 1,225¼ hours and 4,636 broadcasts in 1938. Some of the principal classifications and hours devoted to them follow:

	<u>1937</u>	<u>1938</u>
Science	37	60½
Drama	117	153
History and Travel	43¾	73
Religious	109½	116
Public Affairs (at home)	40	54½
Public Affairs (abroad)	11¾	78¾
Labor and Industry	34¾	35
Current Events	297½	347
General	33½	51¾

Further increases were recorded for the first quarter of 1939 as compared with the same period for 1938, Mr. Fisher said. Under the general heading of education, CBS broadcast 731 programs totaling more than 328½ hours during January, February and March, 1939. This compares with 645 programs, adding up to 286 hours, in the first quarter of 1938. Religious broadcasts rose sharply from 59, consuming 24½ hours, to 108, totaling almost 40 hours. News and public events programs, which totaled 250, for 36¾ hours, increased to 287, for over 63 hours. Broadcasts touching on agriculture rose sharply from 4, totaling one hour, to 55, consuming 20½ hours.

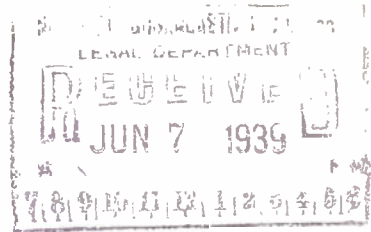
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June 6, 1939

## HEARING LIKELY AS FCC S-W ORDER IS ASSAILED

A public hearing on the recent regulations promulgated by the Federal Communications Commission with respect to the operation of international radio broadcasting stations in this country appeared likely this week as protests came from broadcasters and Capitol Hill.

The storm center of the regulations is the provision which stipulates that programs carried by the short-wave stations must reflect "the culture of this country" and promote "international good will, understanding, and cooperation".

The criticism, which had been growing in broadcasting circles, burst forth on Capitol Hill Friday when Representative McLeod (R.), of Michigan, attacked the regulations as a form of censorship. He told the House that President Roosevelt should demand the resignation of the entire membership of the Commission.

A spokesman for the FCC explained subsequently that the regulations had been approved by the State Department before being issued and that the language in question is almost identical with that used in a resolution adopted at the seventh International Conference of American States at Montevideo in 1933.

Meanwhile, it was learned, that the National Association of Broadcasters has written to ask the Commission to hold a public hearing on the matter.

Possibility that the rule may ultimately lead to international diplomatic entanglements which may become embarrassing also has been raised. It is pointed out that when statements in the press cause protests from foreign governments, these can be met with the reply that the press in this country is a free one and the Government has no way of controlling it. Regrets are expressed and the incident is closed.

On the other hand, it is argued, if some remark is made or drama broadcast over an international station, and it is held offensive by a foreign government and results in a protest, the Commission, by its program rule, has precluded the State Department from making a statement that the Government has no control over such matter, because it has, in effect, assumed jurisdiction by the new rule.

The rule was promulgated without giving the industry or others an opportunity to be heard. However, the matter was deliberated seriously by the Commission and its action was backed

by the opinion of its Legal Department that such language was not prohibited by the Radio Act and did not involve censorship.

When the matter was first considered by the FCC, Commissioner T.A.M. Craven voted against it. Before it was finally adopted the matter was referred to the State Department, and when it gave its approval to the language the Commission approval was unanimous.

"There is no intention whatsoever on the part of any Commission official to even suggest the scrutiny of individual programs prior to their release by the broadcast stations", an FCC spokesman said.

Representative McLeod, in his speech on the House floor, said, in part:

"Mr. Chairman, a few days ago the Federal Communications Commission issued regulations governing the broadcasting of international programs by radio stations in the United States which should alarm Congress, the press, and every person in this country.

"These regulations order radio stations to broadcast only international progress of good will. In effect it gives to the Commission the power to tell radio stations what they shall or shall not say over the radio. The Commission uses the term 'good will', which signifies that something has to be defined or determined; in other words, censorship of the radio and censorship of speech.

"It has long been apparent that the Commission has sought greater control of the air waves, but such a brazen attempt to say what shall or shall not be broadcast - in effect censorship of radio programs - most certainly was not anticipated.

"When the FCC attempts to tell the broadcaster what programs he shall broadcast internationally, it knows that if it can get by with this dictation there is just one short step remaining to the control of standard broadcasts or domestic programs, and when that hurdle is cleared radio is under the domination of bureaucracy and ceases to be free. . . . .

"When the Federal Communications Commission was created by this body it was not intended that censorship was to be part of the Commission's functions. The primary duties of the Commission are to prevent confusion in the air by allocation of wave lengths and to guard against libel or indecency. But here we have a creation of Congress, suddenly turned a Frankenstein, ignoring the will of Congress, and determining just what American radio stations shall or shall not say during international broadcasts. To carry out their purposes, violation of this fascistic principle will warrant revocation of a radio station's license and thereby force it out of business.

"Gentlemen, I cannot say to you too strongly that without freedom of opinions, thoughts, and ideas this Nation has no right to entertain any hope for the survival of Democratic principles. This regulation is but a small cancer now, but unless it is cut out at the start it will spread like any unattended malignant growth, until finally free speech will be throttled, the press will be a mouthpiece for the few, and radios will blare forth only the ideas of the FCC.

"Gentlemen, no matter how you view this regulation, you can reach no other conclusion than that this is the most flagrant attempt yet made to stifle and kill the right of free speech. In all the history of our Nation no more audacious or tyrannical step has been taken to destroy a vested right. If not corrected immediately, this regulation can mean the beginning of a Fascist censorship of the press as well as of the radio.

"The Supreme Court, speaking through Chief Justice Hughes, has made it clear in a unanimous decision that the scope of Federal regulation over radio relates only to the allocation of facilities. Congress, moreover, in section 326 of the 1934 Federal Communications Act, has specifically prohibited such censorship by the Commission in the following language:

"Nothing in this Act shall be understood or construed to give the Commission the power of censorship of the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication. No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication."

"The danger of the unadulterated censorship as imposed by the Commission only last week must be apparent to all of you. It is a real threat against the newspaper and the freedom of the individual. It is something abhorrent to every American to whom freedom of speech is a precious heritage.

"This action of the Radio Commission is undemocratic control of radio, and we have only to look at some of the countries of the Old World where broadcasting has been converted into the most powerful weapon of dictatorship to fully appreciate the significance of such control.

"Heretofore, radio has taken its place with freedom of religion, speech, and the press, but this action completely destroys that freedom and makes it the slave of a bureaucratic government.

"Mr. Chairman, the amazing predicament in which we find ourselves today calls for immediate remedial action. The President of the United States, in view of this serious situation, should forthwith demand the resignation of the entire Commission."

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## NAB ASKS REPEAL OF FCC INTERNATIONAL RULE

Asking that the recently-promulgated regulation prescribing the type of programs to be carried by the privately-owned U. S. international radio stations be rescinded, the National Association of Broadcasters this week addressed an appeal for a hearing to the Federal Communications Commission.

The regulation, Neville Miller, President of the NAB, said in his letter to Chairman Frank R. McNinch, infringes upon freedom of speech, is contrary to the Nation's foreign policy, and is an arbitrary assumption of power not allowed by the Communications Act.

The text of his letter follows:

"On May 23, 1939, the Commission promulgated new rules and regulations for the operation of international broadcast stations. These rules included new and unprecedented restrictions and requirements as to program content and were issued without prior public hearing. Of the nine licensees operating fourteen international broadcast stations, the majority are members of the National Association of Broadcasters. This organization has a committee for the study and coordination of international broadcasting and is now accumulating more comprehensive information in this field than has been available. Meanwhile, however, these new rules and regulations precipitate certain fundamental questions which are a matter of vital concern to broadcasting generally and to the entire American public. It is to these more fundamental matters that we address ourselves.

"Paragraph (a) of Section 42.03 of the new regulations provides that 'A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international goodwill, understanding and cooperation'. It is submitted that the question as to whether a specific program reflects the culture of this country or promotes, at any given moment, international goodwill, understanding and cooperation, is a matter upon which there may be sharp differences of opinion. A literal interpretation of this regulation would, for example, require a licensee to suppress spokesmen for minority groups if either the licensee or the Commission thought their views would not promote 'international goodwill, understanding and cooperation'. Freedom of speech as an integral part of the culture of this country not only is a cherished tradition, but a living reality. Any requirement that international broadcast stations suppress a speaker because his remarks might not promote 'international goodwill, understanding and cooperation' would, therefore, seem to be in conflict with the requirement that the service rendered by an international broadcast station 'reflect the culture of this country'.

"We are advised by several licensees of international broadcast stations that foreign listeners rely upon stations in the United States as a source for unbiased and uncensored news of the world. This reliance is based upon the fact that these listeners know that in the United States there is no governmental supervision or control over the matter to be broadcast. In many other countries, broadcasting is an instrument of the government and listeners to their stations are aware of the fact that their programs, including news reports and information on current events, are colored to fit the philosophy and views of the government. The consequent distortion of news into self serving propaganda has evoked a growing resentment toward the countries from which it emanates, and such resentment has reacted to enhance foreign respect for the present impartial dissemination of programs from the United States. We, therefore, feel that the confidence that has been developed in the independent operations of American short-wave stations will be destroyed when it becomes known that an agency of the government of the United States has laid down requirements to control the program content of these stations.

"Moreover, it is respectfully submitted that the existence of this regulation (42.03 - a) needlessly places this government in a position which we believe to be contrary to our traditional policy in the field of foreign relations. There are abundant examples of instances in which some citizen of the United States has made certain utterances by radio or through the press which have aroused the antagonism of the representatives of foreign powers. It has been the customary reply of our State Department to the protests by offended powers that this country is one in which freedom of speech is an actuality and the government has no power to abridge this fundamental right. The regulation which we are discussing definitely implies official responsibility for all matter broadcast over international stations. This we believe is unsound policy and incompatible with the operation of broadcast stations by private enterprise in a democracy. It would seem equally appropriate to require government supervision and censorship of all matter contained in American newspapers circulated abroad which use the facilities of the American Merchant Marine or the second class mail for delivery. This analogy, we believe, clearly demonstrates the errors and the immediate dangers of the policy which this new regulation embodies.

"We likewise desire to invite your attention to paragraph (b) of Section 42.03 which places further restrictions upon program content to the extent that it limits and prescribes the type of commercial advertisement which can be made, the type of commodity which can be advertised and then excludes all commercial or sponsored programs that 'are not consistent with the purpose or intent of this section'. Such regulations are neither desirable nor necessary nor susceptible to sufficient clarity of interpretation or agreement as to meaning to permit them to be practically applied. If international broadcasting is to be continued as an instrument of private enterprise, we feel that the regulatory authority should confine its functions to questions of technical efficiency, allocation and general performance in the public interest.

"It seems appropriate to emphasize that the record of licensees in the international broadcast field has been one of greatly increasing service to foreign listeners. During the past two years, there has been a marked development of facilities and personnel by the various private licensees. Their programs are being exclusively designed for international audiences. The responses that have been received indicate that foreign listeners appreciate the fact that these programs, reflecting as they do, a living pattern of our democracy, have not undertaken to propagandize any political ideology. This should be continued, because the most effective way to develop and foster international goodwill by the United States is to avoid copying the tactics of totalitarian governments who supervise and direct all broadcasting.

"Finally, we have been unable to find a legal basis for the regulations which we have discussed. It need only be pointed out that the authority for all powers exercised by the Commission must be found in the Act itself and that such authority must be expressly conferred or follow by necessary implication from powers expressly conferred. In this case, we can find neither. While the Communications Act of 1934 clothes the Commission with extremely broad powers on matters of allocation and the technical and physical operations of broadcast stations, we can find nothing in the Act or in the several decisions of the court which have been based upon this Act to support this character of regulation. We have been unable to find any provision of the Act or decision of the court which would authorize the Commission to pass upon the content of programs broadcast either directly by prior examination of the program material or indirectly by imposing requirements which will have the same effect.

"The Federal Communications Act of 1934 is silent on the subject of program content. Not only does this absence of language support our conclusions that the Commission is without authority to regulate program content as such, whether in the international or domestic broadcasting field, but it should be particularly noted that the statutes expressly prohibit censorship in any form. We desire to emphasize the language in Section 326, which states:

"'Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication.'

If the Commission has the authority to promulgate this character of regulation in the international field, it must have equal authority with respect to domestic broadcastin, as the same provisions of the law govern both classifications. If licensees of international broadcast stations can be required to restrict their programs to any regulatory authority's concept of American culture, it would seem clear that the licensees of domestic broadcasting

stations could be required to limit their programs to some 'official' definition of culture, education and entertainment. That this would constitute a violent transgression of the basic principles of American democracy is self-evident. We further submit that the proposed regulations would establish the precedent for such transgression and surely no such dangerous prerogative is contemplated by the Communications Act of 1934 and is in direct conflict with Section 326 of the Act which expressly prohibits any type or character of censorship or any condition or regulation 'which shall interfere with the right of free speech by means of radio communication'.

"In view of the importance of the subject itself and in further view of the necessary implications to which the adoption of such regulations give rise, we request that the Commission follow the same course selected by it in the adoption and promulgation of rules and regulations governing the domestic operation of broadcast stations and that it conduct hearings on these regulations. We further request that the Commission reconsider its action of May 23, 1939, and postpone final action until such time as an opportunity may be given for the conduct of a hearing upon the questions above referred to and others which are necessarily involved in the consideration of this subject."

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#### NEW RADIO GALLERY GETS WHITE HOUSE BID

Members of the new Congressional Radio Gallery - wherein those connected with radio have the same privileges in Congress as the Press Gallery - were invited for the first time to the reception President and Mrs. Roosevelt give each year to members of the press. Although it was one of the hottest nights of the year, the occasion proved enjoyable because of the fact that in addition to the White House proper, the beautiful gardens and terraces were thrown open to the guests. A feature of the evening was a Virginia Reel participated in by Mrs. Roosevelt.

Among those present representing the Radio Gallery were Harry C. Butcher, Vice-President of the Columbia Broadcasting System, and Mrs. Butcher; Kenneth H. Berkeley, Manager of the National Broadcasting Company in Washington, and Mrs. Berkeley; Miss Anne Gillis, of Columbia, Mr. and Mrs. John Charles Daly, of Columbia; Mr. and Mrs. Fulton Lewis, Jr., of the Mutual Broadcasting Corporation; Rex Lampman and William McAndrew of NBC, and William J. Slocum, Jr., of Columbia. Carlton Smith, presidential announcer of NBC, and Mrs. Smith also attended. Mr. Smith and Bob Trout, Columbia presidential announcer, however, have long been on the White House invitation list.

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## McDONALD RAPS TELEVISION IN ANNUAL REPORT

Reiterating his view that the sale of television receivers to the public is premature, Commdr. Eugene F. McDonald, Jr. President of the Zenith Radio Corporation, this week explained the company's position to its stockholders in an annual report this week.

"The management continues to believe that television is not yet ready for the public and refuses to be stamped into the premature production of television receivers for sale to the public. We are manufacturing television receivers, which are being loaned to experienced observers, not sold. Any television receivers sold at this time may become obsolete shortly. Your company is ready but television is not.

"The Federal Communications Commission on May 22 refused to approve or disapprove the standards for television proposed by the Radio Manufacturers' Association. This action confirms the stand which the corporation has taken against the premature introduction of television.

"The management's definite stand on the matter of television has greatly increased the company's goodwill with radio dealers and the trade in general. The sales, even in the New York area, of television have been negligible. Television one day will be a great industry, but that day is not this year.

"The economic problems of television are far greater than the technical problems. One of the most important economic problems resolves itself into a vicious triangle. First, no radio manufacturer or broadcasting organization can afford the expense of supplying adequate television programs for a sufficient length of time to obtain circulation. Second, the advertisers will not contribute to and pay for the programs until circulation is acquired. Third, the public, which is the circulation, will not buy television receivers until they are assured of satisfactory and continued programs."

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## 20,000 SAW TELEVISED FIGHT, NBC SAYS

The National Broadcasting Co. has estimated that approximately 20,000 persons watched and heard the first television of a major outdoor heavyweight batter Thursday night when Lou Nova won a technical knockout over Max Baer.

A portable television transmitter set up at the edge of the press section in Yankee Stadium televised the action over Station W2XBS. Reception throughout the New York area was described as clear and bright, despite the absence of special lighting at the ringside. Baer's thick mop of hair, tumbling about as Nova jabbed his face was easily discernable on the 8 x 10 inch screens. Blows hammered in by both likewise came across distinctly.

NBC's observers commented:

"Television has amply demonstrated its power to capture the fascination inherent in boxing."

Not only was the main go put into the picture but also some of the preliminaries.

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:::	TRADE NOTES	:::
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Final public hearings before the Department of Labor's Division of Public Contracts, in the radio minimum wage procedure under the Walsh-Healey Act, relating to government purchases of radio, have been scheduled by Administrator Walling for July 6th.

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The FCC hearing on Mayor LaGuardia's petition to amend the Commission's rules relative to the rebroadcasting of foreign programs has been postponed on request of the New York executive until September 11th.

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Continuation of all "nuisance" taxes, including the 5 percent radio tax, is the administration program before Congress. Hope for eventual repeal of the radio tax, however, at some distant time, was indicated in the administration program presented by Secretary of the Treasury Morgenthau to the House Ways and Means Committee on May 27th, and the Radio Manufacturers' Association will continue its efforts toward repeal or reduction of the tax, although no hearings on the "nuisance" taxes will be held by the House Committee.

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Edward J. Kelly, Assistant Manager of Manufacturing for the RCA Manufacturing Company, has been appointed Manager of Radio and Record Manufacturing and of Production Engineering activities at the company's Camden plant. Mr. Kelly has been with RCA for twenty-three years.

E. T. Hamilton, whose association with the company dates back thirty years, has been appointed Manager of all Warehousing and Shipping activities at Camden. He continues as Manager of Materials Control.

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6/6/39

## WINTERBOTTOM HONORED FOR 25 YEARS' SERVICE

W. A. Winterbottom, Vice President and General Manager of R. C. A. Communications, Inc., received last week a gold watch as a gift from friends and associates at a dinner at the Downtown Athletic Club in New York City. The ceremony commemorated his twenty-five years of service with the company. The presentation was made by Edward J. Nally, Director of the Radio Corporation of America, who gave Mr. Winterbottom his start with R. C. A. Communications.

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## NEW DEVICE TO FLASH GREETINGS IN PALEY CEREMONY

When Wilson E. Burgess, selected for outstanding amateur radio achievement during 1938, steps up to the microphone at the Hotel Pierre, New York City, tonight (June 6) to receive the William S. Paley Amateur Radio Award, he will see greetings of fellow "hams" from all over the United States flashed on a four-foot screen - thanks to a device, recently developed under supervision of Walter S. Lemmon of Greenwich, Connecticut, and head of the World Wide Broadcasting Foundation.

It is the new Radiotype, a revolutionary invention in the communications field. As yet little known to the general public, it operates much in the manner of an electric typewriter, except that it automatically receives its impulses over the air. Messages transmitted on ultra high frequency waves are recorded on the machine at breath-taking speed, and flashed simultaneously in magnified letters on a nearby screen.

"Hams" from Maine to Los Angeles have already been notified that the device is going into operation June 6th, and that congratulations are in order for Mr. Burgess. They cannot communicate with the Hotel Pierre direct, but have been asked to send in their good wishes to the American Radio Relay League's short-wave station, W2DKJ/2, set up in the Communications Building at the New York World's Fair. From this point, an operator will write the messages on a transmitting Radiotype, for which they will leap the ether to a receiving Radiotype in the hotel dining room.

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6/6/39

NBC BILLINGS FOR MAY ARE UP 8.4%

Continuing their rise for the eighteenth consecutive month and registering an all-time high for May advertisers' expenditures on National Broadcasting Company networks in May totaled \$3,702,102, an increase of 8.4 percent over May, 1938. Total for the Red and Blue Networks in May, 1938, was \$3,414,200. The May billings also showed a contra-seasonal gain of 4.0 percent over April, 1939, when the total was \$3,560,984.

NBC's cumulative billings for the first five months of 1939 totaled \$19,216,533, up 7.8 percent over the previous record of \$17,823,105 set for the same period of 1938.

