

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1138

J. L. ...

HOUSE RESOLUTION ASKS POWER ABOVE 50 KW.

Declaring that rural communities will not get adequate radio reception so long as radio power is limited to 50 KW., Representative Larrabee (D.), of Indiana, this week introduced a resolution in the House to direct the Federal Communications Commission to make a study of super-power broadcasting and meanwhile license a few such stations.

The resolution is directly contrary to the resolution adopted last session by the Senate and influential in the recent action of the Commission denying requests that super-power stations be licensed. Present FCC rules bar any regular broadcasting with more than 50 KW.

The Larrabee resolution follows:

"Whereas the Federal Communications Commission in its report on proposed rules governing standard broadcast stations and standards of good engineering practice has made new rules and regulations to provide increased radio service to urban listeners without taking any measures to improve service to small towns and rural listeners leaving the implication that no solution of this problem is being sought; and

"Whereas the report of the Federal Communications Commission lists in detail the many possible advantages of high-power operation in the standard broadcast band, particularly to people living in small towns and rural areas; and

"Whereas the new rules governing American international short-wave stations prohibit the use of power less than 50 kilowatts in order to provide better service to foreign listeners while conversely other rules governing stations serving our own people within the continental limits of the United States are prohibited from using power in excess of 50 kilowatts; and

"Whereas the Federal Communications Commission in its report has reached the conclusion that because of the inadequacy of data on the social and economic aspects of high-power operation in the standard broadcast band (550 to 1,600 kilocycles) no provision should be made to permit the operation of standard broadcast stations with power in excess of 50 kilowatts; Therefore be it

"Resolved, That it is the sense of the House of Representatives of the Congress of the United States of America that the Federal Communications Commission should take such steps as may be necessary to provide an adequate method to obtain data and

other factual information and material necessary to determine the social and economic effects of power in excess of 50 kilowatts and that in so doing the Federal Communications Commission shall not be restrained from licensing one or more than one station or stations to operate on power of more than 50 kilowatts for such experimental operation as may be thus necessary."

Explaining the resolution to the House, Representative Larrabee said:

"It is a strange paradox that the very people to whom radio can mean the most and to whom radio offers most are the same people who receive its benefits least satisfactorily. With city reception having been improved year in and year out for many years, has not the time come when we should consider meeting this issue squarely and fairly rather than attempting to solve the problem by ignoring it? We are certainly glad and delighted that even a low-salaried wage earner in many medium - and large-sized cities - can secure the best in radio by going to the corner drug store and buying a set at \$9.99, but the day will come when those of us who have been chosen to represent the people will have to explain why we have fostered rules and regulations on the part of an administrative body which forces our country and small-town people to pay \$50 and \$100 for receivers needlessly - when by the simple expedient of providing them, as is done in other countries, with a signal somewhat stronger, the expense is placed squarely on the shoulders of the broadcaster, where it belongs, and not on the already overburdened pocketbooks of our citizens. There are many parts of the country where even the most expensive sets cannot be substituted for an inadequate signal.

"Despite the Commission's finding of fact that from a technical and economic standpoint high power is not a Frankenstein, the Commission has arbitrarily refused to relax its regulations and permit progressive American broadcasting stations to compete with stations in Mexico, Cuba, France, Germany, England, and Soviet Russia which now operate with power not fixed at 50 kilowatts, but running even beyond 850 kilowatts. Some of these countries which use power in excess of 50 kilowatts cover less area on the map than the State of Indiana, yet the whole United States, from the Atlantic to the Pacific and from the Great Lakes to the Gulf of Mexico, is denied this type of radio reception.

"That high-power stations would not create a monopoly in the air has ably been demonstrated by facts which were part of the records and have been at the Federal Communications Commission since 1922. In those years, when existing radio stations made an attempt to increase their power from 20 to 50 watts, competitor stations raised a cry of "super-power". The same cry spread when stations were generally advanced from 500 watts to 1 kilowatt. Again, when station owners prepared to increase power to 5 kilowatts, it was generally pointed out that this would create a monopoly of the air. Of course no such thing occurred, and will not occur in the event the Commission decides to permit the use of power in excess of 50 kilowatts. The term 'superpower' is only

relative - for example, 50 kilowatts' power is less power than that delivered by a single low-priced automobile engine; 500 kilowatts' power equals only that developed by one Douglas airplane engine. It will result, however, in a radio parity that will put rural areas more nearly on a par with the metropolitan districts of the country and furnish to listeners in the United States generally a program excellence that is now only attained in the huge metropolitan areas.

"I am convinced in my own mind that the very phrase 'superpower' as applied to broadcasting stations has created a complete misconception in the minds of many as to its meaning. If the Commission's so-called superpower report had been termed, as it might well have been, 'Report on means of improving rural and small-town radio reception', an entirely different reaction to this report might have been indicated on the part of the Commission itself."

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#### FCC REJECTS PLEA FOR BROADENING S-W HEARING

The Federal Communications Commission this week rejected flatly the petitions of international short-wave broadcasters and the National Association of Broadcasters that the hearing scheduled for next Friday be broadened to include all of the recently promulgated rules governing international broadcasting.

The requests were made by the Columbia Broadcasting System, the Crosley Corporation, General Electric, the Isle of Dreams Broadcasting Corp., National Broadcasting Company, WCAU Broadcasting Company, Westinghouse Electric & Manufacturing Co., and NAB.

Explaining its decision the FCC in a formal statement said:

"The Federal Communications Commission, having heretofore granted a request for a hearing from the American Civil Liberties Union on Section 42.03(a) of the International Broadcast Rules adopted by the Commission, and having set such hearing for July 12, later postponed to July 14, concluded to confine the hearing to the issue directly designated in the petition of the American Civil Liberties Union, although other petitioners sought to enlarge the issues and to postpone the hearing set for July 14. These later petitioners will have ample opportunity to be heard subsequently, on any other issues in the Rules governing International Broadcast Stations as adopted should they so desire. Therefore, the hearing on Section 42.03(a) will be held as set for 10 o'clock, July 14."

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## THOMPSON, HOWLAND NAMED EXECUTIVES OF ZENITH

Appointment of Sylvester T. Thompson as Vice-President and John R. Howland as Assistant to the President of Zenith Radio Corporation, Chicago, was announced this week by Commdr. Eugene F. McDonald, Jr., President.

Mr. Thompson has been with Zenith since June, 1938, and has devoted his time largely to developing the export sales and merchandising, while Mr. Howland was formerly Assistant Secretary of the Philadelphia Storage Battery Co., Philadelphia.

For seventeen years, Mr. Thompson has been a well-known figure in the radio industry. He has watched the industry grow from the crystal set stage into the present complex state with its multiplicity of problems. He served the Radio Manufacturers' Association as a Director and has been Chairman of its Export Committee for five years. As a member of the Executive Council of the South African Reciprocal Trade Committee, he represented the industry in its fight against propaganda detrimental to the importation of American merchandise into South Africa. For a period of fifteen years he was a member of the Society of Automotive Engineers and at present is a member of the Institute of Radio Engineers and the Radio Club of America.

Prior to joining the Zenith organization, Mr. Thompson was Executive Vice-President and Director of the manufacturing subsidiary of Kolster Radio Inc., and Manager of Federal Telegraph Company, both of Newark, N. J. These companies were owned and operated by the International Telephone & Telegraph Company. Subsequently, he became Vice-President, General Manager and Director of Pilot Radio Corporation, Long Island City, N. Y., and contributed immeasurably to the success of that company in the domestic and overseas markets.

Mr. Howland brings to his new work a well-grounded experience in sales, patent investigation, labor matters, and public relations. He is a member of the Patents and Trademark Committee of the National Association of Manufacturers and the Trade and Commerce Bar Association of New York, and a graduate of U. S. Naval Academy at Annapolis.

Prior to his association with the Philadelphia Storage Battery Company, Mr. Howland served as Deputy Administrator under the NRA and in that work had considerable contact with the problems of the radio industry. He administered this rather difficult and unpopular task in a courteous and diplomatic manner which retained the friendship of all those business executives with whom he came in contact.

For a number of years, Mr. Howland has served on important committees of the Radio Manufacturers' Association and has acted as spokesman for his former employer.

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## LARGE REGISTRATION FOR NAB CONVENTION

The seventeenth annual convention of the National Association of Broadcasters and the first since its reorganization, has attracted the largest number of advance registrations in the Association's history, NAB stated this week. The meeting will open next week in Atlantic City.

While many and diverse subjects will be considered by the broadcasters, two stand out in importance: the report of the Code Committee and the report of the Copyright Committee.