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MUTUAL BILLINGS FOR MAY \$234,764

For 13 consecutive months, the Mutual Broadcasting System billings have shown an increase over the corresponding month of the previous year, it was announced today.

The figures released for May, 1939, totalled \$234,764 an increase of 20.9 percent over the May, 1938, billings which were \$194,201.

Billings for the first five months of 1939 totalled \$1,396,049, an increase of 22.5 percent over the same period in 1938, which totalled \$1,139,767.

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CBS REACHES ALL-TIME HIGH WITH MAY BILLINGS

Gross billings on the Columbia Network for May surpassed all previous highs with a total of \$3,063,329 - 25.4% better than May, 1938. Once again CBS booked more business than any other network. The cumulative five-month total for 1939 stands at \$14,058,638, a gain of 4.4% over the record-breaking period of 1938. Only once before - in March, 1938 - have billings on Columbia passed the three-million mark; at that time the gross was \$3,034,317.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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JUN 16 1939

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No. 1131

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McNINCH TO STAY AT FCC; POWER POST FILLED

Chairman Frank R. McNinch will remain as Chairman of the Federal Communications Commission indefinitely, it was indicated this week as President Roosevelt filled his former post as head of the Federal Power Commission.

In an exchange of letters, which the White House released, it was revealed that Mr. McNinch had called attention to the fact that his appointment to the Power Commission would expire June 22nd. Mr. McNinch was "lent" to the FCC a year and a half ago with instructions "to clean house". He asked that he no longer be considered further in connection with the Power Commission post.

President Roosevelt sent to the Senate yesterday the name of Leland Olds, of New York, to succeed Mr. McNinch on the Power Commission. Mr. Olds is Secretary of the New York State Power Commission.

One report on Capitol Hill, however, was that certain Senators had threatened to block Mr. McNinch's confirmation if he were reappointed to the Federal Power Commission.

Rumors continued to persist, moreover, that the doughty North Carolinian may retire shortly because of ill health or be transferred to a cooler political spot in the Government than the Chairmanship of the FCC.

The exchange of letters between Mr. McNinch and the President follows:

"June 7, 1939

"My dear Mr. President,

You will recall that some time ago we discussed your reappointment of me to the Federal Power Commission, from which I had resigned to take up the work as Chairman of the Federal Communications Commission, at such time as my work at the latter Commission had been completed. I then expressed doubt as to whether or not I would feel like undertaking the responsibility of another five year term on the Federal Power Commission. You were gracious enough to leave this matter for my further consideration.

Now that the term of office on the Federal Power Commission expires June 22, 1939, I deem it my duty to call this fact to your attention and to advise you that, after most careful consideration, I must regretfully tell you that I hope you will not further consider me in that connection.

6/9/39

"With assurances of my appreciation for your generous consideration and of my continuing high regard of and loyalty to you, I am,

"Faithfully yours,

(Signed) Frank R. McNinch"

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"June 8, 1939

"Dear Frank:

Please accept my thanks for your thoughtful note of June seventh, reminding me that the term for which you were appointed as a member of the Federal Power Commission expires on June twenty-second and that you do not feel like returning to the responsibilities which a reappointment would entail.

I received word of your decision with less misgiving because it means that you can continue your service as Chairman of the Federal Communications Commission and devote all of your time to the exacting duties of that difficult post. I cannot, however, allow this opportunity to pass without expressing my sincere thanks for the splendid work you did as Chairman of the Federal Power Commission. Your industry, your skill in the elucidation of complex problems and your faithful stewardship of the public interest at all times, have made your services invaluable. You will be interested to know that I have decided to nominate Mr. Leland Olds of New York as your successor.

I do hope you will have a care for your health and with all good wishes remain, as always,

Very sincerely yours,

(Signed) Franklin D. Roosevelt"

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The new broadcasting station known as "Radio-Paris" raised at Allouis in the Center of France, and which made its first broadcasts during May, has a power of 450,000 watts. However, it will only be able to use this power during daytime, since it has been decided that in the evening after 7 o'clock - that is, after nightfall - it will be prohibited to broadcast at more than 200,000 watts.

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6/9/39

BAN ON UNAUTHORIZED RECORDING PROPOSED

Amendment of the Communications Act to prohibit the recording of any music or other radio programs without consent in writing of the performers was proposed in a bill introduced this week by Representative McGranery (D.), of Pennsylvania.

The text of his proposal follows:

"Sec. 506. It is hereby declared to be unlawful for any person, without the consent in writing of the performer or performers of said music or other program material, (a) to record or otherwise mechanically reproduce or cause to be recorded or otherwise mechanically reproduced within the United States, for profit or gain, any music or other program material of any kind transmitted in any manner mentioned or described in section 2 (a); or (b) to offer for sale, sell, lease, or license, or to have in his possession for the purpose of sale, lease, or license, any record or other mechanical reproduction of music or other program material of any kind transmitted as aforesaid. This Act is not to apply to any case of recording for private, personal, civic, or political use, or to any recording of any address or talk on subjects of a public nature. Any person violating this section shall, upon conviction thereof, be punished as provided in section 501; and all records or other mechanical reproductions made in violation of this section may be seized on warrant issued by or under the direction of the Attorney General of the United States, and the appropriate district court of the United States or any judge thereof may on proper cause shown order the destruction of such records or other mechanical reproductions."

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RADIO GALLERY TO GET A SUPERINTENDENT

President Roosevelt this week transmitted to Congress a budgetary recommendation that \$2,700 be appropriated for the job of Radio Gallery Superintendent to correspond to the Senate and House Press Gallery positions.

Facilities for radio news reporters and commentators already have been provided in the Capitol and Senate and House Galleries.

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6/9/39

## CURB ON FCC SEEN IF LOGAN BILL BECOMES LAW

While not directed specifically at the Federal Communications Commission, a bill sponsored by Senator Logan (D.), of Kentucky, will have the effect of curbing the Commission's powers by making all decisions subject to court appeal is being considered seriously in the Senate.

The Logan Bill has been reported favorably by the Senate Judiciary Committee and is on the Senate calendar. A companion bill introduced by Representative Walter (D.), of Pennsylvania, has been approved by a sub-committee of the House Judiciary Committee.

Backed by the legal profession, the bill is designed to restrict "the arrogant assumption of power" by Government Bureaus and independent Commissions.

As the bills specifically refer to regulations, orders, and interpretations of statutes, the FCC would be immediately affected. While the FCC generally has afforded the industry opportunities to present views before adopting rules or procedural regulations, the legislation would have the effect of re-establishing the trial examiner system which was abolished in the interest of "efficiency" last Fall and would broaden the judicial review features - now subject of controversy - of the Communications Act.

The broad definitions in the statute mean that every action of the FCC would be subject to review by the courts, with aggrieved applicants permitted to go to the nearest appellate court, not necessarily to the D. C. Court of Appeals, in seeking relief from an unfavorable decision. Under the Logan Bill, any party to a proceeding has the right of appeal, and a "controversy" specifically includes, "any refusal to grant any license, permit, or other privilege".

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✓ McNINCH EXPECTED BACK AT OFFICE NEXT WEEK

Chairman Frank R. McNinch, who has been resting and recuperating from a severe illness for the last several weeks, is scheduled to return to his office next week, it was said at the Federal Communications Commission.

It is expected that the FCC will take up the protests against its ruling with regard to programs on international broadcast stations shortly after Mr. McNinch resumes his duties.

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## PRELIMINARY BOUT SCHEDULED IN PRESS SCRAP

Arguments scheduled for June 26 in a case involving the right of newspapers to own and operate radio stations are expected to open a series of fights which may be carried to the courts as the Federal Communications Commission tackles the issue it has long evaded.

The preliminary hearing was scheduled by the FCC after attorneys for the Allentown (Pa.) stations involved had filed a motion to call off the scheduled hearing on the proposal to merge WCBA and WSAN under control of the Allentown Call.

In the formal notice of the main hearing the FCC set forth three issues, all dealing with public interest aspects. The first specified determination of any benefit to the public by virtue of the consolidation of the stations, the second whether any adverse affect upon the public would result from the consolidation, and the third:

"To determine whether the assignment of the licenses for the two separate broadcast stations (WSAN and WCBA) to Lehigh Valley Broadcasting Co. would serve the public interest in view of the fact that Lehigh Valley Broadcasting Co. is controlled by the Allentown Call Publishing Co., which publishes the Allentown Call and which owns all of the stock of the Chronicle & News Publishing Co., which publishes the Allentown Chronicle & News.

The FCC action last March in designating the transfer applications for hearing provoked a controversy reviving the strife over newspaper-ownership of stations, particularly in cases where a "local monopoly in public opinion" might result. The matter was designated for hearing in Allentown, but no date has been set.

At the time the FCC designated the Allentown applications for hearing, Commissioner T.A.M. Craven issued a strong minority opinion in which he advocated a general hearing on newspaper-ownership rather than a test case involving a relatively small city. He held this did not provide a satisfactory setting for a decision on the broad question which directly affects some 240 licensees of existing stations throughout the country affiliated with newspapers.

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"A Bird's Eye View" of the U. S. radio families has been prepared by the National Broadcasting Company in attractive and convenient pamphlet form. It lists the number of set-owning families in various classifications, such as rural, urban, by State, etc.

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6/9/39

## CLEARER TELEVISION RECEPTION SEEN WITH NEW RCA TUBE

A new television pick-up tube that foreshadows clearer reception was described this week before the Institute of Radio Engineers in New York City by Harley A. Iams and Albert Rose of the RCA Laboratories at Harrison, N. J. The new device is regarded by scientists as one of the greatest single improvements in television since the invention of the Iconoscope or "television eye". It is applicable to transmission, and therefore necessitates no change in existing receivers to accomplish the improvement.

Present television pick-up technique is to focus the image to be transmitted on a plate whose surface consists of hundreds of thousands of tiny photo-electric cells. Light and dark areas of the scene thrown upon it are translated into electric charges, according to the scene televised. A beam of electrons scans the plate, line-by-line, 441 times to a single picture, and rapidly enough to produce 30 pictures every second. The varying electric impulses thus "wiped off" the plate are amplified and transmitted to the receivers, where they are again re-converted into a visible image.

Up to now, it has been necessary to employ an electron beam of strong force to perform the job. This has caused splashes of electrons from the plate, that have limited the possibilities of clearness in the received pictures. By analogy, a garden hose, representing the electron beam, with strong force directed against successive areas of the side of a garage, corresponding to the plate, would throw back a spray that would deposit some water on adjacent parts of the building. When such a spray is composed of electrons instead of drops of water, and when those electrons fall on areas with desired electric charges, they disturb such charges, and reduce the efficiency of the final result.

The new television pick-up tube described by Rose and Iams embodies a principle that is comparable to playing a hose on a garage with such precision that the stream just reaches the wall, allowing little or no splash. To do this they obviously could not have the "gardner" stand in one spot, with a fixed adjustment on the hose nozzle. So they contrived to have their electrical gardner move back and forth, up and down, always just barely within range of his target. This is done at a speed of nearly a mile a second across the plate, or "mosaic" of the television pick-up tube.

Laboratory results to date with the new tube indicate that performance of receivers of present design may be improved in considerable degree without any change in the receivers.

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NEW MONITORING STATION FUNDS ASKED BY FCC

The Federal Communications Commission this week sent to Congress the draft of a bill proposing the establishment of a new radio monitoring station near Millis, Mass., at an estimated cost of \$30,000.

Frederick I. Thompson, Acting Chairman, explained in a letter of transmittal that the station is needed to monitor the ultra-high frequencies above 30 megacycles. The FCC has a station at Hingham, Mass., he said, but its equipment is becoming obsolete.

Besides land stations, the new monitor would check on the radio transmissions of ships on the Atlantic Ocean.

The letter and bill were turned over to the Senate and House Interstate Commerce Committees.

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PALEY PRESENTS THIRD AMATEUR RADIO AWARD TO BURGESS

William S. Paley, President of Columbia Broadcasting System, presented the third annual Paley Amateur Radio Award on Tuesday to Wilson E. Burgess, 29, radio amateur of Westerly, Rhode Island, for outstanding heroism and service during the September, 1938, hurricane, which ravaged the New England seaboard. The ceremony took place in New York City.

Among distinguished guests at the ceremonies who paid tribute over the air to Burgess' feat were Rear Admiral Russell Randolph Waesche, Commandant of the United States Coast Guard, and Rear Admiral Stanford C. Hooper, of the United States Navy. Read Admiral Waesche spoke briefly on the important role amateur radio has played in national emergencies. Read Admiral Hooper extolled the value amateur radio operator training has to the United States Navy.

Also heard on the broadcast was Kenneth B. Warner, Secretary of the American Radio Relay League, who accepted permanent custodianship of the trophy for his organization, a nationwide association of radio amateurs.

The William S. Paley Amateur Radio Award has been given each year since 1936 to "that individual who, in the opinion of an impartial Board of Awards, has contributed most usefully to the American people". It is open to all amateur radio operators in the United States and Canada.

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6/9/39

## RADIO USED TO SOLVE EDUCATIONAL PROBLEM

Through use of the radio and cooperation with civic groups, the Harvard Graduate School of Education recently has taken steps toward solving one of the major problems of modern educational scientists - how to translate their research and findings into immediate action in the schools.

Over the New England network of the Columbia Broadcasting System, the Harvard educators gave a series of Tuesday afternoon programs dealing with such modern problems of the schools as these: how can movies and radio be fitted into the scheme of education; should the high school system be shaped especially for college preparation, when most of the students do not want, or are not equipped, to go to college; what blocks installation of modern school methods, more closely related to life than the older academic traditions; and, finally, who really runs the schools, controlling appointments and policies.

The appeal of the broadcasts was definitely to the tax-paying public and the working school teachers and officers, and the air waves provided a direct contact with these groups. Such organizations as the Parent-Teachers Associations, League of Women Voters, Federation of Women's Clubs and others, assisted by publicizing the broadcasts to their memberships and organizing listening groups of teachers and parents in towns throughout the area.

The results of the broadcasts were above the educators' expectations. Over thirty groups of parents and teachers throughout New England held regular meetings in local school or city auditoriums to listen to the broadcasts and then held discussions on the topics. To assist these discussions the Harvard School sent out each week an outline of questions pertinent to the subjects.

The broadcasts on movies and radio in the schools elicited cooperation from local theatre managers in a number of communities, and also were responsible for the inauguration of new classroom projects in many schools throughout the area. In other schools new vocational and educational guidance projects were started. Local libraries cooperated with the project by setting out books dealing with the topics under discussion.

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Baird Television, Ltd., has opened free fortnightly courses in large screen television at its factory in Sydenham, England, to supply the demand for experienced operators, according to a cable received by I. C. Javal, Commercial Director of the company, stationed at New York.

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6/9/39

## REALLOCATION OF EUROPEAN WAVES IN 1940 ORDERED

Extensive alterations in the wavelengths of European long and medium-wave stations will become effective in March 1940, as the result of the European Wave-length Conference recently concluded at Montreux. The proposed changes, which apply to Europe only, follow upon the International Radio Conference held at Cairo last year, when the bands allotted to broadcasting services were revised, and they will be made during the night of March 4-5, 1940. The Conference reviewed the operating conditions of 373 stations, 103 of which are projected but not yet in existence.

The present limits of transmitting power used by European stations were also revised, and under the new scheme transmitters working on the long waveband may increase their powers up to 200 KW by night and 500 KW by day. New power limits in the medium waveband are: 120 KW for stations working on frequencies below 1,300 kcs.; 30 KW from 1,300-1,500 kcs.; and above 1,500 kcs., 10 KW.

As a result of these new provisions, the powers of various British Broadcasting Corporation transmitters are to be increased. By March next the power of Droitwich, the BBC's long-wave transmitter, will have been increased to 200 KW - a change that will result in a 16 percent increase in field strength. In addition, the present 70 KW transmitters of the London Regional and North Regional stations are to be replaced by new transmitters, each capable of supplying an aerial power of 120 KW. A contract for their supply has already been placed.

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## GERMANY OPENS NEW 150 KW. STATION

The new Deutschlandsender radio station at Herzberg, in Saxony, some 55 miles south of Berlin was opened recently. The station was designed for 150 KW and took three years to build. The power will be increased to 200 KW on March 4 next year. The aerial mast has a total height of 1,100 ft. from the ground, and bears, at the summit, a circular "ring" with a diameter of 80 ft. The mast acts as an aerial in itself, and stands on a single insulator, which has to support, the report states, a weight of one thousand German tons.

A special system of modulation has been employed, which gives increased range without infringing international regulations, and saves current at the same time. At some future date, it is said, the aerial system will be extended to give it anti-fading properties by adding to the number of aerial masts.

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## TELEVISION WILL SHIFT RETAIL ADVERTISING, SAYS G. E. OFFICIAL

That television, as it grows, may revolutionize the entire technique of retail merchandising and seriously affect the department store advertising revenues of newspapers was a possibility presented to members of the Association of National Advertisers meeting at the Westchester Country Club, in Rye, N.Y., recently, by Dr. W.R.G. Baker, head of the Radio and Television Department of the General Electric Company. Dr. Baker, speculating purely as an engineer, declared that television ultimately would become an "electronic peddler", bringing daily to house-wives an animated presentation of a store's wares in a fashion made possible by no other medium. Logically it should greatly increase telephone sales and tend to eliminate the bargain-day rush that has so long been a feature of department store merchandising, he said.

"No one can estimate at this moment just how rapidly television will develop, or precisely how it will progress, but it is here, even if on a very limited scale", Dr. Baker said. "And no business executive - certainly no advertising man - can afford to overlook the tremendous potentialities of this new science. For the present it is largely an entertainment medium, but its end result will be that of a peddler. If it does this job well, if it even approaches in its results the effect on our system of distribution that was accomplished by the original Yankee peddlers, then the struggle to bring forth this new industry will have been worth while."

Dr. Baker referred to the rise of the peddler of miscellaneous wares, the establishment of supply depots, and his development as a wholesaler with retail outlets as transportation facilities improved, with the original cycle ending in the city pushcart.

"In a few years from now", he continued, "when television transmission facilities will have pretty well covered the country and television receivers will be standard equipment in millions of homes, instead of going to the motor shows to see the new models paraded and demonstrated, we will sit in our living room and see this done in a more convincing and dramatic fashion. The automobile manufacturer can take us behind the scenes in his factory, showing engineering steps and progress. Instead of looking at static illustrations of cars on a magazine page, we can witness thrilling road tests. We can step by proxy into the car and examine upholstery and fittings - slip into the driver's seat and go places.

"Our wives and daughters will see the season's new hats and gowns paraded on live models, see cooking demonstrations, receive lessons in interior decorating and gardening, see all kinds of products and appliances in actual use, with conversation and action.

6/9/39

"Television seems a perfect medium for department store advertising because the present effective range of a television receiver - 40 miles - covers almost the exact buying area of a store. If a large store should put on a television program for two hours in the morning, it could present merchandise in a far more interesting fashion than would be possible in newspaper advertisements. The housewife could make notes on items by numbers and prices, telephone in her order, and escape the terrors of bargain rushes. Such a method of shopping might revolutionize the entire technique of retail merchandising, not only in department stores but in many other fields.

"Advertising men know to what extent advertising funds have been diverted in recent years from magazines, newspapers, and billboards into radio", said Dr. Baker. "As soon as the ownership of television receivers becomes sufficiently widespread to constitute a mass audience for advertisers, we may expect a new shifting of budgets to accommodate this new medium.

"There are some tremendous problems, technical and financial, to be solved before this can happen. But one fundamental fact has been proved in London - that television can provide acceptable entertainment in the home and create a new service that most of our population will want to possess."

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AMERICAN RECORD CHANGES NAME TO COLUMBIA RECORDING CORP.

The American Record Corporation, Bridgeport, Conn., makers of Columbia, Brunswick and Vocalion records, will hereafter be known as the Columbia Recording Corporation, according to Edward Wallerstein, President.

The change is one of name only. It identifies the organization more closely with its parent company, The Columbia Broadcasting System, which recently purchased the record company.

The Columbia Recording Corporation are manufacturers of Columbia, Brunswick and Vocalion records. Executive sales and advertising offices were moved May 19th from New York to new enlarged quarters at the company's factory in Bridgeport, Conn. The factory has been modernized and renovated, making it now the largest and finest plant in the country devoted exclusively to the manufacture of records for home use.