The convention will be addressed by Carl Milliken, Secretary of the Motion Picture Producers and Distributors of America, Inc., who for the past seventeen years has been in charge of the motion picture industry's code of self-regulation. Elmer F. Andrews, Wage and Hour Administrator, will address the convention on Wednesday morning, July 12th, as will Dr. John W. Studebaker, U. S. Commissioner of Education; and Orrin E. Dunlap, Jr., Radio Editor of the New York Times, who will talk on "Television".

Though the convention does not officially convene until Tuesday morning, July 11th, meetings and social activities will begin on Sunday morning, July 9th. On Sunday, also, the Board of Directors will hold a dinner meeting; and at two o'clock the Research Committee will hold a pre-convention meeting. The annual golf tournament will begin at ten-thirty, Sunday morning.

Group meetings of the clear channel stations, the local channel stations, and the National Association of Regional Broadcast Stations, will be held Monday morning. In the afternoon, the IRNA group and the National Committee of Independent Broadcasters will meet. Later in the afternoon there will be a demonstration of television, followed by a discussion of radio engineering problems by John V. L. Hogan, Chairman of the NAB Engineering Committee.

The Bureau of Radio Advertising will hold a luncheon on Monday in conjunction with the NAB Sales Managers' group. Luncheon will be followed by a report on sales management policies by Dr. Herman S. Hettinger, and a forum discussion of various sales problems.

The convention will be called to order at nine-thirty Tuesday morning. President Miller will make his annual report during the opening morning session. In the afternoon the Code Committee's report will be presented and discussed. This will be a closed membership meeting.

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## FCC EXPLAINS RULES ON NIGHTTIME POWER

The Federal Communications Commission announced this week that final action would be deferred on all pending applications requesting nighttime operation on regional frequencies which would involve serious interference problems if other pending applications requesting the use of 5 KW power on such frequencies are granted. The pending applications requesting the use of 5 KW power at night will, under the Commission's new rules which become effective August 1, no longer be inconsistent with the rules limiting maximum power for nighttime operation on such frequencies.

The Commission's new rules and regulations governing standard broadcast stations, which were adopted by the Commission on June 23, provide for maximum permissible night-time power of 5 KW on regional channels. The present rules limit such power to 1 KW. Applications affected by this action of the Commission fall into three classes: Those which have been set for hearing but not yet heard, those upon which a hearing has been held but no decision rendered by the Commission, and those upon which a decision has been rendered and are now pending on a petition for rehearing. As to those applications which have not yet been heard, an additional issue will be inserted in the notice of hearing concerning the interference problem with pending 5-KW applications, and, thereafter, the applications will be heard in regular course. As to the applications on which a hearing has been held and applications pending on petition for rehearing, a further hearing will be ordered on issues related to the interference problem created by pending 5-KW applications.

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## THREE MAJOR NETS BOOST TIME SALES IN JUNE

The Columbia Broadcasting System grossed \$2,860,184 in time billings last month, which sum is 34.8% better than the turnover for June, 1938. It's the biggest percentage gain that the network has had since August, 1937. The National Broadcasting Company's time billings for this June amounted to \$3,382,404, an increase of 5.7% over the tally for the like month of 1938. As compared to the first six months of last year, CBS is now ahead by a 8.6%, while NBC's margin is 7.5%.

Mutual last month did \$228,186, or 11% over the previous June's gross. Of the total billings accumulated by NBC this June \$2,624,657 is credited to the red (WEAF) link and \$757,747 to the blue (WJZ) network.

In June 1938, NBC's billings were \$3,200,569, while the year before they figured \$3,003,287. Columbia took in \$2,121,495 for June 1938, and \$2,476,567 for June 1937.

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## CONTROLLER PUTS BAN ON RADIO RECORDINGS

A decision by Controller General Fred H. Brown this week temporarily blocked plans of the National Emergency Council to distribute radio recordings of governmental activities on the same basis as talks by Cabinet members.

The Controller General ruled that the Veterans Administration has no authority to spend \$200 to make the recordings. He pointed out that the NEC is planning to handle the series of programs for the Veterans Administration and other independent agencies.

Almost simultaneously Westbrook Pegler, newspaper columnist, put out a blast against the NEC distribution of "canned speeches" in his copyrighted syndicated column.

Declaring that the press probably would have to come to the defense of radio stations to establish freedom of the air, despite an economical rivalry between the two mediums, Mr. Pegler said:

"There is a difficulty in the fact that the air belongs to the Nation, so to speak, and therefore must be subject to Government regulation. That much is not disputed, but it does not mean that the air belongs to the New Deal any more than it belongs to the Republic Party. But in using the radio for New Deal propaganda the Administration puts itself in the position of a trustee who uses his authority to promote his own interests and impair the interests of the trust. For certainly if radio is allowed to live under frank or implied coercion it loses that purity which the President found so admirable - indeed, its chief virtue.

"But radio itself lives in a state of fear and political jitters. Individuals in the business may pretend to admire the commission and its methods, but they are open to the obvious suspicion that they are playing ball with the New Deal for the advantage which it will bring them in the form of valuable official favor.

"Others realize that the industry lives under a threat of partisan political discipline and looks to their economic enemy, the press, for help in a fight for independence, afraid, however, to speak for publication or appear anywhere in the picture except as confidential informants on matters which radio dares not appeal to the public over its own medium."

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In an attempt both to counteract propaganda by foreign countries and to garner a larger audience for its own news interpretation, the German Propaganda Ministry announced this week that henceforth there would be news broadcasts daily both in the Polish and Ukrainian tongues.

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## THREE NETWORKS NET \$9,307,735 FROM RADIO IN 1938

Additional statistical data released by the Federal Communications Commission this week disclosed that the three major networks - CBS, NBC, and MBS - earned a combined net revenue of \$9,307,735 from broadcast services in 1938. The study does not show how this profit was apportioned among the networks.

From network operations alone the networks earned only \$4,349,446, the chart shows, whereas \$4,958,289 was derived from 23 managed and operated stations. Nine key stations, the report discloses, earned \$2,549,987 or more than the other 14 non-key stations, which had a combined net income of \$2,408,302.

Total time sales of the networks and managed stations were \$68,123,525, of which \$54,938,879 was handled directly by the networks.

Total program expenses for the nets and stations amounted to \$17,933,405 and technical costs accounted for \$3,898,202. Advertising and promotion took \$3,621,962, and administrative expenses were \$4,497,084.

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## FIVE STATIONS SIGN FTC STIPULATIONS

Five Western and one Southern broadcasting stations have entered into stipulations with the Federal Trade Commission to discontinue certain advertising practices in connection with the sale of their facilities.

The respondents are Intermountain Broadcasting Corporation, operating station KDYL, Salt Lake City, Utah; Lamar Life Insurance Company, station WJDX, Jackson, Miss., Mosby's, Inc., Station KGVO, Missoula, Mont., Woodmen of the World Life Insurance Society, Station WOW Omaha, Nebr.; KFRU, Inc., Station KFRU, Columbia, Mo., and Minnesota Broadcasting Corp., Station WTCN, Minneapolis.

The respondents agreed to cease representing, directly or by implication, that their respective stations have a certain power unless that power is actually used by them during the entire broadcasting period, or unless it is clearly explained in direct connection with each representation that such power is authorized and used only during certain specified hours.

According to the stipulation, all but one of the respondents advertised, without qualification, their stations as having 5,000 watts power, which, it was agreed, might mislead some prospective purchasers of radio facilities into believing that such power was continuous when in fact the power authorized for use and used in each instance was 5,000 watts during the day only and was limited to 1,000 watts at night. In the case of KFRU, Inc., the power advertised without qualification was 1,000 watts when in fact 1,000 watts was used by day and 500 watts at night.

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 ::: TRADE NOTES :::  
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Appointment of Donald Davis, stage and motion picture writer, to the television staff of the National Broadcasting Company was announced this week at Radio City by Thomas H. Hutchinson, Manager of NBC's Television Program Division. Mr. Davis will be television's first staff script writer.

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"The National Labor Relations Board has made an order based upon a stipulation requiring Isle of Dreams Broadcasting Corporation and Miami Daily News, Inc., Miami, Florida, to bargain, upon request, with the American Federation of Radio Artists (A. of F.L.). The stipulated order also provided for reinstatement with a payment of \$500 to Earle Barr Hanson, an employee who had been discharged. Charges of unfair labor practices against the companies were filed by the AFL radio artists' union.

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"The Human Adventure", an experimental weekly educational series dramatizing the link between the American university and man's future, is to be presented by Columbia Broadcasting System in cooperation with University of Chicago for a limited period beginning Tuesday, July 25, from 8 to 9 P.M., EDST. Basic idea of the programs is to dramatize great contributions of college research to the world's welfare and progress. Leading educational institutions of the country, together with outstanding scholars and scientists have offered their full cooperation.

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"Current estimates mention that it is costing NBC \$1 a day per television set now in use in the New York area", Variety reports. "This figure takes in cost of program schedules. Also expected that this cost will increase as the number of programs increase. Number of sets now in use in the N. Y. metropolitan area is placed at around 500."

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Broadcast service to Latin 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, has been practically doubled, as of June 24th, it was announced by 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 Latin America. W2XAF operates on 9,530 kilocycles or 31.48 meters.

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Direct radio telephone communications between Switzerland and the United States, scheduled for the month, has been delayed indefinitely by the destruction by fire Thursday of the new short-wave station recently constructed at Schwarzenbad by the Swiss Government. The damage was estimated at more than 1,000,000 Swiss francs. The Swiss authorities have started an investigation. The new station was completed only a few days ago. At present telephone calls between the United States and Switzerland are routed through London.

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To assist amateur television enthusiasts and experimenters in furthering television development, the Radio Corporation of America has made available a number of parts used in modern deflecting circuits in television receivers employing RCA Kinescopes. Mounting interest in television among amateurs in the areas where programs are available, or soon will be, has brought many requests that the parts be placed on the market.

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Appointment of Keith Kiggins, Manager of Station Relations for the National Broadcasting Company, as Director of the NBC-Blue Network was announced this week by Niles Trammell, Executive Vice-President, to whom he will report. Responsibility for the operations of the sales, program, promotion, stations and press departments, Blue Network activities of which will be coordinated by Mr. Kiggins, will remain with the various department heads, who will continue to report to the Executive Vice-President.

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Bloomingdale's, New York City, in collaboration with Audio Productions, Inc., and the American Television Company, will present the first of a series of merchandising television shows, to be known as "Televisuals", early in July, I. A. Hirschmann, Vice-President, has announced. Audio Productions, Inc., has prepared a motion picture, featuring Barbara Lee fashions, Guardian shoes and Tot's clothes, which will be television through a self-contained system in the store. Audio has registered the name "Televisuals" and will make a series of short commercial films in conjunction with American Television, to be shown in stores throughout the country.

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William Kostka, Magazine Editor for the National Broadcasting Company, has been appointed Manager of the NBC Press Division. The appointment is effective immediately, with Edwin P. Curtin continuing as news editor of the division, Richard G. Spencer as night editor, and Leonard W. Braddock as Manager of the Audience Inquiry Division.

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7/7/39

MAN HELD IN FLAMM EXTORTION ATTEMPT

Charged with suspicion of attempting to extort \$7,500 from Donald Flamm, President of Station WMCA, New York City, to call off the pickets who have been parading Sunday afternoons in front of the station, a man described as Allen Zoll, 43 years old, of 60 East 67th Street, was held in \$5,000 bail this week before Magistrate Richard F. McKinery in Felony Court. A hearing was set for Friday.

Zoll, who denied the accusation, was said by Detectives Edward D. Fitzpatrick and Joseph Petrosino of District Attorney Thomas E. Dewey's office to have taken \$200 in marked money from Mr. Flamm, the New York Times reported. Zoll said the money was paid to him as salary as a sales consultant to get rid of the pickets.

Every Sunday afternoon since last December 18th, pickets have demonstrated in front of the radio station, protesting that the Rev. Charles E. Coughlin, of Detroit, was barred from use of the station's facilities after a broadcast allegedly linking Jews with communism.

Zoll was said by the detectives to have been observed on the picket line for a time. At the peak of the demonstration as many as 2,000 pickets marched in front of the station. Recently the number has varied between 350 and 500. It was said that Zoll had represented himself as a Protestant and against barring the priest from the air. The detectives said Zoll had told the police on duty at the demonstration that in the future he would lead the picketing.

According to the charge, Zoll approached Mr. Flamm recently with a demand for \$7,500 and by arrangement went to the Hotel Lexington Friday. When Zoll arrived Detectives Fitzpatrick and Petrosino were with Mr. Flamm, and when Zoll allegedly accepted the marked money he was arrested.

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2400 CALIFORNIA STREET

WASHINGTON, D. C.

*AKA  
J. J. Hall*

1939  
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No. 1139

*R. J. W.  
H. S.*

July 11, 1939.

## NAB PROPOSED CODE REVISED; BIG CONVENTION OPENS

Drastic revisions in the proposed Code of Ethics for the Broadcasting Industry have been made since the proposal was released a few weeks ago by a Special Committee, it was disclosed this week as the National Association of Broadcasters opened one of its largest conventions at Atlantic City.

Consideration of the Code for self-regulation was one of the first important tasks of the broadcasters, who convened Monday morning. Debate and probably final action on the code was scheduled to be taken late today (Tuesday).

The new proposals, approved by a Committee on Standards, eliminates many of the bans placed on radio material by the same committee three weeks ago.

The most significant change proposed will remove the earlier plan to force stations to refuse to sell radio time for discussion of issues arising from strikes. The new plan also reverses the Committee's previous objection to continuing the practice of selling program time to religious groups and denominations.

It provides that stations carrying broadcasts on controversial issues must provide opportunity for equal discussion of both sides of the topic, but will leave individual stations to decide when their programs are controversial.

The new code will be presented for discussion and action at a meeting of the convention's 400 delegates this (Tuesday) afternoon. Many members had objected that the original code was too detailed in its limitations on individual stations.

The code, a statement of general principles governing radio presentation of advertising, entertainment, news programs and controversial speeches and discussions, is intended to bind the 422 member stations of the NAB to practices which are ethical and in good taste.

Changes also were made in the definitions of standards of practice which accompanies the code.

The code was expected to find opposition on the convention floor. Operators of smaller independent stations charge the code has been dictated by major radio networks and large independents. Similar questions were raised by owners of stations affiliated with the networks.



A sectional meeting attended by the group representing some 100 stations owned and operated by newspapers voted to put up a vigorous defense against the demands of the American Society of Composers, Authors and Publishers in the negotiations for a new contract.

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#### PROFESSIONAL WOMEN URGE WOMAN MEMBER OF FCC

President Roosevelt was asked this week by delegates of the National Federation of Business and Professional Women, meeting in Kansas City, to appoint a woman to membership on the Federal Communications Commission.

Miss Myrtle Ellen Labarr of Greensboro, N. C., offered the motion, which was passed by acclamation at the opening business session in the Municipal Auditorium.

As a qualifying phrase, Miss Labarr specified a "business or professional woman" in the draft of the message she submitted to the convention. Her preliminary recommendation of the action emphasized that women make up so vast a proportion of the public whose interests are the concern of the Commission, that they should be officially represented, especially in decisions on radio programs. The designation of an experienced woman aligns the proposal with the organization's expressed policy of "more qualified women in public office".

There are at present no vacancies on the FCC, but should Chairman McNinch be transferred to another agency or retire from public life, as has been rumored frequently, vacancy will occur. Political observers believe that it would be a smart move on the part of the President to follow the suggestion of the business and professional women, who have 71,000 members.

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#### CANADA TO ALLOT FREE RADIO TIME IN ELECTIONS

The Canadian Broadcasting Corporation this week announced that free use of coast-to-coast networks for broadcasting political arguments in general election campaigns will be allotted the established national parties on a proportionate basis, according to the Canadian Press.

Between the time of dissolution of Parliament and the voting no time will be purchasable for broadcasting on the national networks, under a new statement of policy issued following meetings of the Board of Governors last week, with L. W. Brockington, Chairman, presiding.

Other aspects of controversial broadcasting, political and non-political, are covered in the statement of policy. Free time for Provincial campaigns is also contemplated once the system has been tried out in a general election.

Restrictions are placed on use of the national networks for controversial broadcasts on purchased time, but the corporation will make provision for wider expressions of opinion by private individuals.

When there is no election campaign in progress, time between an election date and the date of dissolution of Parliament may be purchased for political speeches.

None of the corporation's plans for election broadcasts alters in any way the regulations under the Broadcasting Act forbidding broadcasts later than forty-eight hours before the polls open and forbidding political dramatizations.

In its main features the plan is in accordance with the recommendations of the Special Committee of the House of Commons, which considered broadcasting problems last session. The plan is designed to place campaign broadcasts on a more orderly and democratic basis than in the past. From the listener's point of view, it also aims at keeping the total amount of political broadcasts within reasonable limits.

The plan was discussed before its adoption with the official representatives of the party organizations. It has been accepted on behalf of the Liberal, Conservative, C.C.F. and Social Credit parties as a fair and equitable basis for handling the problem.

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#### VIRGINIA ABSOLVES WJSV OF STATE TAX

The Virginia Corporation Commission, in a voluminous opinion written by Chairman William Meade Fletcher, held last week that radio broadcasting constituted interstate commerce and was not subject to State regulation.

Rendering the decision in the case of the Columbia Broadcasting System, Inc., which operates Station WJSV at Alexandria, Mr. Fletcher decided that CBS could not be required to domesticate in Virginia and pay the entrance fee of \$1,000. Station WJSV, whose studio is in Washington, is building a new transmitter in Maryland.