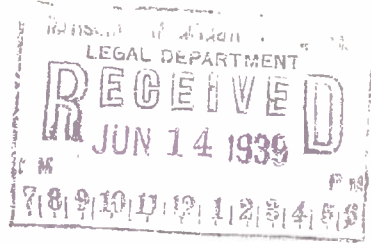
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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June 13, 1939.

"DON'T KILL THE GOOSE", WARNS CRAVEN IN RMA TALK

Warning the radio industry to proceed slowly in stabilizing television developments, Commdr. T.A.M. Craven, Chairman of the Television Committee of the Federal Communications Commission, on Tuesday advised the Radio Manufacturers' Association not to demand standardization and thereby "kill the goose which we hope will lay the golden egg".

Commissioner Craven addressed the radio manufacturers at its fifteenth annual convention in Chicago at the opening session today (Tuesday).

Commissioner Craven's address to the convention follows, in part:

"This is a very happy occasion. It is the first time that there has been a joint conference between representatives of the Radio Manufacturers' Association, the National Association of Broadcasters and the Federal Communications Commission. I hope this occasion augurs well for the future stabilization of a great industry.

"Not at any time in all my 26 years of close association with the practical development of radio has there been such tangible evidence of a bright future as exists today for radio. This statement is made with the full knowledge that at this moment the paths to future success appear to be confusing.

"Radio has always been characterized by rapid change. Radio business has always been a business which is successful only when organized to accommodate and foster a fast changing technical base. The radio industry should be the acme of modern business in an era of technology. It is a business which can thrive on a rapidly changing but progressive scientific development - a new and young industry which can explore advantageously the modern frontiers of the nation.

"In spite of all this, the industry is now confronted with the necessity of making what some have termed a fateful decision. If we peer through darkened glass, this decision is fraught with all the aspects of a huge gamble. On the other hand, if we are unabashed and are possessed with the ability to analyze with fortitude, the chances do not appear to be so nebulous.

"It is well to admit, however, that the radio industry is now confronted with a serious problem, the solution of which requires courageous and logical planning. We cannot indulge our-

selves in the wishful hope that this rapidly developing technical art of radio will become stabilized forthwith. Nor can we delude ourselves into the belief that it is already stable. Neither should we be shocked to find that inventive genius is continuing to change the very base upon which this industry is founded.

"This new industry, as the creator of an economic problem which is at least worrying industries other than radio, finds itself confronted today with the potential economic effects of new technological changes in our own industry. Thus, all concerned are groping for methods to readjust a critical situation. However, this situation was created by ourselves and not by someone else. In other words, being a product of modern technological progress and having been injected into the modern social and economic fabric of the nation, the radio industry now finds itself confronted with some of the aspects of the social and economic effects of the very progress it has fostered. The opportunity is now given to this new industry to cope with a problem of its own creation.

"May I suggest that the solution of this problem is not insurmountable. It appears that the best general method of attack in the solution of these modern radio problems is to accept the fact that the base upon which we stand is a rapidly changing one. Having accepted this fact rather than wishing for some other kind of a foundation, we can proceed forthwith.

"We should also recognize the necessity for maintaining an existing business as well as for providing progressive increases in the employment of labor. Finally, we should avoid premature standardization of thoughts, methods and apparatus. We should avoid the pitfall of accepting the status quo.

"The industry should realize that immediately before us is the development of ultra high frequencies for high fidelity broadcasting, utilizing frequency modulation or some other method equally as efficient. Facsimile broadcasting is also on the horizon. Perhaps more fascinating to some of us, television is at our threshold. Of these various developments, television has apparently created the most difficult problem confronting the business enterprise in which we all have a part.

"In this connection I desire to invite your attention to a report made by the Television Committee of the Federal Communications Commission which has recently been released to the public.

"It is surprising that the Radio Manufacturers' Association should request the Commission to approve standards at such an early stage of development. Personally, I have always felt that in this country private enterprise should be given the utmost freedom consistent with the interest of the public as a whole.

"Standardization at any time has a tendency to thwart progress and throttle inventive genius. Certainly premature standardization in television would kill the goose which we hope

will lay the golden egg. It would prevent technical and economic processes to transpire logically. However, voluntary standardization in television along broad lines, in an attempt to secure orderly progress in the development of an industry, has distinct advantages provided the industry itself will continue intensive research for new, better and cheaper methods for producing television and will make the fruits of this research available to the public.

"I shall not go into the details of the report of the Television Committee of the Federal Communications Commission because if you have not already seen the report you have the opportunity of reading it. This Committee suggested some of the broad lines of development which, from the standpoint of the Commission, seemed to be necessary. Above all, we suggested the necessity for clear, logical thinking by each of the various elements of the industry, included in which, I hope, is the Federal Communications Commission. It appeared to our Committee that at least an exchange of information along broad lines from time to time and the frank discussion of the various problems would be beneficial in the interest of the public.

"It appears that the spectre of television, remote as it may be, has already begun to affect the economic stabilization of not only the existing radio manufacturing industry but also the existing industry involved in the broadcasting of regular voice and music programs to the public. There is no need for an adverse effect. If the effect is adverse it must be the result of a lack of logical thinking and coordinated planning. Jobbers and others who sell broadcast receivers to the public should know that while television is here in the early stages of practical technical development, it is not here and cannot be here for several years from the standpoint of stabilized operation of a real service on a nation-wide scale.

"Thus, television is still in the experimental phase of development and while it is necessary for the public to participate in this phase to a limited degree, it would be fool-hardy for the industry to lead the public into the belief that television is here as a practical reality as a stable service to the public on a national or even on a regional scale. The very fact that television has developed so rapidly in the past very few years should indicate that with the same intensive research in the future as in the past the public can expect greater improvements both in quality, simplicity, and cost. However, credit should be given for the wonderful strides in technical development achieved by the industry to date. The fact that you have already developed the technical phases of television to such an extent is a marvelous achievement. For this, the industry deserves the meritorious acclaim of every thinking person.

"The further development of television requires not only courage on the part of this industry but also the will to proceed. It is necessary for this industry to foster the development of television. Unless they do this they will be in no posi-



tion to cry for protection when someone else undertakes the job. The public, having tasted the fruits of the inventions of modern genius, organized and financed by your industry, will not be denied the promise of the service which transmits over a distance not only the voice but also vision, in the form of culture, news, and entertainment.

"Therefore, I strongly urge all of the representatives of the industry, who are here today, to continue your active steps. I hope you will continue to couple your action with some constructive thinking and coordinated planning for the future. Above all it is important that active research be carried forward.

"I do not mean that the industry should abandon a wholesome spirit of competition either in business or in technical development. It is entirely practicable as well as proper to maintain competition among individuals and at the same time to plan sensibly for the welfare of an entire industry. In so doing you are serving the interest of the public, promoting the successful sale of your equipment, as well as creating a satisfied audience for your programs."

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SPECIAL RADIO DESIGNED FOR MOTOR CARAVAN

The four mobile motor units in the Lawrence Thaw trans-Asiatic expedition will be able to maintain contact with each other even when separated by distances as great as 200 miles, it was found by General Electric engineers in making final tests of the equipment as the caravan headed east from Detroit.

The radio equipment, designed and built by the General Electric Company, will permit short-distance transmission and reception between each of the two trucks, trailer and cruiser sedan by the use of four ultra-high frequency transmitters and communication type receivers. The system is similar to that used in two-way police radio.

Two medium-high frequency transmitters and receivers have also been installed in the cruiser sedan and trailer. During the tests conducted while the caravan was enroute to Schenectady, clear reception was obtained as far away as Buffalo, a distance of more than 200 miles from Schenectady.

The equipment is powered by standard car batteries. Antennas for the ultra-high frequency sets, those that will be used for communication between the four cars while in transit, are of the one-quarter wave fishpole type, while a 128-foot span of wire strung from the transmitter to a collapsible 30-foot pole will act as antenna for each of the two medium-high frequency.

The expedition will leave New York on June 21st and will start from Paris on the 14,000-mile tour that will take it to Budapest, Istanbul, Damascus, Baghdad, Herat, through the Khyber Pass, Delhi, Calcutta and into Bombay, India, sometime next Spring.

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## WELLS OPENS RMA CONVENTION

Business and labor both are victims of crushing taxation and Government regulation, according to A. S. Wells, Chicago manufacturer and President of the Radio Manufacturers' Association, in an address opening the radio industry's annual convention today (Tuesday, June 13) at the Stevens Hotel, Chicago.

President Neville Miller, of the National Association of Broadcasters also spoke of cooperative promotion with the manufacturing industry. Another official guest at the radio convention was John H. Payne, Chief of the Electrical and Radio Division, U. S. Bureau of Foreign and Domestic Commerce, Washington.

Tomorrow (Wednesday) the annual trade show of radio parts and accessories, with nearly 200 exhibitors, which is expected to attract 10,000 trade visitors, will open in the Stevens Hotel Exhibition Hall. The annual industry banquet will be held tomorrow night in the Hotel Morrison "Terrace Casino".

In deploring excessive tax burdens and government regulations, President Wells of RMA declared business men should proclaim the truth concerning business "and its proper relation to our political and business life", stating that "fundamental economic laws ... cannot be changed by wishful and illogical thinking, and when serious attempts to alter or disregard them are made, only confusion and chaos and finally irreparable damage will result.

"As soon as these false doctrines are recognized and adopted as political ballyhoo", he said, "the real threat to our whole industrial existence becomes apparent.

"Such ideas as continuously higher taxes on industry, confiscatory rates on large incomes and inheritances, and undistributed profits taxes, are ideas which are not promulgated with the fundamental thought of tax for revenue purposes, but are taxes to readjust the social and financial scale and are thoroughly wrong in principle, and destructive to business and, therefore, harmful to labor.

"Both business and labor are injured rather than helped by this type of Government regulation as well as other types of unsound Government regulation of business, the objects of which are to reconstruct and restrict, from a socialistic standpoint the individuality, freedom, and enterprise which have developed this country of ours.

"When theoretical economics attempt to remove the axioms from our economic textbooks, and substitute false theories therefor, we as business men must, by our constant repetition of the facts, put back into the consciousness of everybody the fundamental truth.

"We must use our energies to make the average citizen understand the positive statement of this principle - that if Government will tax equitably and only for revenue, and will not confiscate wealth in the name of taxation, that money will be invested in fixed assets in factories and will provide the necessary capital and employment to permit all those who wish to work to have the opportunity to do so.

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### REVOLUTIONARY CHANGES IN RADIO INDUSTRY ARE FORECAST

Technical developments now largely perfected promise to bring about greater changes in radio during the next few years than have occurred since broadcasting for the general public began, according to a comprehensive survey in the June-July issue of Education by Radio.

"While television is the most widely discussed of the new developments in broadcasting, two others, facsimile and frequency modulation, may prove to be just as important. Indeed both of these developments are further advanced than television", it states. "Frequency modulation is completely perfected and ready for immediate use. The strictly radio aspects of facsimile have been perfected, but the machines for translating pictures into electrical impulses and back into print are not quite satisfactory. In television nothing seems to be final and the prospect is that very considerable changes may take place before the new art achieves stability. . .

"Why is the American brand of television so highly tentative? In the first place, there is the patent situation. Several different systems of sending images are now in existence. Perhaps others will be perfected. The Federal Communications Commission is trying to protect the future purchasers of television receiving sets by waiting until it knows what the performance of the various systems may prove to be. Ultimately, the Commission through its licensing power will dictate the kind of television to be done. To make such an important decision too early might discriminate against some new inventor or encourage the public to buy the present receiving sets only to have them scrapped by technical developments which even now may be in the laboratory stages of development.

"In the second place, important economic problems remain to be solved. How is television to be paid for? Probably by advertising. But the answer is not as simple as that. Television is expensive, so expensive in fact that advertisers in the smaller cities cannot afford it. And there is no such secondary coverage in television as exists in regular radio broadcasting to enable distant listeners to enjoy programs put on by advertisers over big city stations.

"The financial problem is not that of giving television to the great metropolitan areas, but of making it available to the Nation. Not only do individual stations serve a smaller area, but also they can be connected into chain broadcasting systems only with much more difficulty and much greater expense. At this writing there seems to be no visible means of giving anything like a complete national coverage with television.

"The third complicating factor is that of politics. A majority of members of Congress represent districts which are predominantly rural. Most of them will want television for their constituents. Many can be expected to attack any system of licensing adopted by the Federal Communications Commission which does not make provision for reaching a large part of the nation with the outstanding programs which can originate only in such talent centers as New York, Chicago, and Hollywood.

"In the fourth and fifth places there are two vitally interested rivals, the press and motion pictures. Television is a real threat to the advertising revenues of the press. What department store would be interested in using cold black type to picture its new fashions if there was a large enough television audience to make it worth while to send the images of living models into milady's parlor!

"The motion picture situation is not so clear. Television may be a vast new market for the use of films because at present they seem to be the best available source of supply for programs. Likewise, it may be installed by theaters and may prove to be a valuable new stimulus to attendance. On the other hand, neither of these possibilities may materialize. Use of films for television may be discouraged in the same way that recordings were discouraged in radio broadcasting. And the public may rush to buy home receiving sets which will compete so successfully with the theaters that box office attendance will diminish and perhaps disappear. . . .

"The story of facsimile is less exciting although in some ways just as important as television. It can be operated on all radio frequencies with the result that, by attaching special equipment, any kind of receiving set may be transformed into a facsimile receiver. Experimental work with this device is now being done on the West Coast, in the Middle West, and in the East. Facsimile receivers are being offered for sale more widely than are television sets and at prices of less than \$100. In appearance facsimile is very much like the wireless and wire-photo pictures which are seen regularly in many daily newspapers. The best facsimile is fully as good as the best of these rapidly transmitter pictures which appear in newspapers. . . .

"Both facsimile and television have been discussed in the public press and over the air for some time and so are rather well known. Frequency modulation, which is a new system of transmitting regular radio broadcast signals, is almost unknown. And yet it may prove to be the most significant of all new develop-

ments. It may open the way for a much greater degree of freedom of the air than has been enjoyed or has seemed possible up to now.

"Frequency modulation is very different in both methods and results from the kind of radio transmission used with regular receiving sets. Regular broadcasting uses a narrow band of frequencies which under certain circumstances can be broken up or interfered with to such an extent that static and various other bothersome noises are often reproduced on listeners' receiving sets. Frequency modulation uses a broad band of frequencies, so broad in fact that it seems to smother all interference noises and to give the listener a program reception so perfect as to be almost unbelievable. . . .

"Receiving sets, easy to tune and equipped with a loud speaker of much higher quality than those used on ordinary receiving sets, will be on the market soon at a price expected to be about \$100.

"Whereas television and facsimile were threats to other media of mass communication, frequency modulation is a threat to radio itself. It seems certain to lessen the value of more than seven hundred transmitting stations in the regular broadcasting band and of the millions of receiving sets now owned by listeners throughout the nation. This does not mean that the kind of broadcasting now being done will become entirely obsolete. It simply means that a better type of broadcasting service will soon be available and that in order to enjoy the new service entirely different receiving sets must be secured.

"Frequency modulation seems to lend itself particularly to local broadcasting as distinguished from regional and national service. So far as coverage is concerned, it cannot compete with clear channel stations. However, stations using it can be joined into networks and thus can be enabled to render a national service.

"Frequency modulation on the ultra-high frequencies does not create interference beyond the range of good program reception. It is possible, therefore, to place on a single frequency a number of stations, each serving a different community. Where the services of two such stations overlap, it is possible for listeners to use a directional antennae and pick up either program without interference from the other. This phenomenon seems to promise that every city in the United States may be able to have as many stations as its citizens may desire. While each station will still be subject to a Federal license, the possibility of existence for so many of them must be hailed as a great step toward freedom of the air.

"What new radio wonders will be perfected and what they will do for the world in the next few years are beyond comprehension. To emphasize in conclusion that still other developments are on the way, it is only necessary to note that Major Armstrong publicly predicted in 1935 that by his method of transmission it would be possible to broadcast simultaneously over a single station multiplex signals such as those of television, telegraphy, telephony, and facsimile. Certainly it is no fantastic dream to envisage the well-equipped home of 1950 with a single master receiving set producing sight, sound, or print."

## TELECAST OF KING AND QUEEN TRAVELS 130 MILES

In a little shack atop Pinnacle Point, a 1,600-foot elevation in the Helderberg hills about 12 miles from Schenectady, a group of 20 farmers from New Scotland and Altamont saw the King and Queen as they inspected the New York World's Fair better than 99 percent of the million or more people who were actually present at the Fair. The images of both Their Majesties were flashed instantly and clearly by television over the 130-mile airline space between New York and the television receiving equipment installed by General Electric engineers on top of this hill.

Contrary to the theory that television can be picked up but 40 or 50 miles from the point of origin and at no spot beyond the horizon as seen from the transmitter antenna, General Electric engineers received the complete two and one-quarter hour program of the King and Queen's visit to the Fair as telecast from atop the Empire State Building. Even though the telecast originated at about 1,300 feet elevation in New York and was received atop a 1,600-foot hill, the "line of sight" was still 8,000 feet above the receiving antenna, according to C. A. Priest, General Electric's Chief Radio Engineer.

"We feel there was nothing accidental about this reception even though it seems to be contrary to the rules of television", Mr. Priest explained. "In two preliminary tests, we picked up the complete program as telecast by NBC in New York, and both picture and voice were received very clearly. I really don't believe we will have any trouble in receiving television programs sent from New York, even when the airline distance is 130 miles and we are a mile and a half below the line of sight."

The receiver, of standard G.E. type, was set up in a small shack hurriedly erected atop the hill. Power to operate it was supplied by a small gas-driven generator hauled to the spot. A special directive antenna was erected, diamond in shape, on four poles 40 feet above the ground. This covered in all a space of about 300 by 600 feet. The spot is located about two miles from the new high-power television station that General Electric is building, which is expected to be in operation early in November.

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## RADIO NOTABLES AT ROYAL PERYLON RECEPTION

Among those in the radio industry who had the privilege of attending the reception which followed the luncheon to King George VI and Queen Elizabeth at Perylon Hall at the New York World's Fair last Saturday were:

Mr. and Mrs. Merlin H. Aylesworth, Mr. and Mrs. Alfred J. McCosker, Mr. and Mrs. William S. Paley, and Mr. and Mrs. David Sarnoff.

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## CULBERTSON, FORMERLY OF RCA, DIES

Owen Culbertson, formerly with the Radio Corporation of America, and at one time private secretary to Gen. James G. Harbord, died last Tuesday of a stroke at Bellevue Hospital in New York City. Because of lack of identification papers, it was not until four days later that the police succeeded in establishing his identity.

Mr. Culbertson, who at one time was in Washington for the RCA, was a member of a prominent Texas family and a Lieutenant in the United States Army Reserve.

Mr. Culbertson was born in Austin, Texas, on November 27, 1899, a great-grandson of the Superior Judge of the Independent Republic of Texas. A member of the Reserve Remount Service, he was well known as an equestrian, and frequently rode to hounds in the Virginia foxhunts.

An expert with the rawhide whipe, he was called upon in 1933 by Otis Skinner to teach Thomas Chalmers, another actor in "Uncle Tom's Cabin", a revival by the players, how to wield a nine-foot last as Simon Legree. Mr. Skinner played Uncle Tom. Mr. Culbertson had been a member of The Players for many years. He had been invited to go down the bay last Saturday by the British Colony Reception Committee for a reception to King George VI and Queen Elizabeth.

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## BENGAL IN MARKET FOR SCHOOL RADIO SETS

The American Trade Commissioner at Calcutta reports that the Bengal Board of Education plans to start equipping most of the schools in Bengal with a small inexpensive receiving set within the next few months as a means of radio in education. One well-known importer and his retail agents have submitted samples of American equipment and quoted the price of 50 rupees each.

"There were several objections to the American set raised by one member of the committee, and the importer has taken steps to correct the alleged deficiency", the report stated. "It is understood that the revised set now overcomes all the objections but the technical adviser of the committee has not yet given his approval and remains completely non-committal. It is also understood that another American set, one Philips, one English and a German set have been submitted. It is not expected that the Board will purchase the sets in large quantities but will spread the entire lot over a period of 12 to 18 months."

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## NBC EXPLAINS POLICIES, SERVICES IN BOOKLET

"Broadcasting in the Public Interest", a brochure, was released this week by the National Broadcasting Company. It outlines the history and growth of the network, restating its general policies and program standards and describing its public services.