The opinion resulted in dismissal of a rule which had been issued against the company for violation of Section 3847 of the Virginia Code, which provides that all foreign corporations shall, before doing business in Virginia, secure a certificate of authority from the Corporation Commission.

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## PRESS-RADIO FEUD TO BE AIRED AT BELLINGHAM

Station KVOS of Bellingham, Wash., accused by Associated Press of "pirating" news, has been ordered by the Federal Communications Commission to show cause why it should not be taken off the air, at a public hearing August 10th at Bellingham.

Commissioner George Henry Payne, "newspaper-minded" member of the FCC, has been designated to conduct the hearing which also will consider the application of Bellingham Broadcasting Company for facilities now held by KVOS.

Before Commissioner Payne will be the report of an FCC Examiner which charges KVOS does not operate in the public interest and recommends that its license not be renewed. The station broadcasts under a temporary permit which is subject to revocation in the event the Commission, after hearing Commissioner Payne's report, adopts the Examiner's recommendation.

A bitter fight between the broadcasting company and the Bellingham (Wash.) Herald will be reviewed. The newspaper was the original complainant in the new "pirating" suit brought to the Supreme Court of the United States by Associated Press. The charge was made that KVOS extracts material from the Herald for its daily feature "The Newspaper of the Air".

In its petition for hearing, the press association told the Supreme Court news stories are "lifted" not only from the Bellingham Herald, but also from the Seattle Post-Intelligencer and the Seattle Daily Times, other member papers, and that it goes on the air many hours before some subscribers receive their copies of the newspapers.

In the U. S. District Court, an injunction against the practice was denied on the theory that no property rights had been violated. The Ninth Circuit Court of Appeals took a contrary view and issued a preliminary injunction "restraining KVOS from appropriating and broadcasting any of the news gathered for the period following publication in the newspapers during which the broadcasting to the papers most remote auditors may damage the business of the publisher in procuring and maintaining their subscriptions and advertising".

The Supreme Court refused review on the ground that the press association had failed to set out <sup>in</sup> its pleading a statement of monetary damages.

Station KVOS charges that "the Tacoma-owned reactionary Bellingham Herald" is attempting to destroy its rival for local advertising revenues. No question of public interest exists, the broadcaster contends, and the assertion is made that there is only local conflict.

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## INDUSTRY LOSES COLORFUL FIGURE IN "SPORT" HERRMANN

In the death of Commander U. J. (Sport) Herrmann last week the radio industry has lost one of its most philanthropic and colorful characters, while Zenith Radio Corporation suffers the loss of one of its oldest and best liked Directors, according to Commander E. F. McDonald, Jr., President of Zenith. Mr. Herrmann had been a Director since Zenith's incorporation in 1923 to the time of his death at Sturgeon Bay, Wis., resulting from a taxi accident near that town two days prior.

For years "Sport" Herrmann, whose nickname, known to thousands, was given him as the result of his intense and sincere interest in sports of every kind - hunting, fishing, yachting, travelling, which were his principal hobbies - conducted the radio industry's shows both in New York and Chicago. During his operation of the radio shows, he paid many thousands of dollars in profits to the Radio Manufacturers' Association. During the Association's days of early struggle, he was one of its main supporters.

An examination of Mr. Herrmann's will by his co-executors, Commander McDonald and Robert J. Daly of Chicago, revealed that in death as in life he was generous to an unusual degree in providing for individuals less fortunate than himself. In his will he included many of his old friends and employees, some of whom have not been with him for years. There was hardly a newsboy, policeman or messenger boy in Chicago who did not claim friendship with "Sport" and his inseparable companion, his dog "Brownie".

While he lived there was always a big queue of callers at his office consisting of people who knew that they could rely on his help and "Sport" got a real kick out of helping. Whenever any of these people died in straightened circumstances, their relatives, if unable to afford a decent burial, were encouraged to take advantage of a standing arrangement Mr. Herrmann had made with his mortician to provide a proper funeral at "Sport's" expense. Thus he saw to it that those he had befriended in life were at last laid peacefully to rest in death.

Although best known in and around Chicago as the former owner of the old Cort Theater, and in Boston as the one-time part owner of the Boston Red Sox, Mr. Herrmann in later years became a citizen of the entire world. On his letterhead he inscribed the simple legend "U. J. Herrmann, Citizen", a reflection of his pride in being an American and a retired Commander of the U. S. Naval Reserve.

He was especially assiduous in insisting on keeping all questionable performances out of the Cort Theater and conducted what was literally a war on ticket scalpers during his ownership. He believed that the public should get its full money's worth at the box office without the necessity of paying a premium.

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"Sport" Herrmann travelled widely, hunted, fished, sailed and collected a vast number of treasures, trophies and exhibits from all parts of the world, from the frozen wastes of the Arctic to the South Sea Islands. His apartment on the thirty-first floor of Chicago's Medinah Club through the years became a private museum known far and wide to collectors all over the globe.

"Sport" was not only a traveller but a sailor in his own right, one of the best on the Great Lakes, the son of a sailing ship captain, the late Charles Herrmann, owner and master of the schooner "Surprise".

As a result of his adventures in various parts of the world "Sport" developed a forceful and descriptive literary style. He became interested in literature and writings of all kinds. He was known in Chicago as the watch dog of the library fund, an honorary position he continued to occupy under three different mayors, both Democratic and Republican.

Several of "Sports" adventure trips were made on the yacht "Mizpah" in company with Commander McDonald, his close friend. In 1923 when Commander McDonald was in command of the steamship "Peary" which was a part of the Donald B. MacMillan Arctic expedition of that year, Mr. Herrmann accompanied him North. MacMillan at the time commanded his own ship, the "Bowdoin"

Mr. Herrmann was sixty-seven years old when he died. He was a retired Commander of the United States Naval Reserve, a Past Potentate of the Medinah Shrine, a Director of Zenith Radio Corporation and other organizations. He was unmarried. Most of his estate, as has been mentioned, will go to old friends and employees, to a surviving brother and niece, to a fund for crippled children, and to various charities and hospitals in which during his life he took a daily interest.

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#### FINNS BUILDING 100 KW STATION FOR OLYMPIC GAMES

Finland is building a new 100 KW short-wave transmitter for the 1940 Olympic Games, according to World-Radio. About twelve separate directional aerials will be provided. The transmitter will be ready for tests early next year.

According to the decision of the Olympic Games Committee the Winter Games will take place in Garmisch-Partenkirchen in January-February, 1940. German Broadcasting is fully prepared to make arrangements for the radio side, as all installations from the 1936 games are still on the spot.

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## TESTS SHOW RADIO BETTER THAN TEACHER

In an experiment conducted in ten New York City Junior High Schools, Board of Education officials found that classroom radio broadcasts are more efficient than the ordinary teacher instruction, according to the New York Times.

Four thousand pupils participated in the experiment. Half this number heard radio broadcasts on health for one school term, while the other half, listed as the "control group", did not receive this supplementary program. The health broadcasts, sponsored by the American Medical Association and the National Broadcasting Company, included thirty weekly dramatized health lessons.

When the examinations were given at the end of the term it was found that the pupils who had heard the broadcasts were superior to those who did not get the radio lessons. The listeners had a 3 percent higher average in the health knowledge test over the non-listeners.

It was found, the report declared, that the radio reception in individual classrooms, using a small radio and small listening groups, was more satisfactory than radio receptions before larger groups in assembly halls, auditoriums or gymnasiums.

In classes where the teachers had the benefit of the radio broadcast script before the broadcast, the percentage of correct answers in the test proved to be higher compared to the groups of students who did not have this additional instruction.

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## NEW RADIO TRIED IN INDIAN VILLAGES

A new type of radio receiver for mass listening is being tested in India, according to the American Trade Commissioner at Calcutta.

"Much has been said in the past two years in regard to providing broadcast receiving sets to the unprivileged in India's many villages", he said. "In fact, several installations have been made which have not been entirely satisfactory for several reasons, viz. inaccessibility, service facilities and finding a set which approaches the point of being fool-proof.

"Reports are now to the effect that two village receivers have been manufactured by local concerns under the specification drawn up by the Research Department of All-India-Radio. These sets are now under test by the radio authorities to see if they will prove suitable for Indian villages and are the result of three years research by All-India Radio. They are super-het types with automatic gain control and are equipped with a special time switch. It will be interesting to watch this development as it may lead to several commercial opportunities for American part and accessory manufacturers."

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## CHARLIE MOWS 'EM DOWN AT WORLD'S FAIR

Charlie McCarthy, wise-cracking in characteristic fashion with Mayor LaGuardia, Grover A. Whalen and scores of other persons, was received with more spontaneous acclaim by the crowds at the World's Fair Monday than any other distinguished visitor since King George VI and Queen Elizabeth paid their visit a month ago, according to the New York Times.

"Although numerous celebrities - Cabinet members, Senators and Governors, distinguished foreigners, even including royalty, and men and women of outstanding accomplishments in many walks of life - have been entertained at the Fair since its opening, it took the little red-headed dummy with the top hat and the monocle to arouse the crowds to yesterday's high peak of enthusiasm," the Times said.

"Even the barkers in the amusement area halted long enough to crane their necks in Charlie's direction when his motorcade went past. Restaurants were temporarily halted while kitchen employees, waiters and customers hastened to doors and windows for a glimpse.

"A bodyguard of twenty World's Fair policemen - the same squad that guarded King George and Queen Elizabeth during their visit to the Fair - escorted Charlie and his partner, Edgar Bergen, through the grounds, and at times the blue-shirted policemen had their hands full holding back the enthusiastic admirers of the little comedian."

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NOTES

Short-wave international programs of the National Broadcasting Company appeared in a new form this week. The programs, in several languages, are printed on a single large sheet for clipping. Frank Mason, NBC Vice-President, is in charge of the international broadcasting activities of the network.

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 Harry C. Butcher, Vice President of Columbia Broadcasting Company in Washington, and Louis Caldwell, prominent radio attorney, were among the prominent guests at a dinner given last week at the Burning Tree Country Club, near Washington, for District Commissioner George E. Allen.

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 Station WABC New York outlet of the Columbia Broadcasting System, was silenced for three hours and thirty-one minutes beginning at 8:01 A.M. Monday, because of a power failure at the station's transmitter in Wayne Township, N.J. The rest of the network was not affected. The current supply was cut off when a short-circuit burned out the main circuit-breaker in the power supply room of the transmitter, causing a fire that lasted an hour.

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## INDICTMENT RETURNED IN FLAMM EXTORTION

Allen Zoll, 43 years old, who became conspicuous recently through his activities in the American Patriots, an anti-radical organization, was arrested for the second time last Friday in the Criminal Courts Building on an indictment charging that he tried to extort \$7,500 from Donald Flamm, President of Station WMCA, with an offer to call off the picket line of adherents of the Rev. Charles E. Coughlin.

The picketing began on Dec. 18th at the entrance to the station, 1,657 Broadway, after further use of its facilities had been denied to Father Coughlin. Zoll, it was charged, frequently appeared in the picket line with hundreds of Coughlin supporters on Sundays, but nothing developed after his arrest to indicate that he ever had been affiliated directly with the Coughlin broadcasts.

Zoll was taken on a bench warrant by Detective Edward D. Fitzpatrick, who is attached to District Attorney Thomas E. Dewey's office, after Zoll had appeared before Magistrate Dreyer in the Felony Court on a tentative charge.

The evidence on which the indictment was returned was presented by Robert H. Thayer, Assistant District Attorney. Mr. Flamm, Detective Fitzpatrick and Detective Joseph Petrosino, also of Mr. Dewey's office, were among the witnesses. Mr. Fitzpatrick, in an affidavit signed in the Felony Court at Zoll's arraignment last Saturday said that Zoll had been arrested that day in the Hotel Lexington after he had accepted \$200 from the head of the radio station as the detectives watched.

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## DROP IN BRITISH LICENSES DISTURBS INDUSTRY

"The Financial News", of London, recently carried an article regarding the setback in radio licenses issued during April. The editor of "The Wireless and Electrical Trader" has made the following reference to the decline: "License returns, which seemed well on the way to the 9,000,000 mark, have taken a surprising turn, for the preliminary figures issued by the Post Office show a decline during April. There is bound to be a great deal of speculation in trade circles to account for the April drop, but the decrease is likely to be only temporarily and (in "The Trader's view) is no cause for alarm. It is almost certain that there are no fewer sets in use. The real worry will be for the Post Office and the B.B.C., whose revenue has fallen off. The present position is merely another reminder that in future the industry has to cater more definitely for the replacement market."

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## ZENITH GETS PATENT ON "WAVEMAGNET"

Zenith Radio Corporation, Chicago, has obtained a U. S. patent on its new invention, "The Detachable Wavemagnet", which is built into the back of the new Zenith portable.

The cover containing the Wavemagnet may be snapped off the set and by means of rubber suction cups may be fastened to the window of a railroad car, steamer, airplane, automobile, bus or other conveyance, with the assurance that excellent radio reception will be obtained, despite the usual obstructive shielding effect on ordinary portables of such metal-constructed vehicles.

The new Zenith portable with Detachable Wavemagnet is said to be effective also for office buildings, apartment houses and other edifices where reception is difficult owing to a preponderance of metal in the building construction, or where the erection of outside aerials is either impractical or forbidden by the owners.

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## AUSTRALIA TO MAKE OWN TRANSMITTING VALVES

The manufacture in Australia of radio transmitting valves will soon be undertaken by Amalgamated Wireless (A'sia.) Limited, according to the American Trade Commissioner at Sydney.

Tubes for radio receiving sets have been made in Australia for several years, but up to this time Australia has depended entirely on imports for its requirements of transmitting tubes. The Chairman of Amalgamated Wireless (A'sia.) Limited is reported to have said that he regarded transmitting tubes as being of as much importance in an emergency as actual munitions, and that his company intended to commence their manufacture of transmitting tubes, hoping to progressively develop the industry until Australia is able to produce even the largest of water-cooled transmitting tubes.

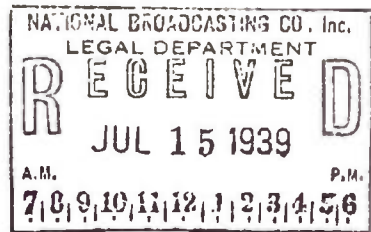
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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## TEETH PULLED FROM CODE ADOPTED BY NAB

With most of its teeth extracted, a modified code of standards for self-regulation of the broadcasting industry was adopted by the National Association of Broadcasters this week at Atlantic City.

The code, as revised, is in much less specific language in its regulatory provisions than was the document drafted by a special committee a few weeks ago. Several provisions, such as those prohibiting dramatized political broadcasts and setting up standards of business ethics for the industry, were eliminated.

Portions of the code dealing with religious broadcasts, news commentators, and children's programs have been toned down from the original proposals.

The code does retain the proposed prohibition against the sale of radio time for controversial discussions and proscribes that member stations shall allot free time to all factions equally for such public forums.

A limitation of advertising time on programs in proportion to the length of the period likewise has been retained.

A resolution subsequently adopted by the convention sets forth specifically certain unethical types of advertising that cannot be accepted by member stations.

Although the original code was scheduled to become effective coincident with the return to standard time, the new code will become operative at a time and under machinery to be determined by the Board of Directors.

Promulgation of the NAB code was an outgrowth of FCC hearings last Fall in the chain-monopoly inquiry at which time David Sarnoff, President of the Radio Corporation of America, proposed that the industry adopt a code of self-regulation.

The text of the new NAB code follows:

### "CHILDREN'S PROGRAMS

"Programs designed specifically for children reach impressionable minds and influence social attitudes, aptitudes and approaches and, therefore, they 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 a child's imagination and love of adventure should be removed. It does mean that programs should be based upon sound social concepts and presented with a superior degree of craftsmanship; that these programs should reflect respect for parents, adult authority, law and order, clean living, high morals, fair play and honorable behavior. Such programs must not contain sequences involving horror or torture or use of the supernatural or superstitious or any other material which might reasonably be regarded as likely to over-stimulate the child listener, or be prejudicial to sound character development. No advertising appeal which would encourage activities of a dangerous nature will be permitted.

"To establish acceptable and improving standards for children's programs, the National Association of Broadcasters will continuously engage in studies and consultations with parent and child study groups. The results of these studies will be made available for application to all children's programs.

#### "CONTROVERSIAL PUBLIC ISSUES

"As part of their public service, networks and stations shall provide time for the presentation of public questions including those of controversial nature. Such time shall be allotted with due regard to all the other elements of balanced program schedules and to the degree of public interest in the questions to be discussed. Broadcasters shall use their best efforts to allot such time with fairness to all elements in a given controversy.

"Time for the presentation of controversial issues shall not be sold, except for political broadcasts. There are three fundamental reasons for this refusal to sell time for public discussion and, in its stead, providing time for it without charge.

"First, it is a public duty of broadcasters to bring such discussion to the radio audience regardless of the willingness of others to pay for it.

"Second, should time be sold for the discussion of controversial issues, it would have to be sold, in fairness, to all with the ability and desire to buy at any given time. Consequently, all possibility of regulating the amount of discussion on the air in proportion to other elements of properly-balanced programming of allotting the available periods with due regard to listener interest in the topics to be discussed would be surrendered.