The booklet includes a concise description of NBC's development, outlines some of the problems which it originally faced and explains its network structure and method of operation.

A section is devoted to the social nature of NBC which discusses its relationship to the public, the responsibilities imposed on it by law and the responsibilities which it has imposed upon itself through the formation of an Advisory Council. This portion of the booklet also contains the latest statement by the Council regarding policies which it has worked out concerning religious, political and controversial programs.

The brochure also gives a detailed analysis of other policies adopted by NBC and deals specifically and at length with such subjects as medical accounts, contests, children's programs, news commentaries and various types of material which are unacceptable for broadcasting. It also explains the purpose and scope of NBC's International Division and discusses some of the problems of radio which may be expected to arise in the near future.

"Broadcasting in the Public Interest" also contains lists of the officers, directors and Advisory Council members of the National Broadcasting Company and a six page compilation of some of NBC's outstanding programs.

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## NEW BRAZILIAN STATION TO BOOST RADIO MARKET

An organization known as the "Radio Educadora de Natal" (REN), founded on January 22, 1939, has announced that it will undertake the construction of a radio broadcasting station in Natal, Brazil, capable of transmitting long wave programs over a radius sufficient to include the entire state of Rio Grande do Norte, which has an estimated area of 52,411 square kilometers and a population of 818, 612, according to the American Consulate, Pernambuco.

"It is understood that an American firm has been awarded the contract for the necessary equipment", the report stated. "Details pertaining to frequency, call letters and power are not yet known, but will be reported when available. The establishment and operation of a broadcasting station in Natal should have a stimulating influence upon the sale of inexpensive long wave American radio sets. This feature is called to the attention of American radio manufacturers."

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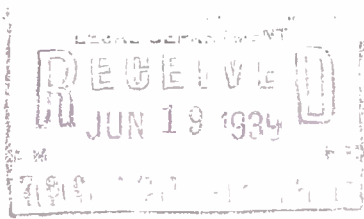


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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## FCC INQUIRY SLATED BY APPROPRIATIONS COMMITTEE

The Federal Communications Commission will be given an appropriation to continue operations after July 1, when its present funds run out, but the price will be another grilling of the Commissioners by a sub-committee of the House Appropriations Committee.

As members and employees of the FCC became alarmed over the prospect of payless pay-days, Representative Woodrum (D.), of Virginia, announced that the FCC estimates will be considered in connection with the last Deficiency Bill, hearings on which will be held next week.

Upon request of Representative Wigglesworth (R.), of Massachusetts, chief critic of Chairman Frank R. McNinch, however, an executive hearing will be held before the funds are voted, Mr. Woodrum said.

At the same time it appeared likely that Mr. McNinch will escape the probe on the excuse of ill health. He has been away from the Commission for several weeks, and though his aides continue to predict his early return, some of his colleagues believe he will not be back on the job until after the FCC appropriation is reported to the House.

Due to the necessity for action before June 30, Mr. Woodrum indicated that the FCC appropriation may be detached and rushed through Congress before the less urgent items in the Deficiency Bill.

The \$2,000,000 estimate submitted by the Budget Bureau, providing for expansions of the Communications Commission, is not expected to be approved. The appropriation probably will be limited rather closely to the \$1,700,000 carried in the last fiscal FCC bill.

The House Appropriations Committee early in the current session refused to make an appropriation for the FCC in the Independent Offices Supply Bill because of the disclosure that President Roosevelt had asked for a complete reorganization of the Commission.

Since then, however, the McNinch-Wheeler Bill to set up a three-man regulatory agency with almost dictatorial powers over radio has been pigeon-holed for this session at least by Chairman Wheeler, of the Senate Interstate Commerce Committee. There is little likelihood that either a Senate or House investigation of the FCC or the radio industry will be ordered during the recess.

Meanwhile, rumors are becoming more prevalent that Chairman McNinch will not return to the FCC at all and that he will be transferred to another Federal post, possibly a judgeship, as soon as his health permits.

Just who may succeed him as Chairman is a matter of speculation. One report is that the post may go to the "baby" member of the Commission, Frederick I. Thompson, Alabama newspaper publisher, because of the friction between other members. This intro-Commission friction, however, has all but disappeared since the departure of Mr. McNinch on his last leave of absence.

As one of the Commissioners remarked: "We are getting along fine now that the Chairman is away."

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#### STRICT SELF-REGULATION RADIO CODE DRAWN BY NAB

Culminating three months' study of the industry's problem, a Special Committee of the National Association of Broadcasters under the chairmanship of Neville Miller, President of NAB, this week released its proposed code for self-regulation of commercial broadcasting.

More strict and far-reaching than the NRA Code, the NAB proposal is expected to encounter opposition among some of the broadcasters when it is submitted to the NAB convention in Atlantic City July 10-13.

If the code is approved, it will become effective on September 24, coincident with the change from daylight saving to standard time. The code is the organized industry's answer to suggestions of Government control or censorship of radio programs.

Basic provisions of the code follow:

- I. The Yardstick of Good Taste:  
Radio is an invited guest in the home. The yardstick of good taste and a decent regard for the social sensibilities, therefore, shall be applied to all matter broadcast.
- II. Religious Broadcasts:  
To every American, the Bill of Rights guarantees the privilege to worship as conscience dictates, without fear of intimidation or reprisal. Radio, therefore, which reaches men of all creeds and races simultaneously, may not be used to convey attacks upon another's race or religion. Rather it should be the purpose of the religious broadcast to promote the spiritual harmony and understanding of mankind, to administer to the religious needs of the community and to contribute to the spiritual nourishment and uplift of the individual.

- III. The Broadcasting of Controversial Public Discussion:  
 Carrying out their mission as instruments of democracy in providing avenues for the discussion of public matters, member stations shall at all times hold their facilities in readiness, consistent with proper program balancing, for the free and open discussion of public questions of general interest.  
 Because listeners possibly in no other way could be assured of the opportunity to hear the opposing views on any controversial subject discussed, time will not be sold for such discussions, nor will such discussions be permitted on sponsored advertising programs, unless representative spokesmen from at least two clearly defined and different sectors of public opinion participate in the same program at the same time.  
 The right of a speaker to express his opinion shall be modified only by conformity with existing laws, including the laws of libel and slander and the standards of good taste.
- IV. Political Broadcasts:  
 A political broadcast is any broadcast in connection with a political campaign in behalf of or against the candidacy of a legally qualified candidate for public office, or in behalf of or against a public proposal which is subject to ballot.  
 In accordance with the law, stations will extend fair and equal treatment to opposing candidates for the same office. The same equality of treatment will extend to the allocation of time in behalf of, or in opposition to, public proposals which are subject to ballot.  
 Every political broadcast and every political announcement must be fully identified as such.
- V. News Broadcasts:  
 In the handling of news, accurately gathered and swiftly broadcast, radio renders one of its greatest services to the American people whose democracy is dependent upon immediate access to the facts of the day. Without bias or editorial opinion, member stations shall continue to broadcast factual news stories obtained from accredited news sources.
- VI. Propaganda:  
 Broadcasters will make every effort to distinguish between clear and concealed attempts to influence public opinion. In no case shall material be broadcast unless it be honestly identified as to sponsorship or source.
- VII. Educational Broadcasting:  
 Radio not only has the duty of filling current program wants in accordance with fixed and diverse program tastes, it recognizes also an obligation, in line with its public service mission, to contribute to the spread of education and culture, which will eventuate in an elevation of such wants and tastes.

## VII. (continued)

Toward such ends, member stations will continue to provide time and facilities adequate to the area served.

VIII. Children's Programs:

Programs designed exclusively for children, reaching impressionable minds, and influencing social attitudes and approaches, require the closest supervision of broadcasters in the selection and control of material, characterization and plot.

This does not mean that the vigor and vitality common to child adventure and imagination be removed. It means simply that programs be based upon sound social concepts and presented with a superior degree of craftsmanship. To establish acceptable and improving standards for children's programs, the National Association of Broadcasters will continually engage in studies and consultations with parent and child study groups. The results of these studies will be applied to all children's programs as a basis of minimum requirements necessary before any program becomes acceptable for broadcasting by member stations.

IX. Acceptance of Commercial Programs and Announcements:

Acceptance of programs and announcements for radio advertising purposes shall be strictly limited to products and services offered by individuals and firms who are engaged in legitimate commerce; whose products, services, advertising claims, testimonials and other statements comply with all legal requirements, fair trade practices and accepted standards of good taste.

X. Standards of Practice:

In order that this basic code may be interpreted and extended to meet changing social conditions, the National Association of Broadcasters, through its Headquarters in Washington, will establish such facilities as may be necessary for the continuous evolvement of a Standards of Practice through which each member station may find a guide for the uniform application of basic principles herein outlined. The Standards of Practice will include such other operating and ethical procedures as may be determined, from time to time, to increase the public acceptance of radio advertising, and thus fortify the economic foundation of the American System of Broadcasting in its continued ability to provide a free and unfettered means of mass communication, and to further contribute to the economic and social development of the nation.

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## NO LEGISLATION ON PHONE REPORT SEEN THIS SESSION

Due to the controversial nature of the recommendations of the report on the telephone industry submitted by the Federal Communications Commission to Congress this week, Capitol Hill observers predicted that no legislative action will be taken this session.

The report, which is a modification of the original "proposed report" drafted by Commissioner Paul A. Walker, after lengthy and expensive hearings, was filed more than a year after the first draft, which aroused a storm of criticism. The new proposal for stricter FCC control of the telephone industry stirred up scarcely a ripple of excitement.

The report was unanimously adopted and signed by the entire Commission, Frank R. McNinch, Chairman, Norman S. Case, T.A.M. Craven, George Henry Payne, Frederick I. Thompson, Thad H. Brown, and Paul A. Walker, Commissioners.

The report consists of approximately 900 mimeographed pages and deals with the history, development, magnitude, and operating practices of the telephone industry, with particular reference to the Bell System. Pointing out the savings to telephone subscribers of more than \$30,000,000 through reductions in rates resulting directly from the investigation, the result justifies the Congressional reference that "the American people are entitled to know if they are being over-charged for this service even though they may be satisfied with the service", the report states.

The appropriation from Congress to conduct the investigation totalled \$1,500,000. Thus is shown a direct return of more than \$20.00 in savings to telephone users for every \$1.00 that the investigation cost the taxpayers. Annual savings alone of \$12,000,000 by reductions in interstate toll rates that became effective in January, 1937, followed conferences between the American Telephone and Telegraph Company and representatives of the Commission.

The report points out the necessary for strong regulatory powers over the telephone industry, both through the agencies of State regulatory bodies and the Federal Government, and in connection therewith says, "The efforts of individual States to ascertain many of the basic facts necessary for effective telephone rate and service regulation within their borders, have at all times been hampered and have frequently been rendered largely negatory by reason of their necessarily limited jurisdiction, many essential elements of Bell System organization and practices being beyond their control", and further says, "So long as the Bell System continues to be organized upon its present basis the individual States must continue to look to the Federal regulatory agency to afford them many elements of the essential factual background of telephone regulation. Not only, therefore, is an

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adequately staffed and properly organized Federal regulatory agency important in itself, but there is need for such a body to act in some measure as a cooperating agency with the States."

In connection with regulation the report emphasizes that "There is evidence to indicate that improper influence has been brought to bear upon legislative and regulatory bodies charged with the duty of fixing rates for Bell System Companies." The Commission states in its report that "This practice is clearly against public interest, is condemned, and should not be countenanced by any regulatory body."

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#### WELLS REELECTED PRESIDENT OF RMA

Albert S. Wells, Chicago radio manufacturer, President of Wells-Gardner & Co., was reelected President of the Radio Manufacturers' Association at its session closing its fifteenth annual convention at the Stevens Hotel, Chicago, on Wednesday.

The Radio Manufacturers' Association also elected Directors for the ensuing year and opened the annual radio parts show at the Stevens Hotel, which will run through Saturday. Wednesday night the radio industry's annual banquet was held at the Hotel Morrison's "Terrace Casino".

Other officers elected by the Radio Manufacturers' Association included Leslie F. Muter, of Chicago, as Treasurer. Directors elected included Ben Abrams, of New York; Power Crosley, Jr., of Cincinnati; James S. Knowlson, and Commander E. F. McDonald, Jr., of Chicago; Glenn W. Thompson, of Columbus, Indiana; B. G. Erskine, of Emporium, Pa.; H. E. Osmun, of Milwaukee; J. McWilliams Stone, of St. Charles, Ill.; J. J. Kahn and James C. Daley, of Chicago; Octave Blake, of S. Plainfield, N.J.; Ernest Searing, of Philadelphia, and Ray F. Sparrow, of Indianapolis. Bond Geddes, of Washington, was reelected Executive Vice President of the Association, and John W. Van Allen, of Buffalo, was reappointed General Counsel.

As has been his custom at the annual meetings, Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, took the guests, officers and Directors of the RMA for an afternoon's sail on Lake Michigan on his yacht "Mizpah".

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## RMA DIRECTORS WARN AGAINST TELEVISION ENTHUSIASM

The Directors of the Radio Manufacturers' Association this week in Chicago adopted by unanimous vote a resolution warning the radio industry and the public not to become too enthusiastic over the immediate prospects of television.

In a statement authorized by the Board and issued by A. S. Wells, President, the RMA Directors expressed the opinion that 90 percent of the geographical area of the United States will have to wait for some time before it is served by television stations.

The text of the statement follows:

"By unanimous action the Board of Directors of the Radio Manufacturers' Association, in its annual convention at the Stevens Hotel, authorized its President, A. S. Wells, to make the following statement on television for the Association and the Industry:

"The membership of the Radio Manufacturers' Association includes practically all of the U. S. makers of television sets.

"No group has so great a stake in the development of television. No group has a greater faith in the future of this art, or a firmer belief in its eventual growth from its experimental stage to that of one of the country's great services.

"They would like to present television to the whole country, but because of the many problems involved, it will be a long time before such a reality can be achieved.

"They feel that this statement is necessary because of the nation-wide interest in this matter; because television has suffered from over-statements; and because the inauguration of television in New York may arouse false and ungrounded hopes in the minds of the people throughout the country.

"As a matter of fact, television is something that those living in New York may now have in a limited way, and a few additional stations are in prospect at the present time, while others will probably develop when a solution to the financial side of such broadcasting can be found. In all probability, however, over 90 percent of the geographical area of the United States will not be served for some time to come, for the economic questions are serious ones and will have to be solved by broadcasters in the future.

"Even where television is available, it must be remembered that for technical reasons it can only be received to the optical horizon. The average useful reception distance from the antenna on top of the Empire State Building in New York (the world's tallest building) is only fifty miles. This means that



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the horizon, or useful distance from any building or mast less in height than the Empire State Building will be considerably less than that available in New York.

"It must also be remembered that television broadcasting is on an experimental basis. The experimental character of such broadcasting, or telecasting, as it is properly called in television, means that the program will be on a trial basis, and until experience has been gained in the kind of programs that are of real service to the public, they cannot be broadly duplicated over many stations. Therefore, these programs for some time to come will, of necessity, be limited at best to a few hours a day.

"Even where television is available, or may become available, it must be considered as a supplemental service to radio broadcasting, and for that reason will not render the modern radio receiving set obsolete any more than an aeroplane renders the modern automobile obsolete. These are and will be different types of services."

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#### NINE APPLICATIONS CLASH WITH RADIO PACT

The Federal Communications Commission announced this week that final action on nine applications pending before the Commission was being withheld because the facilities requested conflict with or involve the North American Regional Broadcasting Agreement. This Agreement, which was drawn up at the Havana Conference in December, 1937, allocates frequencies for standard broadcast stations on the North American Continent. The Agreement has already been ratified by the Governments of the United States, Canada, and Cuba and awaits only ratification by the Government of Mexico to become effective.

The nine applications on which action is being withheld are as follows:

Evening News Press, Port Angeles, Wash.; KVL, Inc. (KEEN), Seattle, Wash.; Michael J. Mingo, Tacoma, Wash.; Tacoma Broadcasters, Inc., Tacoma, Wash.; Radio Service Corp. (KSEI), Pocatello, Idaho; St. Lawrence Broadcast Co., Ogdensburg, N.Y.; Cuyahoga Valley Broadcasting Co., Cleveland, Ohio; South Bend Tribune (WSBT), South Bend, Ind.; King-Trendle Broadcasting Corp., Grand Rapids, Mich.

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## HEARING ORDERED IN S-W RULES CONTROVERSY

A public hearing was ordered this week for July 12 by the Federal Communications Commission on the question of whether the new rules governing the operation of international broadcasting stations should be modified, revised, or amended.

The FCC decision culminated growing criticism of the rule which stipulated that an international station must broadcast programs which "reflect the culture of this country and which will promote international good-will, understanding, and cooperation."

The regulation was viewed with alarm by the radio industry, the American Civil Liberties Union, and members of Congress on the ground that it verged too close to Government censorship of radio. The hearing was granted upon the filing of a petition by the Civil Liberties Union.

"The Commission is of the opinion", the announcement said, "that an open public hearing to discuss the merit of the new regulations is desirable, particularly in view of the fact that the application of the rules has been misunderstood in some quarters."

Chairman Wheeler, of the Senate Interstate Commerce Committee, criticized the regulation on the Senate floor this week and said he hoped the FCC would decide to reconsider and hold a hearing. Senator Johnson (R.), of California, echoed the wish.

Previously the National Association of Broadcasters had filed a formal request for a hearing with the FCC. The Commission ignored this petition, however, in acting on the request of the Civil Liberties Union.

Among the last to join in the demand for reconsideration was Representative Celler (D.), of New York. In a letter to Chairman Frank R. McNinch, he said:

"I am disturbed with one of the regulations recently promulgated by your Commission, which provides as follows: 'A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international good-will, understanding, and cooperation.' What is 'international good-will' to one, may be international ill will to another. Furthermore, what is meant by 'understanding'; and what is meant by 'cooperation'? There is no common definition of these words, and therefore the language used is somewhat vague.

"If I were scheduled to speak on one of the four international broadcasting stations, and were suddenly stopped on the score that I was not promoting 'international good-will, understanding, and cooperation', I would be deeply resentful against

the broadcasting company that sought thus to interrupt or scotch my efforts.

"Whether or no there is involved in this regulation a degree of censorship, I will not state at this juncture. But if there is censorship, then the regulation would be without force and effect, because the Federal Communications Act of 1934, (section 326), denies the Commission the right to exercise power of censorship over radio communication. That section, likewise, denies the Commission any right to interfere with freedom of speech.

"Frankly, I do not think the Commission is on firm ground. I do hope therefore that earnest reconsideration will be given the regulation in question."

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### THREE NEW STATIONS TENTATIVELY AUTHORIZED

The Federal Communications Commission this week announced its proposed findings of fact and conclusions proposing to grant the applications of Saginaw Broadcasting Company, Saginaw, Mich., and Gross and Shields, Saginaw, Mich., both for new stations in that city, to operate on 1200 kc., with 100 watts night, 250 watts daytime, specified hours, and 950 kc., with 500 watts power, daytime hours, respectively.

Richland, Inc., of Mansfield, O., also was given tentative authorization to construct a new broadcasting station for operation on 1370 kc. with 250 watts, daytime, in proposed findings of fact, which are subject to final approval.

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### NAB-ASCAP COPYRIGHT PARLEY OPENS

Conferences between representative committees of the National Association of Broadcasters and the American Society of Composers were under way this week in New York City months before expiration of current station and network contracts - for performance of ASCAP's repertoire by radio.

Members of the NAB Copyright Committee, presided over by President Neville Miller, decided to begin conversations with the Society at a meeting in New York early this month. A report on the negotiations will be made by President Miller to the forthcoming NAB Convention in Atlantic City July 10-13.

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## NETWORK REPORT NOT EXPECTED BEFORE FALL

There is little likelihood that the Federal Communications Commission will make its complete report to Congress with regard to the chain-monopoly investigation at this session, it was learned this week.

While an interim report may be filed if Congress does not adjourn before late Summer, FCC officials said that recommendations will not be ready for submission before Fall.

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::: TRADE NOTES :::

The interconnected RCA police radio systems of two Illinois towns were the instruments recently used by a posse of Federal, county and municipal peace authorities in capturing a heavily armed desperado, wanted for murder and mail robbery, without firing a shot. Floyd Bruce, indicted for murdering a messenger in a \$25,000 postal robbery in Guthrie, Ky., and his wife, Helen, were the principals in the chase.