"Third, and by far the most important, should time be sold for the discussion of controversial public issues and for the propagation of the views of individuals or groups, a powerful public forum would inevitably gravitate almost wholly into the hands of those with the greater means to buy it.

"The political broadcasts excepted above are any broadcasts in connection with a political campaign in behalf of or against the candidacy of a legally qualified candidate for nomination or

election to public office, or in behalf of or against a public proposal which is subject to ballot. This exception is made because at certain times the contending parties want to use and are entitled to use more time than broadcasters could possibly afford to give away.

"Nothing in the prohibition against selling time for the presentation of controversial public issues shall be interpreted as barring sponsorship of the public forum type of program when such a program is regularly presented as a series of fair-sided discussions of public issues and when control of the fairness of the program rests wholly with the broadcasting station or network.

#### "EDUCATIONAL BROADCASTING

"While all radio programs possess some educative values, broadcasters nevertheless desire to be of assistance in helping toward more specific educational efforts, and will continue to use their time and facilities to that end and, in cooperation with appropriate groups, will continue their search for improving applications of radio as an educational adjunct.

#### "NEWS

"News shall be presented with fairness and accuracy and the broadcasting station or network shall satisfy itself that the arrangements made for obtaining news insure this result. Since the number of broadcasting channels is limited, news broadcasts shall not be editorial. This means that news shall not be selected for the purpose of furthering or hindering either side of any controversial public issue nor shall it be colored by the opinions or desires of the station or network management, the editor or others engaged in its preparation or the person actually delivering it over the air, or, in the case of sponsored news broadcasts, the advertiser.

"The fundamental purpose of news dissemination in a democracy is to enable people to know what is happening and to understand the meaning of events so that they may form their own conclusions and, therefore, nothing in the foregoing shall be understood as preventing news broadcasters from analyzing and elucidating news so long as such analysis and elucidation are free of bias.

"News commentators as well as all other news casters shall be governed by these provisions.

#### "RELIGIOUS BROADCASTS

Radio, 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 and to administer broadly to the varied religious needs of the community.



"COMMERCIAL PROGRAMS AND LENGTH OF COMMERCIAL COPY

"Acceptance of programs and announcements shall be limited to products and services offered by individuals and firms engaged in legitimate commerce, whose products, services, radio advertising, testimonials and other statements comply with pertinent legal requirements, fair trade practices and accepted standards of good taste.

"Brief handling of commercial copy is recommended procedure at all times.

"Member stations shall hold the length of commercial copy, including that devoted to contests and offers, to the following number of minutes and seconds:

"Daytime

- Fifteen-minute programs - 3:15
- Thirty-minute programs - 4:30
- Sixty-minute programs - 6:00

"Exceptions

"The above limitations do not apply to participation programs, announcement programs, "musical clocks", shoppers' guides and local programs falling within these general classifications.

"Because of the varying economic and social conditions throughout the United States, members of the NAB shall have the right to present to the NAB for special ruling local situations which in the opinion of the member may justify exceptions to the above prescribed limitations.

"Resolved, That the National Association of Broadcasters in convention assembled hereby adopts the code as presented; and

"That the incoming Board of Directors be authorized to devise the machinery necessary to insure compliance of members with the code and to determine date of taking effect."

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GEDDES HONORED BY TRADE EXECUTIVES

Bond Geddes, Executive Vice President-Secretary of the Radio Manufacturers' Association, has been elected Vice President of the Washington Trade Association Executives, comprising over 300 representatives of trade organizations represented in the National Capital. Mr. Geddes has been active in the work of industrial organizations, and last Fall was elected to the Board of Directors of the American Trade Association Executives, the national organization.

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## FTC READY TO ISSUE RADIO FAIR TRADE RULES

Final action has been taken by the Federal Trade Commission on the long-pending fair trade practice rules for the radio manufacturing industry, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. The rules are scheduled for announcement and official promulgation next week.

There is no advance information on the merchandising rules and advertising practices which will be contained in the Commission's final decision. Rules under consideration have covered use of the terms "all wave", "world wave" and similar advertising; use of "push money" or "spiffs"; advertising of "ballast" tubes, and prohibition of commercial bribery, defacement of trade marks and other practices.

The Commission's decision will come almost exactly four years after initiation of proceedings by the RMA set Division, when Arthur T. Murray was Chairman, in July 1935. The final public hearing in the ensuing trade practice "conference" was held December 7, 1937.

What virtually amounts to a merchandising code governing all interstate sales of radio will be incorporated in the "fair trade practice rules" to be promulgated by the Commission. The rules will represent the Commission's final decision and opinions of the law governing interstate sales and advertisement of radio.

Although originally proposed to apply only to receiving set manufacturers, since the initiation of the proceedings four years ago the Commission's jurisdiction has been enlarged by the Robinson-Patman and Wheeler-Lea Acts, so that the new rules will apply to distributors and any dealers selling radio in interstate commerce as well as manufacturers, and to tubes and accessories as well as receiving sets, according to information from Commission officials.

Promulgation by the Commission and publication of the radio "fair trade practice" rules in "The Federal Register" will be the final action in the long-pending proceedings. The Commission also will send notices to individual radio companies asking for their acceptance, or "adherence", to the rules but with no time limit for such individual company action. Involved, however, are several citations against individual companies which have been suspended under the proceedings for the industry trade practice conference.

A set of proposed rules was submitted by RMA on August 29, 1935. The first public hearing before the Commission was held April 7, 1936. Tentative rules of fair trade practice were proposed by the Commission on November 22, 1937, but these were disapproved by the RMA Board of Directors and a simpler codification of rules urged by the Association at the final hearing December 7, 1937. James M. Skinner, of Philadelphia, was Chairman of the RMA

special committee in the final proceedings, which have been under advisement by the Commission over a year. Also participating in the development of the rules was the special RMA Committee on Fair Trade Practices of which Commander E. F. McDonald, President of the Zenith Radio Corporation, of Chicago, is Chairman.

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## UNETHICAL ADVERTISING BARRED BY NAB RESOLUTION

Supplementing the code of ethics adopted for the broadcasting industry, the National Association of Broadcasters adopted a resolution specifying 13 types of unethical advertising that member stations should not accept. The resolution follows:

"Whereas, the phrase 'accepted standards of good taste' as used in the N.A.B. Code is possible of different interpretations in different parts of our country, and, whereas a more or less uniform interpretation is necessary because in radio broadcasting wide areas often are covered, therefore, be it resolved

"That any interpretation of the phrase 'accepted standards of good taste' shall, in addition to the common interpretation such phrase would have in any community, include the following;

"Member stations shall not accept for advertising:

- "1. Any spiritous or 'hard' liquor.
- "2. Any remedy or other product the sale of which, or the method of sale of which constitutes a violation of the law.
- "3. Any fortune telling, mind reading, character reading, by handwriting, numerology, palm reading, or astrology, or advertising related thereto.
- "4. Schools that offer questionable or untrue promises of employment as inducements for enrollment.
- "5. Matrimonial agencies.
- "6. Offers of 'homework' except by firms of unquestionable responsibility.
- "7. Any race-track 'dopester', or tip-sheet publication.
- "8. All forms of speculative finance. Before member stations may accept any financial advertising it shall be fully ascertained that such advertising and such advertised services comply with all pertinent Federal, State and local laws.
- "9. Cures and products claiming to cure.
- "10. Advertising statements or claims member stations know to be false, deceptive or grossly exaggerated.
- "11. Continuity which describes, repellently, any functions or symptomatic results of disturbances or relief granted such disturbances through use of any product.
- "12. Unfair attacks on competitors, competing products or upon other industries, professions or institutions.
- "13. Misleading statements of price or value or misleading comparisons of price or value."

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LOTTERY SALES OF RADIOS HIT BY FTC ORDER

The Federal Trade Commission has ordered James I. Silver, trading as Silver Manufacturing Company, Silver Sales Company, and World-Wide Radio Company, 2868 Elston Ave., Chicago, to discontinue misleading representations and lottery methods in selling radios, fountain pens and other novelty merchandise.

Radios were found to have been represented in a fashion tending to deceive buyers into believing they were R.C.A. sets, when in truth only tubes or other parts had been made by a manufacturer operating under a limited R. C. A. license.

It was also found that the respondent advertised to the effect that his agents could obtain radio sets from the respondent at factory prices and save up to 50 per cent, when in fact the respondent was not the manufacturer of the sets offered but only the middle-man and did not sell radios at factory prices or at the saving advertised.

The Commission's order directed the respondent to cease representing directly or by inference that radios not made by the Radio Corporation of America are "R. C. A." radios; that the respondent is a manufacturer, until that is a fact and that his purchasers obtain a 50 per cent or other saving, and to cease implying that merchandise supplied to agents is free when they are required to pay therefor or perform certain services to obtain it.