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The Berlitz School of Languages, Washington, lists short-wave broadcasts from a dozen foreign speaking countries in its advertising now, with the comment: "You can understand all of them - Come to Berlitz."  
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Five-year contracts, effective this Fall, have been signed by the Columbia Broadcasting System with two of its basic network stations, WJR, Detroit, and WGAR, Cleveland. Established in 1922, WJR broadcasts with 50,000 watts day and night at 750 kilocycles, and has been a CBS affiliate since 1937. WGAR, with 5,000 watts daytime and 1,000 at night, operates at 1,450 kilocycles, was established in 1930, and has been a member of CBS for four years.

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W. B. Lewis, CBS Vice President in Charge of Broadcasts, has announced the appointment, effective July 35d, of Charles Vanda to the newly created post of Western Program Director of the Columbia Broadcasting System. In his new capacity, Mr. Vanda will devote entirely to network programs the time he formerly divided between network, regional and local programs.  
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General Electric Company this week placed on sale a line of five receivers for use in the New York area for television. Only one of the five G-E models shown, the de luxe all-wave radio and television receiver which tops the line, employs a mirror to reflect the picture received. Another model utilizes a 12-inch picture tube with which the image can be viewed directly on the front of the cabinet. The other three receivers employing nine, and five-inch picture tubes, are all the direct-viewing type.

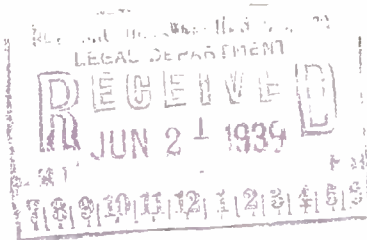
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

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June 20, 1939.

## FCC ASSURED OF FUNDS AFTER MILD HOUSE INQUIRY

The Federal Communications Commission was assured of funds to carry on after July 1st following an unexpectedly mild executive hearing before a Deficiency Sub-Committee of the House Appropriations Committee on Monday.

While the Sub-Committee has not yet decided how much of an appropriation to recommend, members indicated that it will be adequate to keep the FCC operating on the present basis although probably not sufficient to permit expansions recommended by Chairman Frank R. McNinch.

The absence of Chairman McNinch, who is still recuperating from his recurring illness at Atlantic City, accounted for the mild inquiry. Republican members of the Sub-Committee, it was understood, had demanded the inquiry in order to question the Chairman.

Thad H. Brown was Acting Chairman of the Commission and answered most of the questions asked by the Sub-Committee members. Commissioner Paul Walker was questioned somewhat about the telephone report.

Afterwards Representative Connery (D.), of Massachusetts, suggested that the FCC be allowed only an appropriation for eight months and that the House then adopt his resolution calling for a sweeping investigation of the Commission and the radio industry.

Indications are, however, that the full year's appropriation will be allowed and that no further inquiry will be ordered.

A rider calling for an investigation may be offered on the House floor when the FCC appropriation is considered, however, and it is likely that some further attacks on the Commission will be forthcoming.

The Commission's funds normally are carried in the Independent Offices Appropriation Bill, but when that measure was reported to the House several months ago, the Committee stated it did not include the FCC appropriations because of the assurance at that time that the Commission would be reorganized.

The Commission has asked for \$2,038,175, an increase of \$300,000, to be used principally for an increase in personnel and for purchase of new equipment for its monitoring stations throughout the country where the signals of radio stations are checked to see that they keep within their frequencies. Included in this amount is \$25,000 for printing and binding and \$13,175 for the purpose of continuing the investigation on the need for requiring vessels operating on inland waterways to have radio equipment aboard.

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## FTC ORDER HITS RADIO CORRESPONDENCE SCHOOL

Misleading claims concerning the ownership and operation of an amateur radio station in connection with the sale of correspondence courses in "electronic engineering", will be discontinued by a Minneapolis concern under a stipulation entered into with the Federal Trade Commission.

Thomas J. Casey, trading as National Institute of Technology, agrees to discontinue using printed or oral representations tending to convey the idea that his school owns, operates and controls amateur Radio Station W9VXZ, Minneapolis, or any other radio station for its curricular purposes; that use of that or any other station or call number may be available to unlicensed students for practice and operation, or, inferentially or otherwise, that his school has the authority to operate or control the operation of the transmitting equipment of an amateur radio station even though it may own such equipment.

The stipulation recites that the respondent, in selling trade school courses for radio operators and mechanics, extensively featured W9VXZ as a part of the school's operating equipment; that he personally operated the station for the school's commercial purposes, seeking to make contacts with radio broadcasting studios throughout the country in an effort to procure paying jobs for his students; and that this was contrary to Federal Communications Commission regulations that amateur stations shall not be used commercially and that amateur licenses are not issued to schools or their representatives or to amateur radio societies if their names advertise business concerns or commercial schools.

The facts are, according to the stipulation, that the call number W9VXZ is not the property of the school as represented and implied, but is assigned in a license to Raymond O. Cverby as trustee for the National Institute of Technology Radio Club, an amateur radio society, upon a showing made by him of control of proper transmitting apparatus and of the station premises.

The respondent agreed to cease use of the words "Institute and "Technology" in his trade name or in any manner as applied to his school or any affiliated radio club or society; or the use of any similar designation the effect of which is to convey the belief that the school is equipped to give technological courses or instruction other than trade or vocational, or that either school or club is an institution for the promotion of learning, philosophy, art or science, or is a national association of technologists.

Among other representations to be discontinued are overstatements of actual earning power or probable salaries and future security of graduates and students; representations implying that the respondent is in a position to offer employment to his graduates; and implications that persons lacking in proper education,

experience or aptitude can become competent electronic or radio men by taking the respondent's course; that the school is equipped to supply competent engineers; that "some of the best engineers in this country" collaborated in preparing the course; that a certificate issued by the school is a diploma; that a fictitious price for the course is the actual price, and that the school occupies the whole of a building depicted when in fact it occupies part of one floor.

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#### RMA CONVENTION SETS ATTENDANCE RECORD

In attendance, interest and constructive action, all radio industry records of a decade were surpassed at the fifteenth annual RMA convention and National Parts Trade Show, June 13-17, at the Stevens Hotel in Chicago, according to Bond Geddes, Executive Vice-President.

Registration records, both for the bigger and better parts show, RMA convention and committee meetings, and also the annual "RMA cabaret" and industry dinner, held Wednesday evening, June 14, in the Hotel Morrison's "Terrace Casino" were broken. There was wide optimism over future business prospects, with bigger volume and higher price levels informally set as goals for the coming year.

Close to 10,000 manufacturers, distributors, dealers and servicemen, and members of RMA Sales Managers Clubs, the Radio Servicemen of America, the National Association of Radio Parts Distributors, and other allied organizations were present and held many group and committee meetings.

The big social event was the annual "RMA cabaret" attended by over 750 RMA members and guests, and 40 percent larger than last year. President Wells was presented with a sterling silver cocktail set by Paul V. Galvin, of Chicago, Chairman of the Convention and Banquet Committee. Another entertainment feature of the convention was the annual radio golf tournament at the Calumet Country Club on Thursday, June 15, participated in by nearly 200 radio golfers.

The National Radio Parts Trade Show held in the Exhibition Hall of the Stevens Hotel from Wednesday, June 14 to Saturday, June 17, was the largest and best in five years. Thousands of radio distributors and sales representatives, dealers and servicemen attended, with a registration far exceeding last year. Sponsored jointly by RMA and the Sales Managers Clubs under the management of Ken Hathaway, the show will be held again next year in the Stevens Hotel. Arrangements for direct representation of RMA and the Sales Managers Clubs in the management and operation of the show were made. Directors H. E. Osmun and J. J. Kahn, of Chicago, were appointed by President Wells as the RMA Directors on the Show Management Committee.

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## 400 TELEVISION SETS SOLD IN FIRST MONTH

At the end of one month of regular broadcasts by the National Broadcasting Company, Radio and Television Retailing has made a check-up of television set sales in the New York area. Approximately 750 complete sets have been delivered to dealers, according to O. Fred. Rost, Editor. Half that number, or at best 400 sets were sold at retail and installed in consumer's homes, he said. A considerable number of kits have been sold.

"Not less than 350 dealers within television range are demonstrating or getting ready to demonstrate sets", the report continued. "Some have made no sales, others have moved one set, smart dealers in unusually good locations have sold 6, 8, 11, up to 21 sets. One large department store made enough sales to justify tripling its demonstration facilities.

"Sets with 9 in. cathode ray tubes, in the \$300 to \$400 price range are at present most popular, mirror equipped models slightly outselling the direct-vision type. Table models, 5 in. tube, video only, equipped for plug-in to radio sets are selling comparatively well.

"Distributors and dealers agree that brevity of program periods and quality of the show are handicaps, best programs coming on at night when dealers have little or no chance to make sales. Dealers also grumble at 25% discount, want more profit because it takes more time and effort to make sale. Manufacturers remind that one television sale is equal to profit on a whole flock of small radio sets.

"Substantial improvement in sales is expected when Columbia goes on the air with its Chrysler Building station."

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## RCA ISSUES TELEVISION BOOKLET FOR SERVICEMEN

The RCA Manufacturing Co., Camden, N. J., this week issued a new booklet (price 25 cents) entitled "Practical Television by RCA" for the information and use of television servicemen.

The first publication of its kind, the booklet does not attempt to present an engineering treatise but presents practical aspects of television receiver design installation and service gained by RCA engineers in field tests during the last seven years. It also gives a practical outline of a complete television service.

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## NAB SESSIONS TO BE OPEN TO PRESS FIRST TIME

For the first time since its organization, the National Association of Broadcasters will open most of its sessions at the Atlantic City convention July 10-13 to the press, according to Joseph L. Miller, labor and press relations official.

Among the prominent speakers scheduled for the meeting are: James Stahlman, former President of the American Newspaper Publishers' Association; Elmer F. Andrews, Federal Wage and Hour Administrator; and Will Hays, the movie czar, or a representative of his office.

Consideration of the proposed Code of Ethics for the broadcasting industry will be the highlight of the convention.

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## HEARING ON INTERNATIONAL RULES MAY BE POSTPONED

The Federal Communications Commission's hearing on its widely-criticized regulations outlining, in general terms, the type of programs which must be broadcast by international radio stations may be postponed from the July 12 date set last week by the Commission.

The date conflicts with the convention of the National Association of Broadcasters, which is to be held in Atlantic City, and the charge has been made that the FCC chose this time for the hearing so it might interfere with the appearance of the broadcasters. Members and officials of the Commission, however, disclaimed any such purpose.

It has been suggested that when the broadcasters file notice of intention to appear at the hearing, they might request a postponement and that in all likelihood it would be granted.

The NAB was the first to file complaint against the new rule and ask a hearing contending the rules smacked of an attempt to invoke censorship. When the Commission granted the hearing, it stated that it acted on the subsequently-filed petition of the American Civil Liberties Union, but opened the hearing to all who desired to appear.

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The increase in radio licenses issued by the British Post Office during April, as compared with the total as at April 30 last year was 359,000 or 4.2 percent on the figure of 8,604,000 recorded on the same date a year ago. The total number of licenses in force at April 30 was 8,963,000. The 536,427 licenses issued during April reflected a net decrease of 5,259 in the number of license holders by comparison with the previous month, after making allowance for expired licenses and renewals.

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## RMA TO OPPOSE WAGE PLAN AT HEARING

The Radio Manufacturers' Association will participate in the hearing scheduled July 6 before the Department of Labor at Washington on procedure to establish a minimum wage for the radio and also the electrical industry. Octave Blake is Chairman of a special RMA committee which is seeking exemption for manufacturers of home radio sets, tubes, parts and accessories.

The RMA is not concurring in a suggestion to include transmitters, special custom built receivers, and parts, together with public address systems in the Government procedure relating to a minimum wage for the electrical industry, including the radio interests in a minimum wage finding for the electrical industry. This suggestion has come from Administrator Walling of the Walsh-Healey Act, but the RMA has advised him that the Association does not concur in this proposal. Chairman Blake and the RMA Committee will represent the radio interests at the Washington hearing on July 6th.

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## WIRED RADIO STARTS IN ENGLAND NEXT YEAR

Radio by telephone will be available for London, Edinburgh, Birmingham and Manchester at an approximate cost of one shilling a week by the end of the year, according to a correspondent of the New York Times. Earlier announcements suggested that the service would apply only in wartime.

The system is being introduced temporarily as a defense measure, Major George Clement Tryon, Postmaster General, told the Commons last week, since ordinary broadcasting would be subject to tapping and interference in the event of hostilities.

Unlike the existing relay service of the British Broadcasting Corporation, which requires only loud-speakers, the telephone broadcasting system requires receiving sets. The change apparently has been made following the protests of radio dealers, who feared that the extension of the relay system would hit their business.

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Proof of the vast area serviced with American programs by General Electric's newest international broadcast station W6XBE was announced this week when letters received in the same mail reported perfect reception at the southernmost tip of the Americas, within the Arctic Circle, the Orient, the Antipodes, India, and South Africa. W6XBE, a permanent installation in the San Francisco area, is presently located at the Golden Gate International Exposition on Treasure Island in San Francisco Bay.

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## DR. KENNELLY, NOTED SCIENTIST IN RADIO, DIES

Radio lost one of its most famed scientists on Sunday when Dr. Arthur Edwin Kennelly, Professor Emeritus of Electrical Engineering at Harvard University and Massachusetts Institute of Technology, and at one time principal assistant to Thomas Edison, died at the Phillips House, Boston, after a long illness. He was 77 years old.

Among his accomplishments was the co-discovery with the English mathematician, Oliver Heaviside, of the ionized layer surrounding the earth, now popularly known as the "Kennelly-Heaviside Layer", which has figured prominently in the technical operations of radio.

A national authority in his field, Dr. Kennelly received the French Cross of the Legion of Honor in 1922 for his work. In 1933 he received the annual Edison Gold Medal for "meritorious achievement in electrical science, electrical engineering and electrical arts". Winners of the medal have included George Westinghouse and Alexander Graham Bell. He also received the gold medal from the Franklin Institute of Philadelphia for his invention of the hot wire anemometer.

A native of Bombay, India, Dr. Kennelly was educated in private schools in France and England and at University College School, London. He served as Professor of Electrical Engineering at Harvard, 1902-30, and at Massachusetts Institute of Technology, 1913-24.

Dr. Kennelly devoted nearly his entire life to electrical work and in his earlier years was chief electrician of a cable repairing steamer and senior ship's electrician for the Eastern Telegraph Cable Company. He was principal electrical assistant to Thomas Edison from 1887 to 1894 and a member of the firm of Houston & Kennelly, Philadelphia, consulting electrical engineers, from 1894 until he went to Harvard. He was also engineer in charge of laying the Vera Cruz-Frontera-Campeche cables for the Mexican Government in 1902.

He was President of the American Institute of Electrical Engineering, 1898-1900; Society for Promotion of the Metric-System of Weights and Measures, 1904; Illuminating Engineering Society, 1911, and the Institute of Radio Engineers, 1916.

Dr. Kennelly was also a corresponding member of the British Association for the Advancement of Science, a member of the National Academy of Sciences and a Vice-President of the American Academy of Arts and Sciences, as well as a member of numerous other scientific organizations. He was the author of nearly a score of books on electrical subjects.

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## ZEPHYR RADIO HIT BY FTC ORDER

Orville J. Bond, trading as Zephyr Radio Company, Highland Park (Detroit), Mich., has been ordered by the Federal Trade Commission to cease and desist from representing that radio sets distributed by him will give world wide reception.

In magazines and newspapers the respondent is alleged to have advertised as follows: "Get politics, news, music, market and weather reports on a new Zephyr world-wide, all electric, battery or auto radio. All latest improvements."

Findings of the Commission are that the "Zephyr" radio receiving set advertised to sell at \$6.95 is a complete radio set with all working parts and aerial designed as a local receiver primarily for reception in a radius not over 100 miles and will not give world-wide reception; that "world-wide reception" as applied to radio means that a radio is capable of picking up signals transmitted from the major continents of the world and that the respondent's radio receiving set is not capable of picking up signals from the major continents of the world, nor even from remote places on this continent.

The respondent is ordered to cease and desist from representing that the radio set sold under the name of "Zephyr Radio Receiving Set" or any other radio receiving set similarly constructed, will give world wide reception or that such a set will receive programs broadcast from all continents.

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## GERMANY ENCOURAGES LOCAL CZECH PROGRAMS

Under the latest agreement between the Czech Broadcasting Corporation and the German representatives of the Protectorate, the little 1.5 KW Moravian station, Moravska-Ostrava, is now devoted entirely to Czech broadcasting, according to World-Radio.

The programs are popular, and very often of a local folklore character. Some of them are transmitted also by the Prague and other stations. From May 1, 70 percent of the programs of the Brno station are Czech and the rest German. The times are regular, so that Czech and German listeners of Moravia know exactly when to tune in to programs in their mother tongues.

The programs of the main Prague station are also being standardized, and in future the chief features of the programs will be more popular music, more Czech music and folk songs, and longer plays.

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## BBC TELEVISION LIMITED TO LONDON FOR THE TIME

The following discussion occurred in the House of Commons recently regarding the possibility of the extension of television broadcasting in Manchester, according to the office of the American Commercial Attache, London.

"Mr. E. Smith asked the Postmaster General whether he is aware of the public desire within a 50-mile radius of Manchester for a television service; what are the prospects of such a service; and will he consult with the British Broadcasting Corporation with a view to having a television station constructed on a site that will enable the people of this area to have the opportunity of a television service. Mr. Burke inquired whether the Television Advisory Committee has given any indication as to whether the time has arrived for the extension of television services to centers outside London.

"The Assistant Post Master General replied that the extension of the television service to areas outside the range of the London Station involves serious problems both technical and financial. On the advice of the Television Advisory Committee technical research is being undertaken in regard to possible methods of relaying television programs from London to other centers; but this research work is likely to occupy a considerable time; and it is feared no decision concerning the extension of the service to other centers can be reached in the near future."

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Picketing of Station WMCA, at 1657 Broadway, New York City, which has been done each Sunday afternoon for more than six months in protest of the failure of the station to carry broadcasts of the Rev. Charles E. Coughlin was confined last Sunday to the Broadway side of the building by Deputy Chief Inspector John J. DeMartino, Manhattan Borough commander, who was in charge of 100 policemen at the scene.

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With a speech in Spanish by the Director-General of the British Broadcasting Corporation, F. W. Ogilvie, the BBC's special program service for Latin-America will be inaugurated on July 3 in the presence of Diplomatic representatives of all the Latin-American Republics.

The programs of the new transmission, which except for the opening program, will be broadcast from Daventry daily between 6:25 P.M. and 9:20 P.M., E.S.T., under the call-signs GSO (15.18 Mcs, 19.76 m) and GSC (9.58 Mcs., 31.32 m), will include two news bulletins in Spanish and one in Portuguese, and topical talks in both languages - in which, of course, all announcements will be made.

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## TIMES SEES KNOTTY PROBLEM IN TELEVISION

Following is an editorial which appeared in the Sunday New York Times:

"The Radio Manufacturers' Association, convened at Chicago, looks sourly on the commercial future of television. And well it may. Though the images sent and received are acceptable, a transmitter has a range of only fifty or sixty miles even when mounted on top of the Empire State or Chrysler Building. To blanket the country with visual entertainment through a national hook-up involves the erection of perhaps several hundred stations, each costing from \$100,000 to \$500,000. Interconnection can be achieved by short-wave radio, but engineers prefer the coaxial cable, which costs about \$5,000 a mile, with at least 90,000 miles needed.

"Assuming that some inexpensive way of hooking up stations will ultimately be evolved, there still remains the obstacle of studio costs. The worst film play that the public will tolerate costs about \$1,000 a minute in screen-time. Probably \$5,000 a minute is the average for a good screen play. But the most that a national hook-up now costs the advertiser is about \$600 a minute, which leaves a satisfactory profit for the broadcasting company. Television studio costs will have to be brought down to about \$500 a minute if ordinary broadcasting is any criterion. How that miracle is to be performed in the face of Hollywood's long experience and the public's demand for high-priced actors and elaborate stage settings, no economic soothsayer will venture to predict.

"British experience indicates that the public is not satisfied with mere sketches. It wants full-length plays - a new one every twenty-four hours if possible. And this means a production cost of \$300,000 a day. The gross business of the two leading sound-broadcasting companies amounts only to about \$90,000,000 a year, which is barely enough to produce 300-hour-long television plays on a Hollywood scale, with nothing allowed for research costs, huge investments in electrical equipment, heavy expenditures for maintenance and technical operation. Hollywood never had to reckon with anything like the productivity that television will demand from authors, actors, engineers, set designers, property men, make-up experts, stage directors and costumers.

"No radio manufacturer now believes that the sale of sets alone can pay the cost of television. Nor does he expect much from the turnover in tubes, though a television now has about twenty. It is the advertiser who must pay. But will he? And can he? The present cautious broadcasting of only two television program-hours a week will not answer definitely. Rather will it reveal how strong is the public demand for television and hence the potentialities of advertising. It is the established system of providing entertainment at the expense of 'sponsors' that is actually being tested - not television itself."

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## U. S. RADIO SETS POPULAR IN GREEK MARKET

American low-priced radios are popular in the Greek market, according to the Department of Commerce. Effective July 1, three-fourths of the quota for the importation of radio sets into Greece has been reserved for sets priced below 2,500 drachmas, or \$21.50.

During the first six months of this year the Greek Minister of Economy authorized a global import quota for radio sets of 40,000 kilos and an extra quota of 20,000 kilos for radio sets of United States origin. It is probable that similar quotas will be established for the remainder of the year.

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## MUTUAL NETWORK EXPANDS INTO SOUTHEAST

Expansion of the coast-to-coast network of the Mutual Broadcasting System into the southeastern section of the United States became known this week when it was announced that four stations in North Carolina became affiliated with the Mutual network on Sunday, June 18.

The four stations that joined Mutual on that date are:

WSOC, Charlotte, operating on 1210 kilocycles, 250 watts day, 100 watts night; WRAL, Raleigh, operating on 1210 kilocycles, 250 watts daytime, 100 watts night; WSTP, Salisbury, operating on 1500 kilocycles, 250 watts day, 100 watts night; WAIR, Winston-Salem, operating on 1250 kilocycles, 250 watts daytime.

The addition of these four stations to the Mutual network raises the total to 118 affiliates from coast to coast.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

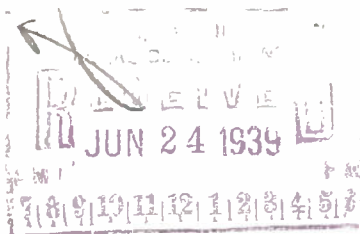
WASHINGTON, D. C.

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## EDUCATIONAL RADIO PROJECT A SUCCESS, SAYS STUDEBAKER

The educational radio project sponsored by the U. S. Office of Education and aided by the national networks has proved successful in improving relations between commercial broadcasters and educators, in stimulating employment, and training workers, according to a report released this week by Dr. J. W. Studebaker, U. S. Commissioner of Education.

Dr. Studebaker, as Chairman of the Federal Radio Education Committee, recited the following brief history of the project:

"To carry forward the aims of the Government to give work to men and women in need of employment; to restore them to normal employment; and to experiment and demonstrate in education by radio, the educational radio project was established by President Roosevelt, December 19, 1935.

"Working under the rules and regulations of the Works Progress Administration covering wage scales, 19-to-1 ratio on administration, sponsor contributions, etc., the educational radio project has attained objectives set for it.

"Employment: The project has given employment to those in need of jobs in 17 States.

"Worker rehabilitation: It has trained and provided valuable experience which has aided a large number of workers to restore themselves to normal employment.

"Use of radio: It has improved the relations between private broadcasters and educators, and broadened and advanced the use of radio in the service of education and to government, Federal, State and local.

"Chief accomplishments of the Educational Radio Project have been:

"Employment: In 17 States and the District of Columbia the project has given employment to an average of 245 W.P.A. workers per month.

"Training and placement: Training and experience secured on the project have enabled more than 75 W.P.A. workers in Washington and New York alone to move into regular jobs.

"Low per listener cost: Through quality great audiences have been won reducing our costs to less than \$10 per 16,000 listeners per half hour.

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"Sponsor contributions very heavy: Few W.P.A. projects can show as favorable project-sponsor ratio for expenditures as this: One dollar from the Government to \$4 from private industry.

"Largest network: By stressing quality, the Radio Project has secured the largest voluntary network ever assembled for sustained educational programs, 107 stations on the Columbia Broadcasting System. This is far larger than most leading commercial program networks.

"Every United States region served: Because of the wide acceptance of project programs by stations and wide local use of scripts, every section of the United States has been able to receive the benefits of this activity.

"Highest radio honors for 1939: Our project is the first Government agency ever to receive the award for presenting the 'outstanding program of the year'. This was voted to Americans all - immigrants all - by the Women's National Radio Committee, representing two score national women's organizations.

"Eight hundred thousand fan letters: Our series are reported to have received a larger response from listeners than any other sustaining programs presented by either the National Broadcasting Co. or the Columbia Broadcasting System. For 3½ years listener mail totals more than 800,000 letters.

"First to preserve network series for schools: This is the first agency to preserve network educational programs for future use through recordings.

"Criticism almost nil: Letters of criticism have been far lower than the network average. Network critical letters run 1 to 2 percent; project critical letters, one-tenth of 1 percent.

"Promoted local productions: We have stipulated the development of local school and college radio producing groups to study broadcasting and to cooperate with local stations. These groups have grown from fewer than 300 in 1936 to more than 800 at present.

"Careful preparation for every program: We have probably given more care to the creation of educational programs than any other agency, commercial or non-commercial.

"Check and review thorough: We check all scripts with advisory and review committees composed of distinguished educators and scientists.

"Competed against best on air: The Project has successfully competed for listener attention with commercial programs costing five to ten times as much to produce.

"Following are major divisions of national and local activities carried on by the educational radio project:

"National educational radio programs presented in cooperation with national chains, local radio stations, Government agencies like the Smithsonian Institution, and national associations like the National Congress of Parents and Teachers.

"Educational radio script exchange, which provides practical assistance to local schools, colleges and radio stations. The exchange lends scripts, supplies suggestions on producing programs, sound effects, and reports other available sources of helps.

"Educational transcription exchange is pioneering in the introduction of these new scientific aids for American education.

"Cooperative research projects are developed in problems of education by radio carried on in cooperation with colleges and school systems.

"Cooperative radio demonstration centers for experimentation in use of radio for education have been sponsored at colleges, universities, and in local school systems.

"Information service on education by radio has been established. This service supplies data on opportunities for training, bibliographies, research programs, new developments, etc.

"Officials of our national radio chains invited the Office of Education to present educational programs of high quality over their facilities. To meet these requests, to conduct experiments and demonstrations in the art of radio applied to education, and to serve national social aims, the Educational Radio Project has presented 11 network radio series. Most notable are:

"(1) Americans All - Immigrants All, a series of 26 half-hour programs to increase tolerance and promote unity among our people by broadening the understanding of the contributions of men and women from many nations to our national life. This was the first Government program to receive the award as 'the outstanding radio program' of the year.

"(2) The World is Yours (now in its third year), a series for the Smithsonian Institution to bringing knowledge of the treasures of that Institution to millions of taxpayers who may never have the opportunity to visit it.

"(3) Let Freedom Ring, a series of 13 programs showing the origin and development of the human rights which have been set forth in the Bill of Rights of our Constitution.

"(4) Wings for the Martins, a series of 26 programs showing modern developments in education as they aid parents in bringing up children. Presented in cooperation with the National Congress of Parents and Teachers and the National Broadcasting Co.

"(5) Brave New World, a series of 26 programs promoting good will with our Latin-American neighbors by helping Americans to know more about Latin-American history, culture, and progress.

"(6) Democracy in Action, a series of 26 programs now being presented to show government at work and the details of the democratic process by which Congress translates the demands of the people into action.

"(7) Local Government at Work, a series of programs created in cooperation with national police, fire, and municipal officer associations. This series will be presented locally to help people understand the work of their local government."

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### FCC ACTS IN LOS ANGELES STATION SHUFFLE

The Federal Communications Commission this week announced its proposed decision and order in the matter of the application of Hearst Radio, Inc., licensee of Station KEHE, Los Angeles, Cal., for voluntary assignment of license to Earle C. Anthony, Inc., and the application of Earle C. Anthony, Inc., for authority to move station KECA from Los Angeles to San Diego, Cal., and to assign the license of KECA to Worcester Broadcasting Corporation.

The Commission ordered that the application for assignment of license of Station KEHE be granted, upon condition that license of Station KECA be surrendered for cancellation prior to the operation of Station KEHE by Earle C. Anthony, Inc.

Earle C. Anthony, Inc., in requesting a construction permit to move Station KECA to San Diego, to operate under different call letters, is requesting the Commission to authorize him to construct a radiobroadcast station which he does not intend to construct or to operate. He admittedly is only requesting this authorization from the Commission in order that he may assign it to the Worcester Broadcasting Corp. The application to assign the license of Station KECA to the Worcester Broadcasting Corp. is nothing more than an application to assign the construction permit which is being requested by Earle C. Anthony, Inc.

"The Commission does not deem it in the public interest to grant a construction permit to anyone merely for the purpose of permitting such person to assign or sell the permit to another, nor does the Commission deem it in the public interest to authorize in advance of granting such construction permit the assignment of the permit to a third person", an FCC statement said.

"Insofar as Earle C. Anthony, Inc. may desire to dispose of its station equipment and other physical property which is no longer useful to it because of the acquisition of Station KEHE, and the surrender of its license to operate the facilities of KECA, the consent of the Commission is not necessary. In the instant case, however, Earle C. Anthony, Inc. is not applying for consent to the transfer of the license of KECA to the Worcester Broadcasting Corp., with its concomitant duties and responsibilities, but on the contrary is seeking to obtain a permit to construct an entirely different station to be located in a different city and serve a different area, while at the same time seeking to obtain the consent of the Commission to assign that construction permit to the Worcester Broadcasting Corporation.

"The application for construction permit must be denied since Earle C. Anthony, Inc. admittedly has no intention of constructing a radiobroadcast station in San Diego. For the foregoing reasons, the application for consent to assign license of Station KECA from Earle C. Anthony, Inc., to Worcester Broadcasting Corp. must also be dismissed."

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### TELEVISION WON'T SUPPLANT RADIO, DR. BAKER SAYS

Television will no more supplant radio than the telephone did away with the telegraph, according to Dr. W. R. G. Baker, Manager of the Radio and Television Department of General Electric.

"In London, where programs have been on the air for more than two years, the demand for radio sets has actually increased", said Dr. Baker in addressing the General Electric Science Forum.

Dr. Baker stated that he believed that television would supplement radio, but would never replace it. He said that he felt that the sale of radio sets would actually increase in this country with television, as has been the case in England, as soon as the confusion about television has been removed from people's minds.

In forecasting television's future, he said that he thought that it would be tremendous, in that it will make it possible for the family to enjoy baseball, football, sporting events of every kind, the theatre, and most all other forms of entertainment at home.

In looking ahead, Dr. Baker said, "Let us visualize America six or eight years from now, by which time we may assume that television facilities will have pretty well covered the country, and television receivers will be standard equipment in millions of homes.

"Instead of going to the Motor Shows to see the new cars, we can sit comfortably in our living rooms and see the new models paraded and demonstrated. The automobile manufacturer can take us behind the scenes in his factory and show us any step or process in the making of a car.

"We can step into the car by proxy and examine every detail of its interior, then slip into the driver's seat and go places.

"And the ladies will be able to view the season's new hats and gowns paraded on live models, see interesting cooking demonstrations, receive lessons from experts in interior decoration

and gardening, and see all manner of products and appliances in actual use with conversation and action", said Dr. Baker.

"It may also be assumed that your favorite department store will show you all its wares via television so that you may take notes on the items and prices, phone in your orders and escape all the terrors of bargain rushes."

He predicted that television may become America's next big industry. "A wide variety of apparatus is required, transmitters must be built, television camera, studio equipment, camera tubes, picture tubes, receivers, antennas and filmed programs by the thousands must be created and produced", he said.

"Big industries are not created over night, and television may require years of development before it attains such magnitude", he concluded.

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#### EDUCATIONAL STATION HIT IN FCC DENIAL

The Federal Communications Commission this week announced its proposed findings of fact and conclusions, proposing to deny the application of the Moody Bible Institute Radio Station, Chicago, Ill., for a permit to construct a new non-commercial educational broadcast station to operate on frequency 41,300 kc. with power of 100 watts, unlimited time.

The Commission's proposed conclusions pointed out that the applicant proposed to operate the station simultaneously with its present Station WMBI, during such hours as WMBI is now authorized to operate and that furthermore, as stated by applicant's witness, the same program would be carried by both stations, at least in the beginning. Also that out of the forty hours WMBI is at present authorized to operate, only four hours per week are used for educational purposes.

"While the rules governing the operation of this class of station do not require a minimum number of hours of operation", the FCC added, "Rule 1058, which defines the purposes of non-commercial educational broadcast stations, contemplates the full time availability of the educational facility without restriction, and it is not the purpose thereof to provide a facility simply to be used as a supplemental means of disseminating such educational service as a licensee may not desire or may not be able to transmit over its presently licensed regular broadcast facilities.

"Also the applicant does not meet the requirements of Rule 45.02, in that it does not propose transmission of programs directed to specific schools in a system for use in connection with regular courses."

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## NBC DOUBLES HOURS FOR TELEVISION

A new television program schedule, more than doubling the number of program hours offered to home viewers by the National Broadcasting Company over Station W2XBS, was announced this week by Alfred H. Morton, NBC Vice-President in Charge of Television.

Under the plan, evening studio telecasts from Radio City are increased to three a week. Two were telecast formerly. These studio programs, which include several features of one hour's duration in the near future, will be transmitted on Tuesday, Thursday and Friday evenings, from 8:30 to 9:30 P.M., EDST. Outdoor telecasts, relayed by the NBC mobile television station from World's Fair and other points in and about New York City, will likewise be stepped up to three hours weekly. These will be seen and heard Thursday, Friday and Saturday afternoons, according to Mr. Morton.

An innovation in the new NBC schedule will be four noonday transmissions a week from the television studios at Radio City. Comprising a wide variety of interview, educational and entertainment material, they will be telecast at noon on Tuesday, Wednesday, Thursday and Saturday. Each will be of one hour's length and will include a half hour of selected film subjects.

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## FCC APPROPRIATIONS RUSHED THROUGH COMMITTEE

Confronted with the possibility that the Federal Communications Commission might be without operating funds on July 1, the House Appropriations Committee this week agreed to include the FCC appropriations in a special resolution to be rushed through the House and Senate.

The amount of the appropriations was not known as this was written, but it was understood to be approximately the same as the current year's appropriation.

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It is reported that All-India-Radio has sanctioned the renovation of the Calcutta studios as well as providing funds for a radio center and relay apparatus. The Director of the Calcutta station stated, according to a press release, that the improvements when carried out will include four new studios, additional accommodations for rehearsals and waiting rooms, a sound-effect studio, an up-to-date control monitoring unit and recording equipment.

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## STATION LICENSE PERIOD EXTENDED TO ONE YEAR

Culminating several years' agitation for longer license periods, the Federal Communications Commission this week voted to extend all broadcasting permits from six months to one year.

Acting upon a recommendation of its own Committee on Rules, the FCC amended Section 31.14 of the Rules and Regulations under authority granted it in Section 307 (d) of the Communications Act, as amended.

The action affects all of the 735 standard broadcast stations now operating in the United States and territorial possessions.

The Communications Act permits the issuance of three-year licenses, but the FCC has consistently rejected all pleas for extensions to the full limit allowed by law. Broadcasters have concentrated on the demand for one-year licenses with the argument that they would lend more stability to the radio industry.

Elliott Roosevelt, son of the President, when he testified recently in the FCC chain-monopoly inquiry, suggested that the substitution of permits of convenience and necessity, such as are given to public utilities, might be preferable to periodical licenses.

The licensing of stations for six months periods has been linked with charges of radio censorship frequently on the ground that the FCC was able to exercise a punitive power on stations which broadcast programs that displeased the Commission.

The Commission was meeting Friday on other proposed changes in its rules.

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## NEW ZEALAND NEAR RADIO SET SATURATION POINT

New Zealand, according to an announcement by the Postmaster-General is nearing the point when every household in the Dominion will have a receiving set. Already over 84 percent of the households are so equipped. Ten years ago this proportion was 14 percent, but in the last five years the advance has been 49 percent and if this rate is maintained the time when every household will have its receiving set is less than two years ahead.

There were 317,523 receiving licenses on May 1, and renewals are now being made at an unchanged fee of 30s. per annum. Broadcasting stations have substantially decreased in number since the State took complete charge of this service in 1932. The policy of eliminating privately-owned broadcasting stations by purchase has resulted in the disappearance of 31, and only two small transmitters are now operating. The State-owned stations number 21.

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 ::: TRADE NOTES :::  
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Collections last May of the 5 percent Federal radio tax, a barometer of sales, continued the upturn which began in January, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. May collections of the radio tax, according to the current report of the U. S. Bureau of Internal Revenue, totaled \$279,302.71, nearly as much as the preceding month of April, and were 41.7 percent above the radio tax collections of May 1938, which were \$197,050.28. There was also a large increase in excise tax collections on mechanical refrigerators, which amounted last May to \$1,163,257.00 against \$708,158.47 in May 1938.

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America's first television equipped privately-owned trailer, designed and constructed by Myron C. Zobel, wealthy sportsman and advertising executive, made its initial public appearance in Radio City on Saturday, June 17, where it was inspected by the National Broadcasting Company officials. The land-yacht, containing an RCA Victor table model television receiver and every other known household convenience compactly installed, enables its occupants to enjoy television and sound broadcasts.

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The Radio Manufacturers' Association is distributing widely a new brochure, prepared by the Association's Engineering Department, entitled "Wanted -- Better Radio Facilities". The necessity of adequate power and cleared channels for satisfactory broadcasting service is detailed in non-technical form and illustrated graphically, in the new RMA booklet. Copies have been sent to all members of Congress, officials of the Federal Communications Commission, of broadcasting stations, and many other organizations and persons interested in the problem of improving radio service to the public. Additional copies are available upon request to RMA headquarters, 1317 F Street, N.W., Washington, D.C.

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May billings on WEAJ and WJZ, New York, were 67 percent ahead of May, 1938, with the cumulative total for the first five months of 1939 showing an increase over last year's comparable period of 20 percent.

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A unique radio law in South Carolina protects hospital patients from unnecessary radio disturbance. A bill by Representative Bates was enacted making it a misdemeanor in South Carolina "for any person to operate any radio or other musical instrument in such a manner that it annoys or disturbs any patient confined to a hospital or sanitarium". The penalty for such a misdemeanor

would be a fine of \$100 or imprisonment up to thirty days. This novel legislation was proposed although radio facilities, including earphone attachments, or built-in pillows, are now general hospital equipment for the diversion and, in some asylums or sanitariums, even for treatment of patients.

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The appointment of Edward R. Hitz, network salesman, as assistant to Roy C. Witmer, NBC Vice-President in Charge of Sales, was announced by Mr. Witmer this week. As assistant to the Vice-President, Mr. Hitz will coordinate all general sales operations in matters of policy, rates, acceptability of accounts, commercial programs, special service, facilities, adjustment credits, etc., within the sales divisions and will act as point of contact with other departments of the company. He succeeds James V. McConnell, recently transferred to the Stations Department to head NBC national spot and local sales.

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#### CHICK HATCHING CAUSES DUTCH SETS TO CACKLE

Radio interference has on various occasions served for detective purposes, but it recently came into a new use, according to World-Radio.

At Barneveld, the great egg market of Holland, a number of people in the main street complained to the authorities that there were unusual disturbances on their wireless sets. These disturbances they were unable to describe with any accuracy. At the same time suspicion was aroused by the sale of chickens which were not from any of the registered poultry farms. This suggested to the police that the disturbances were caused by an electric incubator. Investigations, made largely with the "Disturbance-seeking waggon", proved this conjecture to be correct, and the police were able to trace the incubator just at the moment when a number of unauthorized chickens were making their first appearance in the world.