The order also prohibits the sale of merchandise by lottery or the supplying to others of lottery devices for use in such sale.

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ONLY "SAMPLE" RADIO CENSUS IS EXPECTED

The Census Bureau probably will not include a count of radio sets in the 1940 population census, according to present indications and despite the requests of the Federal Communications Commission. Lack of funds and facilities are grounds given for probable omission of radio ownership questions. A "sample" or partial census of radio ownership, however, may be taken by the Government.

The Radio Manufacturers' Association and the National Association of Broadcasters have been supporting the FCC request for a count of radio sets in the 1940 census. The Commission stressed that data would assist in securing valuable information on set ownership and in dealing with licensing problems. Census officials, however, state that similar requests have been received for forty similar commercial tabulations and that it appears impossible to provide a radio census, except in limited scope, next year. In the previous 1930 census the RMA secured inclusion of a question on radio set ownership.

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CONGRESS GETS S-W BILL AS FCC HEARING OPENS

As a public hearing opened before the Federal Communications Commission on one section of the new rules governing international broadcasts by U. S. radio stations, Representative Cochran (D.), of Missouri, introduced a bill in the House to repeal the restrictions.

The National Association of Broadcasters, meeting in Atlantic City, adopted a resolution opposing the FCC rules as its special counsel, Swager Sherley, and others attacked the regulation at the hearing.

The hearing was restricted only to the section of the FCC international rules relating to the type of programs that must be broadcast. Among those who were represented at the hearing were:

Westinghouse Electric & Manufacturing Co., by G. S. Law, E. D. Johnston, H. L. Lohnes and F. W. Albertson; National Association of Broadcasters, by Swager Sherley; Columbia Broadcasting System, by Paul A. Porter; Crosley Corporation, by Duke M. Patrick; General Electric Company, by L. D. Coffman; Isle of Dreams Broadcasting Corporation, by H. L. Lohnes; National Broadcasting Company, by P. J. Hennessey, Jr.; WCAU Broadcasting Co., by Paul A. Porter; National Committee on Education, by S. H. Evans, Secretary; and World Wide Broadcasting Corporation, by M. M. Jansky and A. B. Landa.

The hearing, granted upon petition of the American Civil Liberties Union, will involve the question of whether Section 42.03(a) of the rules applicable to International Broadcast Stations should be modified, revised or amended. These rules, which apply only to stations operating on the frequencies assigned to international broadcast stations were issued on May 23, 1939, and have been effective since that date.

Section 42.03(a) 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 goodwill, 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."

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## NAB ENDS CONVENTION WITH ELECTIONS

With the election of five Directors at large, the National Association of Broadcasters ended its annual convention at Atlantic City on Thursday.

Among the resolutions adopted was one thanking the Federal Communications Commission for extending the license period of radio stations from six months to a year. The resolution stated, however, that the NAB will continue to fight for a three-year license as allowed by law.

The broadcasters decided to seek a solution with the radio manufacturers of the dispute over the push-button type sets, the sale of which "will in five years, at the present rate of distribution, seriously reduce possible listening audience of independent stations".

Directors-at-large elected by the Association were Frank M. Russell of Washington; Harold Hough, of Fort Worth, Texas; George Norton, of Louisville, Ky.; Don Elias of Asheville, N.C.; John Elmer of Baltimore, and Harry Spence of Aberdeen, Wash.

The Board of Directors announced that it would establish a detailed plan of code compliance which will be announced at the next meeting of the Board in September.

One of the highlights of the convention was an international broadcast in which the movies and newspapers were represented Wednesday night.

Neville Miller, President of the Association, spoke at the dinner and introduced Will Hays, President of the Motion Picture Producers and Distributors of America, who spoke from Hollywood, and James G. Stahlman, publisher of The Nashville Banner and former President of the American Newspaper Publishers' Association, who talked from London, England.

The program went on the air over a National Broadcasting Company hook-up.

"I am told that we are making radio history tonight", Mr. Miller said. "This is the first time that the radio and the motion pictures and now the press have addressed you from the same radio program. It is significant, I believe, because it marks the first time that the appointed leaders in these three fields step before you on common ground. The cornerstone of each industry - the press, the motion picture and the radio - is based on the constitutional guarantee of freedom of speech and freedom of press. We have but to look abroad to see what happens in the destruction of human liberties when these guarantees are taken away."

Mr. Stahlman said it was the obligation of the radio, screen and press to maintain their freedom. "With Europe gone haywire", he declared, "you of the radio and screen and we of



the press have no higher obligation to the American people than to oppose every effort from within and without to encroach on man's right to think, speak and worship as he pleases."

Mr. Hays stressed the freedom of the motion picture in America.

The Copyright Committee of the Association was authorized to enter into negotiations for a new contract with the American Society of Composers, Authors and Publishers, to take effect when the present one expires on Dec. 31, 1940. The broadcasting stations pay the Society for the use of music on which it holds copyrights.

"The Copyright Committee", the resolution further stated, "if in its judgment no good purpose is served by postponement of its dead-line, is authorized to prepare such measures as are necessary and expedient to enable the industry to provide sufficient music for its requirements without ASCAP on the expiration of the existing ASCAP contract."

A paper by Orrin E. Dunlap, Jr., Radio Editor of the New York Times, on "Television, Facsimile, Their Future Effect on Broadcasting", was read to the delegates by Edward M. Kirby, Director of Public Relations of the Association. Mr. Dunlap was unable to attend the meeting.

Stephen Early, Secretary to President Roosevelt, addressed the Association Tuesday on "Radio and Its Relation to the Government" at the morning session. He told the delegates that "so long as radio serves democracy it will remain free" from censorship. He emphasized, however, "that this is solely my personal belief."

"The myth of censorship and the fallacy that broadcasters goose-step to official pressures seem to a side-line observer to be the twin bogey-man of radio", Mr. Early said. "In my opinion freedom from official censorship, freedom from domination by any administration or political party rests with the radio itself. So long as its operations reflect the 'doctrine of fair play' as expressed by the statutes governing political broadcasts, so long as programs are interesting, informative and clean - in brief, so long as radio serves democracy, it will remain free."

"No columnist, interpreter or broadcaster who misinterprets, misquotes or invents news out of a clear, blue sky survives long. The good sense of the American people catches on to the fact that he is a perverter rather than a purveyor of news. In the same way the American people soon lose confidence in the type of individual who seeks to stir up prejudice against race, against religion or against color. Thus I can conceive of no permanent danger within our country, even though great temporary harm is often done to our national welfare by such people."

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 :::: TRADE NOTES ::::  
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Appointment of Anton Bundsmann, a veteran of fifteen years' experience in the Broadway theater and in motion pictures, and Donald Davis, stage and motion picture writer, to the television staff of the National Broadcasting Company, has been announced by Thomas H. Hutchinson, manager of NBC's Television Program Division. Mr. Davis will be television's first staff script writer.

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The story of how radio, unknown 20 years ago, has come to be the greatest factor, next to eating and sleeping, in the lives of 99,000,000 persons in the United States, will be presented in a series of eight programs over Columbia Broadcasting System's nationwide network beginning Monday, July 17, from 9 to 9:30 P.M., EST. The series is to be called "So This Is Radio."

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Maj. Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, warned against the threatened loss of traditional American freedom in an address this week at the University of Virginia Institute of Public Affairs, Charlottesville, Va.

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Use of lottery methods in the sale of fishing tackle, silverware, rifles, radios, cups, blankets and other articles is alleged in a Federal Trade Commission complaint issued against Rose Greenberg, trading under the name of Central States Supply Company, 537 South Dearborn St., Chicago. The respondent is alleged to have furnished others with push cards for use in the sale of her merchandise to ultimate consumers.

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Gerald Maulsby, formerly Assistant Director of Program Operations for the Columbia Broadcasting System, has been appointed Production Manager for the network. He succeeds John S. Carlile, who recently resigned following an extended leave of absence. LeRoy Passman, who has been serving as Maulsby's assistant, takes over his former duties. Both new appointments take effect immediately.

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The Federal Communications Commission this week granted permits for the erection of three new broadcasting stations. The applicants are: Richland, Inc., Mansfield, O., for 1370 kc., 250 watts power, daytime only; Northwest Broadcasting Co., Fort Dodge, Ia., 1370 kc., 250 watts, daytime, and 100 watts at night, specified hours; Coastal Broadcasting Co., Brunswick, Ga., 1500 kc., 250-100 watts power, unlimited time.

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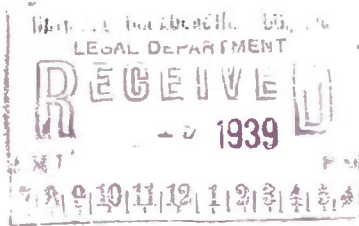
# HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.