The capacity of the incubator was officially 2,400 eggs; its capacity as a cause of radio disturbances was not officially calculated, but it is stated to have been very considerable. And the listeners of Barneveld have now no difficulty in hearing the stations with which they make contact.

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6/23/39

### ONLY RCA TO PUSH TELEVISION SALES

With the exception of RCA, radio manufacturers who are introducing television receivers will not promote them vigorously for the coming year, according to comment by retailers, the New York Times reports. RCA, of course, is seriously concerned with the transmission of television programs through NBC and is therefore anxious to push both the shows and the receivers. The television set manufacturers, such as DuMont, which are concerned only with that product, will naturally push them aggressively.

But radio manufacturers, who have a large investment in that field, are anxious to maintain sales volume at a high level and, accordingly, are more desirous of pushing radio than television. Improvements are numerous in the 1940 lines, the chief one being the elimination of aerials and ground wires. It was significant that last week at the Bridgeport showing of the new General Electric radios, dealers were warned not to devote too much attention to television. Other companies are also expected to place emphasis on the fact that radio will be the chief medium of home entertainment for a long time to come.

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### PROPAGANDA PROGRAM EXCHANGE STARTED IN EUROPE

The Romanian broadcasting company, according to a correspondent of World-Radio, has recently initiated a plan for the inter-State exchange of propagandist programs. Those States which are party to the scheme will arrange programs of music and text in the language of the country of destination, and such programs will be recorded and despatched to the appropriate broadcasting authority. In some instances exchanged programs will be transmitted simultaneously - i. e., Brussels might broadcast a Roumanian recorded program and Bucharest would radiate one which had been despatched from Belgium. Thirty countries, up to the present, have signified their readiness to participate in this circular scheme.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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J. H. Kelly

JUN 28 1939

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No. 1136

J. H. Kelly

June 27, 1939

HOUSE PASSES FCC BILL, REJECTS S-W RULE BAN

The House of Representatives on Friday passed a Special Deficiency Appropriations Bill carrying \$1,838,175 for the Federal Communications Commission after rejecting an amendment to prevent the Commission from enforcing its recently promulgated rules governing international broadcast stations.

The passage of the Supply Bill was preceded by brief attacks on the FCC by Representatives Wigglesworth (R.), of Massachusetts, and Dirksen (R.), of Illinois. Congressman Wigglesworth made a renewed plea for a House investigation of the FCC, while Representative Dirksen offered the amendment to tie up the international rules.

The FCC appropriation, held up because of a promised legislative reorganization that has never materialized, is \$200,000 less than the amount recommended by the Budget Bureau but \$93,175 more than the agency had for the current year. Most of the expansions proposed by Chairman Frank R. McNinch will not be possible with the limited funds.

"The increases asked in the estimates", the Committee explained, "contemplated additional personnel in the administrative, engineering, legal, and accounting divisions, additional equipment in connection with engineering work, and enlarged expenses for travel and miscellaneous purposes.

"The Committee has not approved increases in any particularity, but in making the general increases of \$100,000 in the item for salaries and expenses has in mind the very important phase of its work developing around the engineering, legal, and accounting sections of its functions."

Representative Dirksen's amendment, which was defeated 43 to 27, provided that none of the appropriations might be used to enforce the FCC order of May 23 relating to international short-wave broadcasting.

In explaining the amendment, Representative Dirksen said:

"Mr. Chairman, I bring this to the attention of the Committee today largely because there has been a considerable tempest about the order of the Federal Communications Commission issued on May 23 relative to international broadcasting. No hearings were held on the order. The purport of the order, of course, was to let the international broadcasting agencies know precisely what they could broadcast and what they could not broadcast.

"I just want to read a portion of the language employed by the Commission, and I think it is very unfortunate language, found in paragraph (a) of the order issued on that day:

"A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation.

"Mr. Chairman, when you seek to interpret language of that kind it virtually means there may be a minority view with respect to something in which South America is interested; yet if it does not subserve the interests of good will, understanding, and cultural relations, it would mean that a minority viewpoint could not be expressed. It is so easy to translate that kind of authority, and that kind of criticism, and that kind of restriction from the international field to the national field. My good friend the gentleman from Michigan is sitting here, and he is, no doubt, familiar with the bills introduced to set up a Federal broadcasting system. There is one pending at the present time over on the Senate side in the Foreign Relations Committee. It was introduced by a Senator and asks for \$3,000,000 with which to set up such a station. It has gotten so far now that it is pending before a committee.

"We had a bill pending on the House side a year or two ago introduced by the gentleman from New York (Mr. Celler). It is rather interesting in connection with the testimony that was offered on the bill to set up a Federal broadcasting station to note that the statement was made in the course of the testimony that it would be effective in transmitting programs to all parts of the United States. In other words, it is set up as an instrumentality of international good will, but the programs may be received in this country no less. We clap on restrictions and a kind of censorship which can be easily translated to every other broadcasting agency of the country.

"There was a gentleman named Mr. T. A. Walters who testified before the House committee at that time who was formerly employed in the Department of the Interior. He submitted a written memorandum to the committee, but he was in the Department of the Interior when that memoranda was written. Among other things he mentioned was the usefulness of providing programs of national interest. So that if this was ever passed by the Congress, it would mean ultimately some kind of censorship. They did that in Great Britain. On the 7th day of June British broadcasting was taken over by the British Government. They even supervise news over there today.

"When those in the broadcasting field finally raised their voices to the high heavens, the Federal Communications Commission relented and decided there should be a hearing on the 12th day of July, but it was not until the steam had been turned. It may be after hearings are held, and they may be very perfunctory hearings, that this rule will continue to stand.

"It is my opinion that limiting restrictions ought to be placed in this bill, so that no portion of the funds herein made available may be used to effectuate or to enforce the provisions of the order of May 23. It is very unfortunate in the choice of language for one thing, and, secondly, it is a disturbing factor

and it is a poor approach to this problem by the Federal Communications Commission. That Commission should not be permitted to impose what amounts to censorship on international broadcasting.

"Mr. Chairman, when we had the members of that Commission before the Independent Offices sub-committee along in January, my colleague the gentleman from Massachusetts (Mr. Wigglesworth) and I examined into radio matters quite thoroughly. We did not want to be unkind. But things have not been right down in the Communications Commission and that is the reason no appropriation was included in the regular bill. Therefore this urgent deficiency bill carries \$1,800,000. It seems to me that restriction ought to be placed in this bill so this foolish, nonsensical, and ill-advised order of the Commission may not be enforced. That is the purpose of the amendment which I have offered."

Representative Woodrum (D.), of Virginia, who was in charge of the bill, asked that the amendment be defeated. He said he believed a majority of the House didn't know what the rules were all about.

"I heard the testimony at the hearings", he said, "and this question is about as clear as a hunk of mud."

Representative Wigglesworth, in making a new plea for an FCC probe by the House, said, in part:

"In my judgment, we have today no proper policy in regard to the issue and transfer of licenses. We have no proper policy in regard to the charging of fees for licenses issued to those making millions and millions of dollars out of those licenses today. We have no proper policy in reference to the matter of exclusive contracts, for example, with members of the three great chains in the country. We have no proper policy in respect of the issue of experimental licenses and their limitation to experimental work as distinct from commercial work. We have no proper policy in reference to the control of radio frequencies by the newspapers of the country. We have no proper standards of program service, despite the thousands of complaints received in this connection by the Commission. On the contrary, we have seen steps taken by the Commission recently, both in the domestic and international fields, which have served to level charges at their door of embarking upon censorship of both domestic and international broadcasting.'

.....  
"In the hearings to which I refer you will also find, in my judgment, evidence of tendencies tending to destroy the proper functioning of the F. C. C. as a quasi-judicial agency, tending to destroy its independence as an agency, tending to bring it under executive domination in accordance with the proposal in the original Government reorganization bill a year ago, which excited such condemnation by the American people.

"You will find there the discharge of the general counsel, with a new legal set-up less experienced and more costly. You will find there the discharge of the publicity head, with a new set-up less experienced and more costly."



"Mr. Chairman, you will find there also the abolition without consultation with the Civil Service Commission of the experienced Civil-Service examiners who have functioned heretofore and the turning over of their entire work to the general counsel's staff, with the result that the applicant today is deprived of the type of independent hearing and finding of facts by an expert and independent examiner which he has always enjoyed in the past. Instead, the applicant from start to finish is in the hands of the general counsel, the Commission being, of course, relieved of any embarrassing finding in any examiner's report. It is the same story again, in my judgment, of prosecutor, jury, and judge becoming one and the same."

.....  
 "You will find in the hearings also, Mr. Chairman, continuing evidence of the virtual monopoly of radio fostered by the Government under the F.C.C. in the hands of the three great broadcasting chains of this country. You will find continuing evidence of undesirable, if not improper trafficking in radio licenses, with all the possibilities for the capitization of those licenses, to the detriment of the people as a whole, which we have known in other fields.

"You will find evidence of a telephone investigation conducted on such a basis that those examined were denied the right to produce their own witnesses, were denied the right to cross-examine Government witnesses, and for a long period of time were denied the right to consideration of about 40 volumes of comment and criticism which they had submitted at the request of the Federal Communications Commission. The methods employed in this investigation were such to my mind as to raise squarely the question whether it is humanly possible for the F.C.C. to give to Congress a 'fair and comprehensive' statement of all the facts in the field investigated in accordance with the mandate from Congress.

"You will find evidence of continual dissension and disagreement within the Commission. You will find charges of inefficiency, favoritism, and politics. These and other things you will find if you will consult the hearings to which I have referred.

"Mr. Chairman, as the members of this Committee know, I have for years advocated a thoroughgoing investigation of radio broadcasting and its regulation by F.C.C. I have advocated it because I believe it to be essential for the proper regulation of this all-important industry in the interest of the people as a whole."

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NEW RULES ARE APPROVED BY FCC

The Federal Communications Commission last Friday approved new Rules and Regulations governing Standard Broadcast Stations. The new rules become effective on August 1, 1939, except as otherwise provided in the terms of the individual sections.

Hearing on the proposed new rules and regulations were held from June 6 to June 30, 1938, before a Committee composed of Commissioners Norman S. Case, Chairman, T.A.M. Craven and George Henry Payne. The new rules are the outgrowth of these hearings

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and the recent report on Rules and Standards of Good Engineering Practice concerning Standard Broadcast Stations which was released in two parts, the first appearing January 18, 1939, and the second, April 7, 1939. Oral Argument on these Rules and Standards was held before the Commission on June 1, 1939.

The recommendation in the report of the Committee for the adoption of these Rules and Regulations and Standards of Good Engineering Practice was, with a few modifications, unanimously approved by the Commission.

The new rules and regulations contain several new provisions, as well as numerous changes and clarifications necessary due to progress in the art since the original rules governing standard broadcast stations were promulgated some 10 years ago.

Under the new rules, the license period of Standard Broadcast Stations is increased from six months to one year. The instability created by the delay of Mexico in ratifying the North American Regional Broadcasting Agreement was a factor in the Commission's decision not to extend the license period of broadcast stations to a term greater than one year at this time. Under the Communications Act of 1934 the Commission is empowered to grant licenses for any period up to three years.

The new regulations change the classes of stations from Clear Channel, Regional, and Local, to Class I, Class II, Class III and Class IV. The Class II station is a new class recognized for duplicate operation on clear channels for the purpose of extending urban service.

The new rules permit the increase of the maximum night power of Class III stations to 5000 watts and the maximum night power of Class IV stations to 250 watts. The present night power limitation on these stations is 1000 watts and 100 watts, respectively.

The number of clear channels allocated for the exclusive use of stations at night, under the new regulations, is reduced from 40 to 26, and in addition, 18 clear channels are made available for duplicate operation either of Class I stations or Class I and Class II stations.

In view of the uncertainty in regard to the North American Agreement the Commission deemed it inadvisable to reduce the number of unduplicated clear channels at this time to less than 26. However, the provisions for the allocation of frequencies follow closely, but do not duplicate, those enumerated in the North American Regional Broadcasting Agreement. In general the new rules are designed to extend and improve broadcast service in the United States through an increase in signal in urban areas and an increase in coverage in rural areas.

The Commission feels that the new Rules and Regulations, together with the Standards of Good Engineering Practice, are a distinct contribution to the science and art of radio. Drawn up with the cooperation of the industry and the foremost radio engineers in the country, the new rules and standards give to the people of the United States and its possessions the technical basis for the finest radio service in the world. The advantages of this service, however, cannot be fully realized until the North American Regional Broadcasting Agreement is ratified and made effective.

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NAB HIRES COUNSEL FOR S-W HEARING

The National Association of Broadcasters has retained Swagar Sherley as special counsel for the FCC hearings in regard to the recent regulations concerning international short-wave broadcasting. Mr. Sherley was a former member of Congress.

A petition will be filed requesting (1) a postponement of the date of the hearing which is now set for July 12, because it conflicts with the NAB convention in Atlantic City; (2) that the scope of the hearing be enlarged to include all the regulations recently issued; and (3) that the operation of the regulations be suspended pending the hearings. In addition, each of the seven operators in the international short-wave field will file individual appearances.

These developments came as a result of the meeting of the NAB International Short-Wave Committee which met last week in New York City at the call of Neville Miller, President of the NAB and Chairman of the Committee. Those present were: Frank Mason, Frank Russell and P. J. Hennessey, Jr., of the National Broadcasting Company; Dr. Charles B. Jolliffe of Radio Corporation of America; Harry Butcher, Frederic Willis, Paul Porter and A. B. Chamberlain of the Columbia Broadcasting System; Dr. Leon Levy, WCAU, Philadelphia, Pennsylvania; Walter Evans and J. B. Rock of Westinghouse Broadcasting Stations; Jack Poppele, WOR, New York City; Joseph Reis, WLW, Cincinnati, Ohio. From NAB headquarters were Edwin Spence, Secretary-Treasurer; Andrew Bennett, Counsel; and Ed Kirby, Director of Public Relations.

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Work has just started on the erection of a new broadcasting station in central Sweden at Stora Tuna, in Dalecarlia. The new station will improve receiving conditions in the central districts, which hitherto have not been well covered by the transmitter at Motala. The transmitter will have an output of 100 KW and the aerial is supported by a single mast, similar to those at Horby (Sweden) and Stagshaw. The new station is to start transmitting in the Autumn on a wavelength of 258.8 m., (1,159 kcs.)

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## WLW LOSES SUPER-POWER APPEAL IN COURT

The Crosley Corporation, operating station WLW Cincinnati, lost in the United States Court of Appeals of the District of Columbia Monday its battle to force the Federal Communications Commission to restore its experimental superpower of 500,000 watts. The Court dismissed the appeal for lack of jurisdiction.

The first station in the United States to operate with 500,000 watts, which gave it an effective signal substantially throughout the country, WLW, by FCC edict, returned to 50,000 watts status. It had operated with "special experimental authority" for super-power for nearly five years, but the Commission concluded that the experiments were no longer necessary and that social and economic implications of the superpower authorization were such as to warrant cancellation.

In the majority opinion Chief Justice D. Lawrence Groner held that nothing in the Commission's action warranted the contention of WLW that the decision was arbitrary or capricious. Moreover, he stated that the WLW appeal "wholly fails to take into consideration the nature of its agreement and the obligations assumed" in accepting an experimental authorization, terminable at the will of the Commission.

Associate Justice Harold M. Stephens, in a separate opinion, concurred with the majority, but disagreed "with the reasoning because of certain implications therein". He held that the majority should have limited itself to whether the "special experimental authorization" was void or whether it was a kind of license not subject to review or appeal. The majority opinion as written, he contended, implied that the Commission "has power to issue and terminate special experimental authorizations without conformance to the provisions of the statute for notice, hearing and review, and that the Commission can by contract with a licensee render ineffective and inapplicable those provisions". He added that he thought the court ought not to rule until necessary on such "grave questions as are involved in the alternatives stated".

In another opinion, the Court affirmed the FCC in denying to Station KFUC, St. Louis, operated by the Evangelical Lutheran Synod of Missouri, half-time on the channel which it now occupies with Station KSD, of The St. Louis Post-Dispatch. KSD now uses 80 percent of the time and KFUC the balance.

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6/27/39

NBC, CBS, AND MBS PROGRAMS PRAISED IN POLL

Awards for excellence of radio programs and services were given to the National Broadcasting Company, the Columbia Broadcasting System, and the Mutual Broadcasting System Monday night in New York by the National Federation of Press Women as the result of their 1939-40 nationwide poll.

Seventeen first awards, including thirteen in the eleven regular program classifications and four special awards were given to NBC. Nine CBS programs won certificates of merit in their respective groups.

Two of the awards were given all three networks for the "Salute of Nations" to the New York World's Fair" series.

The Certificates of Merit were presented during a broadcast over NBC, CBS and MBS from the Federation banquet at the Waldorf Astoria Hotel.

A special Certificate of Merit for the Toscanini concerts was awarded to David Sarnoff, President of the Radio Corporation of America and Chairman of the Board of the National Broadcasting Company, for "Disregarding the popular fallacy that radio listeners have the average mentality of children; and for having had the courage to inaugurate a sustaining program series of symphony concerts under the leadership of world-famous Arturo Toscanini. This major step is another indication of the vision of the man, who has many firsts to his credit in the radio industry.

The Columbia Broadcasting System was given a special certificate for its broadcasts of the New York Philharmonic Orchestra, and William B. Shirer, CBS Central European representative, won a special certificate for his reporting of European news.

Alfred J. McCosker, Chairman of the Board of MBS, received a special certificate for rebroadcasting European news bulletins during the European crisis last Fall; and the Mutual Broadcasting System and Alfred Wallenstein each received a special certificate for the Sinfonietta program.

The National Broadcasting Company and CBS each received a special certificate for "Those nation-wide religious programs that have contributed nationally to the upbuilding of character, to the formation of attitudes of reverence for the great and the good, and to a better understanding among peoples of all faiths."

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6/27/39

## FIVE NATIONS SHARE RADIO RIGHTS FOR CLIPPER FLIGHT

Aeronautical radio services of five nations, coordinated into a single operating unit, will form the communications and directional network to guard the first trans-Atlantic air passengers who boarded the Dixie Clipper for the first scheduled air transport service between the United States and Europe, according to the New York Times.

Protecting any right that might benefit its own national transport enterprise in the competitive field, no nation was willing to authorize the air transport system of another country to establish air bases, weather bureaus, radio stations or other technical facilities on its sovereign territory. Similarly, the United States would not permit a foreign airline to establish facilities on its territory.

The problem was overcome by exchanging the available facilities controlled by one company for those required in the territory of another. In the twelve years that Pan American Airways System has been established it has been required, under American law, to provide at its own expense all airways and base facilities and weather, radio, navigation and other technical aids for flying beyond the borders of the continental United States.

On the other side of the ocean these facilities are provided for Imperial Airways in Great Britain, for Air France in France and for Deutsche Lufthansa in Germany by the respective governments through governmental agencies.

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### WARSAW BUILDING "MOST POWERFUL" STATION

The American Commercial Attache at Warsaw reports that the power of the government owned and operated station of "Polskie Radio", Warsaw I, Raszyn, which has been operating on 120 kw. will be increased 250 percent to 300 kw. at the antenna, thereby becoming one of the most powerful stations in the world. No definite information as to when this increase will be put into operation is yet available, it being understood that some difficulty is being encountered with wave-length allotment.

Construction work on the enlargement of the present quarters is being rushed and the building is expected to be finished this month. The capacity of the present building is reported to be 4,000 cubic meters and that of the addition to be 7,000 cubic meters.

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 ::: TRADE NOTES :::  
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Reprints of an article by David Sarnoff, President of the Radio Corporation of America, in the Journal of Applied Physics on "Probable Influences of Television on Society" are being distributed by RCA.

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Broadcast service to South America, Asia, and the Antipodes from General Electric's West Coast shortwave Station W6XBE, located at the Golden Gate International Exposition on Treasure Island, San Francisco Bay, have been practically doubled, according to C. H. Lang, Manager of Broadcasting of General Electric. Mr. Lang also announced that the company's short-wave station W2XAF at Schenectady had added 10 additional hours to the existing weekly schedule of programs for the Spanish-speaking listeners in Central America and the western half of South America.

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Harry C. Butcher, Vice President of the Columbia Broadcasting System in Washington, is Chairman of a Special Committee of Washingtonians who are planning a dinner for District Commissioner George E. Allen July 7th at the Burning Tree Country Club, near Washington.

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The American Trade Commissioner at Calcutta reports that although there are several automobiles in Calcutta equipped with radios, and dealers were just starting to explore this field, the Governor has sanctioned an amendment to the Calcutta and Howrah Motor Vehicles Rules which bans the use of radios in both Calcutta and Howrah Motor Vehicles Rules which bans the use of radios in both Calcutta and Howrah. The authorities feel that apart from the resultant noises, the tuning of radios in automobiles is fraught with possibilities of accidents, since the motorist's attention is likely to be directed to the program rather than the careful operation of the vehicle, the report stated.

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WALKER RENOMINATED FOR SEVEN-YEAR TERM

Commissioner Paul A. Walker of the Federal Communications Commission was renominated for a 7-year term this week by President Roosevelt and the Senate Interstate Commerce Committee after an executive session voted to report the nomination favorably. Commissioner Walker was not questioned by the Committee.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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June 30, 1939.

## MORE THAN THIRD OF STATIONS OPERATE AT A LOSS

A comprehensive statistical analysis of the broadcasting industry, released this week by the Federal Communications Commission, reveals the following surprising facts:

More than a third, or 240 out of 660 stations, operated at a loss in 1938.

Net income of three major networks and 660 stations from all sources was \$62,010,215, of which only \$20,153,115 related to broadcasting.

The 419 stations reporting profits had an income of \$16,728,195.

The three major networks and 660 stations had \$72,961,659 invested in broadcasting assets and total assets of \$1,068,339,901.

One of the surprising features of the report, drawn up by the Accounting, Statistical and Tariff Department from information supplied by the licensees in response to questionnaires, was that \$53,672,999 in aggregate income was derived from business or activities other than broadcasting.

The tables show that there were 764 licenses and construction permits outstanding at the end of the year, classified as follows:

- 660 station reports used in the tabulations
- 40 construction permits
- 38 non-commercial stations
- 12 located in territories
- 14 not used because of defects in reporting

The 660 stations reported in the tabulation include 240 stations from which not enough revenue was derived during the year to pay their actual expenses, including depreciation. Those 240 stations showed losses in the aggregate amounting to \$2,223,195. The 419 stations reporting profits showed broadcast income of \$16,728,533. One station reported neither a profit nor a loss for the year.

The tabulations include 175 stations each of whose time sales were less than \$25,000. As a group these 175 stations showed a loss, their aggregate broadcast revenues being \$2,520,026 and their aggregate expenses (inclusive of depreciation, taxes other than income taxes, etc.) \$2,870,729. However, certain of these stations showed a profit.

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Other compilations from the reports show that 658 of the stations and networks had a payroll for the year amounting to \$45,663,757. Of this amount, \$4,239,470 was paid to officers of the licensee companies. As of December 31, 1938, these stations and networks employed a total of 23,060 persons, including staff musicians and other artists on the regular payroll.

During the week beginning December 11, 1938, there were 18,359 full-time employees with a total payroll for the week amounting to \$830,003. During the same week there were 4,377 part-time employees, drawing a total for the week in the amount of \$103,134. The average compensation for the week beginning December 11 was \$45.20 (18,359 employees), compared with \$45.12 (17,085 employees) for the week beginning March 6, 1938. For part-time employees, the average compensation was \$23.55 (4,377 employees) for the week beginning December 11, 1938, compared with \$18.97 (5,820 employees) for the week beginning March 6, 1938.

The combined income statement of the three major networks and 660 station licensees showed the following revenue and expenses from broadcasting activities:

(a) Revenues

1. Network portion of network time sales		\$ 35,455,510
2. Time sales by stations	\$82,669,401	
Less: payments to other stations	<u>745,452</u>	81,923,949
3. Total time sales by networks and stations		117,379,459
4. Deduct: Commission to agencies, representatives, and brokers		<u>16,487,200</u>
5. Net revenue received from sale of time		100,892,259
6. Sale and placing of talent		6,081,344
7. Recoveries by networks from others on communication line charges		1,085,469
8. Miscellaneous sales and revenue services		3,278,836
9. Sustaining programs sold to stations		<u>20,470</u>
10. Total revenues of networks and stations		<u><u>111,358,378</u></u>

(b) Expenses

1. Technical expenses		13,048,588
2. Program, talent, and communication line expense (including sustaining programs purchased, royalties, and similar items)		38,196,994
3. Advertising, promotional, and selling expenses		9,963,136
4. General and administrative expenses		15,088,718
5. Other direct broadcast expenses		5,209,099
6. Indirect broadcast expenses (depreciation, amortization, taxes, uncollectible revenue, and rents)		<u>10,997,059</u>
7. Total broadcast expenses		<u><u>92,503,594</u></u>

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Assets listed for the three major networks and 660 licensees, including one major network not the licensee of any station, were:

Assets:

Current assets		\$408,133,556
Investment(at cost) in broadcast assets	\$72,961,659	
Less: depreciation to date	<u>26,183,672</u>	46,777,987
Investment in assets other than broadcast plant (after depreciation and amortization)		561,274,054
Other asset side items		<u>52,154,304</u>
	Total assets	<u><u>\$1,068,339,901</u></u>

Liabilities:

Long-term debt		\$ 61,997,823
Current liabilities and accruals		80,784,658
Net worth		821,536,191
Other liability side items		<u>104,021,229</u>
	Total liabilities	<u><u>\$1,068,339,901</u></u>

Included in the amount of \$46,777,987 shown above as the net amount of broadcast assets there were reported by licensees the following:

Goodwill	\$11,526,179
Excess of purchase price of broadcast plant over its net book value in the hands of vendors	<u>714,326</u>
Total	\$12,240,505

The condensed general balance sheet of the major networks at the close of the year 1938 showed:

Assets:

Investments - broadcast	\$13,411,102
Investments - nonbroadcast	627,722
Total investments (net) (sum of lines 1 and 2)	14,038,824
Current assets (net)	13,048,668
Prepaid payrolls and other service charges	497,225
Deferred charges and unclassified debit balances	115,447
Assets not classified above	<u>219,583</u>
Total assets	\$27,919,747

(more)

## Liabilities:

Long-term debt		\$1,959,200
Current and accrued liabilities		10,040,413
Provisions for deferred payments, deferred credits and unclassified credit balances		181,025
For a corporation		
(a) Capital stock issued and outstanding	\$6,997,697	
(b) Capital surplus	43,462	
(c) Earned surplus	<u>8,697,950</u>	<u>15,739,109</u>
	Total liabilities	\$27,919,747

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## S-W RULES HEARING POSTPONED TWO DAYS

The Federal Communications Commission this week on its own motion postponed from July 12 to July 14th, the hearing set by order of the Commission on June 15th, for consideration of Section 42.03(a) of the rules governing International Broadcast Stations. Section 42.03(a) states:

"A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international good-will, understanding and cooperation. Any program solely intended for, and directed to an audience in the continental United States does not meet the requirements for this service."

No action was taken on the petition filed by the National Association of Broadcasters in connection with the hearing because of a request from its counsel that action on the petition of the National Association of Broadcasters be deferred until appearances had been filed on behalf of the licensees of several international broadcast stations.

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## TWO NEW STATIONS AUTHORIZED BY COMMISSION

Construction permits for new radio stations in Kentucky and Florida were granted this week by the Federal Communications Commission. The applicants were the Bowling Green Broadcasting Co., Bowling Green, Ky., for a permit to operate on 1310 kc. with 100-250 watts power, unlimited time, and the Panama City Broadcasting Co., Panama City, Fla., for a permit to use 1200 kc., 100 watts power, unlimited time.

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FCC DROPS PRESS ISSUE; GRANTS ALLENTOWN PERMITS

With Chairman Frank R. McNinch still away, the Federal Communications Commission this week settled the Allentown (Pa.) newspaper-radio case and thereby avoided a scheduled hearing and the establishment of a precedent in acting on newspaper control of radio stations.

The hearing had been scheduled in the cases of Stations WCBA and WSAN, Allentown, to transfer to the Lehigh Valley Corporation, which is controlled by the Chronicle & News Corp., which publishes Allentown's two newspapers. Chairman McNinch had contended that a question of "local monopoly" was at issue.

The FCC action was seen as putting at rest, for the time being at least, to any further attempts to deprive newspapers of ownership of radio stations on any other basis than that applied to other applicants.

Commissioner T. A. M. Craven's strong dissent from the action in setting the Allentown applications for hearing brought the whole issue into the open. Commissioner Case voted with him. Pointing out that the applications arise from a relatively small city in one State and do not provide a satisfactory setting for a decision on the policy questions involved, he said a general public hearing of a legislative character is necessary if these policies are to be decided. He said, however, that he saw no necessity for such a hearing since he saw no reason for changing policy with respect to newspaper ownership.

In his memorandum on the Allentown case, Commissioner Craven declared that the only question possibly involved is that of newspaper ownership policy, since there is no opposition to the consolidation of the stations and since better service obviously would result. The fact that the applications have been set for hearing means that a majority of the Commission have already adopted "in their own minds" or contemplate adopting a principle that ownership of broadcast stations by newspaper publishers or by certain kinds of classes of them is contrary to public interest and justifies or requires the denial of any application involving such ownership, he said.

Pointing out that as of January 15th, 238 broadcast stations in the country had newspapers identified with their ownership, Commissioner Craven strongly defended the operation of such stations and classified them as among the pioneers and the most progressive outlets in the industry.

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## FCC GRANTS LICENSE FOR NEW N.Y.C. STATION

The Federal Communications Commission this week announced its proposed findings of fact and conclusions proposing to grant the application of Greater New York Broadcasting Corporation for a license to operate a radio-broadcast station in New York City on the frequency of 1100 kc., with power of 5 KW, unlimited time.

Station WPG in Atlantic City, N.J., which now operates on the frequency 1100 kc., with power of 5 KW, and shares time with Station WBIL in New York City, will cease to operate in Atlantic City, and a station in New York City, (WOV), now operating on 1130 kc., with power of 1 KW, will also cease operation and instead a station will operate in New York City on 1100 kc., with 5 KW power, unlimited time.

The Commission's proposed conclusions follow:

"1. The authority requested by the Greater New York Broadcasting Corporation will provide for the people in the service area of the station a better service than is now being rendered by Station WBIL and Station WOVI. The people of Atlantic City have indicated a willingness to have the City of Atlantic City sell the facilities of WPG and cease operating that station in Atlantic City and through their duly authorized representatives have agreed to assist in the consummation of the proposal of the Greater New York Broadcasting Corporation to establish a full time station to operate on 1100 kilocycles, with 5 KW power, unlimited time in New York City, despite the fact that this will mean that Atlantic City will no longer have a station on that frequency operating specified hours with 5 KW power.

"2. The establishment in New York City of a radiobroadcast station to operate on the frequency 1100 kc., with 5 KW power, unlimited time, to be operated by the Greater New York Broadcasting Corporation in lieu of the operation of Station WBIL on the same frequency with the same power, specified hours, and the operation of WOVI daytime only on the frequency 1130 kc., with power of 1 KW, will not, so far as the record shows, adversely affect the interest of any existing radiobroadcast station by reason of interference or otherwise.

"3. The contract between the City of Atlantic City and the Greater New York Broadcasting Corporation insofar as it deals with the purchase of the facilities of Station WPG is a matter of private concern between the City of Atlantic City and the Greater New York Broadcasting Corporation and does not require Commission consent or approval. Insofar as the application by the City of Atlantic City for assignment of license to the Greater New York Broadcasting Corporation is concerned, the same is dismissed for the reason that, in the view which the Commission takes of this case, the application for a construction permit of the Greater New York Broadcasting Corporation does not involve a transfer of

license now held by the City of Atlantic City to operate a radio-broadcast station on 1100 kc., with 5 KW power, specified hours, in Atlantic City, but in substance and effect involves a request for authority to establish a radiobroadcast station to operate on the frequency 1100 kc., with 5 KW power, unlimited time in New York City. Insofar as the application for construction permit is concerned, no opposition has been filed by any party whose interest would be adversely affected by the granting of the application, and the City of Atlantic City, licensee of WPG, has indicated its desire to sell its broadcast station equipment to the Greater New York Broadcasting Corporation and to discontinue operation of Station WPG in Atlantic City.

"4. The granting of the application of the Greater New York Broadcasting Corporation will serve public interest, convenience and necessity. The Greater New York Broadcasting Corporation should be authorized to commence operation of a radiobroadcast station in New York City on 1100 kc., 5 KW power, unlimited time, upon the surrender for cancellation by the City of Atlantic City of the license of Station WPG."

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#### MBS TRANSMISSION TO CANADA APPROVED

The Federal Communications Commission this week announced its proposed findings of fact and conclusions, proposing to grant the application of the Mutual Broadcasting System, Inc., Chicago, for renewal of permit to transmit programs to broadcast stations in Canada.

The Commission pointed out that the programs proposed to be transmitted are of the sustaining and commercial type usually and regularly broadcast within the United States and are of entertaining and cultural value to listeners within the United States.

The receiving stations in Canada are all of the Canadian stations regularly licensed, and of those stations, CKLW may be consistently heard within the United States. The method of transmission of programs is by wire line to Station CKLW for distribution to other Canadian stations over wire lines of the Canadian Broadcasting Corporation.

"This record does not disclose sufficient facts to justify station WJBK's claim that it has been impaired by unfair practices", the report stated. "Therefore, at this time, consideration of the maintenance of a free interchange of programs with stations licensed by the Government of Canada outweighs the present suggestion of possible adverse effect upon the service rendered by the American station."

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## WHEELER DECLINES BID FOR FDR RUNNING MATE

Senator Wheeler (D.), of Montana, who handles radio legislation in the Senate, will not be a candidate for Vice-President on any ticket, he declared this week after reports were published this week that New Dealers had offered him a place as running mate of President Roosevelt.

Senator Wheeler, who is Chairman of the Senate Interstate Commerce Committee, said he will seek reelection to the Senate in 1940.

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## WALKER CONFIRMED AS MEMBER OF FCC

The Senate on Thursday confirmed the renomination of Commissioner Paul A. Walker, of Oklahoma, as a member of the Federal Communications Commission for a seven-year period beginning July 1, 1939.

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## FCC APPROPRIATION ON LAST LAP; EMPLOYEES ANXIOUS

While employees of the Federal Communications Commission awaited anxiously, Senate and House conferees were rushing the FCC appropriation for the next fiscal year through the last legislative stages on Friday.

The \$1,800,000 appropriation, along with other last-minute supply bills, was expected to be signed by President Roosevelt before midnight tonight (Friday) when the fiscal year ends.

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The long-wave wireless station at Caernarvon, England, completed in 1914, is being dismantled. Preliminary tests were being made with America when the World War broke out. During the war the station passed under the control of the Post Office for war purposes and was used for both transmitting and receiving. Latterly, the station has been used for transatlantic traffic and subsidiary sercies in European and other countries. It was also extensively used for the transmission of pictures to America. Letters could be flashed across the Atlantic at 100 words per minute. The original aerial was 3,900 ft. in length and a second was added subsequently.

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## RADIO MONITORING STATION PROPOSAL APPROVED

The Senate Interstate Commerce Committee this week reported favorably a bill asked by the Federal Communications Commission to authorize construction of a radio monitoring station in Massachusetts at a cost of \$30,000.

Explaining the reasons for its approval, the Committee said:

"The monitoring station of the Federal Communications Commission, now located at Hingham, Mass., which is used for the monitoring of all classes of radio stations, including ships on the Atlantic Ocean, is no longer suitable for efficient operation in the broadcast band and is not adequately equipped to cover the extension of radio communication in the frequency spectrum above 30 megacycles. The station is now located in the naval ammunition depot by arrangement with the Navy Department and restrictions are required to be imposed as to the antenna structures, as well as to the amount of weight that can be placed on the floors of the building. Also, the configuration of the naval reservation precludes the erection of a suitable type of directive antenna for efficiently monitoring the broadcast bands.

"The increased activity at the ammunition depot, the lack of adequate space for the accommodation of personnel, as well as the factors mentioned above, make necessary the immediate relocation of this monitoring station in order that the Federal Communications Commission may carry out the responsibilities placed upon it by law.

"An investigation has been made and it has been determined that a suitable site can be acquired near Millis, Mass., together with a useable building and other structures, for the sum of \$10,000. An additional \$5,000 would be required for the removal and reinstallation of equipment, necessary improvements to existing buildings, and small items of additional equipment.

"The growth of the use of the higher frequencies for commercial communications, and the increase in long-range radio interference, have given rise to a need for a long-range method of determining the location of sources of interference of unlicensed or other irregular communications. The Commission, at the present time, has no apparatus suitable for this purpose. In connection with the removal of the monitoring station from Hingham, Mass., to another location, it is desired to install a high-quality goniometer as the first unit of a direction-finding system capable of determining the location of any radio station within the United States. An estimate of \$15,000 for the installation of such apparatus is included in the request for appropriations.

"Inasmuch as the problem of the Commission in suppressing interference and operation of unlicensed stations closely ties in with the military activities of the Government in time of war in the suppression of clandestine communications, the desirability of establishing, on a peacetime basis, a system of this nature, has the approval of the War Department.

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 :::: TRADE NOTES ::::  
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A device which eliminates the need for motor-generator sets for television receivers operated in districts served with direct-current power was announced this week by the General Electric Company. It is a new type of vibrator inverter for changing direct into alternating current.

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The Federal Communications Commission this week adopted Part 34 of its Rules and Regulations constituting a Uniform System of Accounts for radiotelegraph Carriers having average annual operating revenues exceeding \$50,000. The new rules are effective January 1, 1940. This part of the rules will be published in the Federal Register. A copy will be available for inspection in the office of the Secretary on and after June 30, 1939.

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Exports of radio transmitting sets, tubes, and parts and loudspeakers showed a gain during May while other electrical equipment foreign sales dropped, according to the Commerce Department. Transmitting sets and tubes jumped from \$135,916 to \$243,228, while loudspeakers rose from \$50,862 to \$65,301.

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DUE TO THE GOVERNMENT OFFICES BEING CLOSED OVER THE FOURTH OF JULY AND THE FACT THAT IT IS A LEGAL HOLIDAY, THERE WILL BE NO ISSUE OF THIS SERVICE ON JULY 4.

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## DOCUMENTARY RADIO OFFERS POSSIBILITIES, WMCA REPORTS

For the past few months WMCA, New York, has been conducting experiments with a mobile recording unit which operates as a newsreel truck in covering events for radio. The system is termed "documentary radio" by virtue of the fact that it provides a permanent record of events. Although no arrangements have yet been made to include the system as a regular feature of broadcasting activities, WMCA this week released a statement of its experiences with documentary radio.

The greatest bar to adoption of "documentary radio" as a permanent institution, according to WMCA's report, is the technical difficulty of making recordings while in motion. The recording apparatus is a sensitive instrument and any sudden jar will upset the sound track and ruin the transcription. Accordingly, WMCA engineers are working on the gyroscope construction principle to keep the equipment stable under all conditions.

Against this defect are listed the following three advantages which, it is claimed, justify continued research:

1. Documentary radio makes it possible to condense several hours of continuous events into a fifteen minute or half-hour program eliminating all uninteresting material.
2. Mobile equipment can be taken into places not possible to reach with ordinary radio facilities.
3. Recordings are more adaptable to program schedules than live broadcasts.

Among the specific instances in which documentary radio has been successfully applied by WMCA are the Papal Coronation ceremonies, Easter Day in New York, Louis-Galento training camp interviews and the Gangplant programs. WMCA also plans to cover the United States Army manouvers at Plattsburg with documentary radio late in August.

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I.T.T. QUARTERLY INCOME \$1,219,425

Consolidated income of International Telephone and Telegraph Corporation and subsidiaries for the three months ended March 31, 1939, and 1938, amounted to \$1,219,425 as compared with \$2,299,336 for the three months ended March 31, 1938, Sosthenes Behn, President, this week reported to I.T.T. stockholders.

Gross earnings and net income of most of the subsidiaries showed improvement in their respective local currencies during the first quarter of 1939 as compared with the corresponding period of 1938.

There was an aggregate of 789,809 telephones in service (excluding Spain) at March 31, 1939, an increase of 17,212 since the first of the year.

Orders on hand of the manufacturing and sales subsidiaries aggregated the equivalent of approximately \$67,100,000 at March 31, 1939, as compared with approximately \$66,300,000 at the end of 1938.

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