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July 18, 1939.

## FCC GIVES MILLER THE HEAT

Resenting the letter of protest he had written them in connection with the alleged "censorship" international broadcast ruling, the Federal Communications Commission last Friday gave to Neville Miller, President of the National Association of Broadcasters the most merciless grilling the FCC has ever given to any representative of the radio industry. Declaring time and again that there was no intention on his part to offend the Commission, Mr. Miller suffered further embarrassment in his lack of knowledge of international broadcasting. The witness readily admitted this, pleading that he had not been connected with radio long enough to familiarize himself with all phases of the work.

Nevertheless he was kept on the stand the better part of the morning session and for the entire afternoon - going over and over the same ground for almost five hours. Although the cross-examining was done mostly by William J. Dempsey, FCC General Counsel, and Commissioner Frederick I. Thompson, the Commissioners, sitting solemn as owls in the borrowed finery of one of the palatial Federal Trade Commission air-cooled hearing rooms, seemed to approve.

Also evidently air-cooled were questions asked by the Commission with regard to the Broadcasters' recent convention at Atlantic City, the first in the history of radio regulation to which no member of the Communications Commission had been invited to speak.

"We would have been afraid to go", one Commissioner remarked to this writer, "for fear that they might have thrown something at us."

Resentment on the part of the FCC towards Mr. Miller was very marked and one got the impression that the ire of the Commission was thoroughly aroused and that it proposed to take no orders from him or anyone else connected with the National Association of Broadcasters.

Mr. Miller testifying at the hearing, said the first indication he received that the Commission had these new international rules in mind was a telephone call from Ed Kirby, Director of Public Relations. "Where he heard about it I couldn't say."

Commissioner Thompson seemed to regard this as divulging confidential information regarding the Commission and requested that Mr. Kirby be called to explain this when Kirby returned from Atlantic City.

Following publication of editorials in newspapers accusing the Commission of censorship, Mr. Miller said he received a number of telephone calls from various broadcasters. Asked by Commissioner Thompson to name the callers, the witness said he could not do this. "Can't you name a single one? If not, can you give the number?" Mr. Miller said it was approximately ten or fifteen.

"I was merely wondering", Mr. Thompson answered, "who felt there was going to be an orgy of censorship and who it was who was so terribly excited over the question."

Mr. Thompson inquired as to whether or not Mr. Miller inspired any of the numerous critical newspaper editorials. He declared that Mr. Miller was active in having this letter, with severe strictures as to the attitude of the Commission, inserted in the Congressional Record.

Swagar Sherley, Counsel for NAB, sought to deny this. Mr. Thompson said he was trying to find out whether the obnoxious letter to the FCC reflected the individual views of Mr. Miller or a small group of members or if it truly reflected the sentiment of the 428 members or 23 members of the Board of Directors.

Mr. Miller said he had not consulted with the Board or the members before sending the letter.

With regard to the News Review, issued by the NAB from time to time containing newspaper editorials on the subject of radio, Mr. Dempsey asked if it was the policy of the broadcasters to select one-sided editorials. Mr. Miller said it was not.

At one stage of the proceedings, Mr. Dempsey, showing considerable impatience, declared, "Mr. Miller is very disappointing. He apparently knows nothing about any of the issues involved."

In connection with a pamphlet "Censorship of International Broadcasts" which the broadcasters distributed, Mr. Thompson endeavored to bring out the fact that it had inspired further editorials criticizing the Commission. This pamphlet went to a mailing list of 3000 which, besides the Association membership, included a large number of newspapers and 400 members of Congress.

There was a flare-up when Mr. Sherley protested against the treatment of the witness. "If my memory was quite as accurate as it should be", he said, "I might recall Star Chamber proceedings of an earlier day because someone had been critical of the action of the government."

Commissioner Payne interjected: "Do you wish to let stand your characterization of the examination by Mr. Thompson as Star Chamber proceedings?"

"I am willing to let stand my statement that I think the courtesy shown the witness has been rather conspicuous by its absence", Mr. Sherley retorted.

"Mr. Sherley, would you say that the courtesy, as shown by Mr. Miller when he wrote the letter to the Commission originally and published it before it was delivered to the Commission, was conspicuous by its absence?" Commissioner Case replied heatedly.

Subsequently Mr. Miller said: "It is certainly my desire to cooperate with the Commission in every way. Ever since that letter has been issued which, in my mind, I intended no discourtesy, I have been told of the terrible thing I have done. I tried to indicate to the Commission this morning that if I had overstepped the bounds, which I did not think I had, but if I had, I was certainly sorry. But I think, on the other hand, that I, as a citizen, and I as the President of the National Association of Broadcasters have certain rights that I am going to fight for, here or anywhere else, and I hope I can fight for those rights without being interpreted as being disrespectful to a public official."

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#### CULTURE STUMPS THEM -- WHAT IS IT?

As was the case with several other witnesses the question of just what was meant by "culture" in the FCC international broadcast ruling seemed to have Frederic A. Willis, Assistant to the President of Columbia, and in charge of their short wave operations, guessing. Mr. Willis had told the Commission about the different kinds of programs Columbia broadcast.

"Can you state whether, in your opinion, these programs reflect the culture of this country?" the radio executive was asked.

"I can't say definitely", was the reply. "I have spent, since 1930 to 1939 - I have been in many discussions, probably at least 30, with many leading educators endeavoring to find out and to define what educational broadcasting is. I presume I would have just as much difficulty in trying to define and find out what American culture was."

Also Mr. Willis was quite frank in telling the Commission that he therefore didn't know what their new international rule meant.

"Do you know if you have been violating the rule?"

"No", Mr. Willis replied.

"Do you know what the rule means?"

"No", he again answered.



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Mr. Willis was asked if there has ever been any attempt by anyone to censor any program broadcast.

"Not to my knowledge", was the answer.

"From any official source or otherwise?"

"Not at any time."

"You have had complete freedom in the choice and selection of program material?"

"Entirely."

Later in the hearing, Mr. Willis was asked what he conceived to be the most significant trend that he had observed in analyzing the mail Columbia received from listeners.

"I should think that by far the most frequent comment is commendation for and appreciation of the uncensored news broadcasts which European listeners and South American listeners and every section of the world receive from this country."

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FCC TAKES TO COVER ON CENSORSHIP RULE

Shot full of holes by Congress, the newspapers, and the broadcasters, no surprise was occasioned when the Federal Communications Commission ran up the white flag by suspending the "censorship" rule that international broadcasts reflect the "culture of this country and promote international good-will." Although supposed to be suspended temporarily the rule is a very dead rabbit and the Commission hopes it has heard the last of it.

"The FCC, of course, never intended censorship but through a carelessly written rule simply pulled a boner", a high official said. "Neville Miller, President of the Broadcasters pulled another boner just as bad. Both the Commission and Miller were wrong. The thing should never have happened. Nevertheless it did, and the net result is an additional black mark against the Commission in the public mind and in Congress."

Although expected to run much longer, the "censorship" hearing which began last Friday morning was concluded Monday afternoon. The Commission will announce its findings later.

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## ALL S-W STATIONS RESPOND TO COMMISSION CALL

There was an outstanding attendance of high officials in the radio industry at the Federal Communications Commission international short-wave hearings.

Among those present were:

The Radio Corporation of America: Dr. C. B. Jolliffe and Oswald F. Schuette; R.C.A. Communications, F. P. Guthrie, Washington Manager; National Broadcasting Company: Frank Mason, VicePresident in Charge of International Broadcasting, Judge A. L. Ashby, Vice-President and General Counsel; Frank M. Russell, Vice President, P. J. Hennessy, Jr., Counsel, Guy C. Hickok, Short Wave Director; Columbia Broadcasting System: Frederic A. Willis, Assistant to the President and in charge of International Broadcasting, Harry C. Butcher, Vice President, Miss Tucker, Director of International Broadcasting, E. K. Cohan, Chief Engineer, and Paul Porter, Counsel; General Electric Company: Boyd W. Bullock, Assistant General Manager of International Broadcasting, L. D. Coffman, Counsel; Westinghouse Company: J. E. Rock, Assistant Manager of Broadcasting, H. L. Lohnes, Counsel; Crosley Radio Corporation: Duke Patrick; World Wide Broadcasting Company: Walter S. Lemmon, President; U. S. Commerce Department: John H. Payne, Chief of the Electrical Division of the Bureau and Foreign Domestic Commerce; U. S. Office of Education: W. D. Boutwell, Radio Director; National Association of Broadcasters: Swagar Sherley, Counsel.

Also present were James D. Baldwin and Phil Loucks, former secretaries of the National Association of Broadcasters.

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## SECOND TELEVISION REPORT POSTPONED UNTIL FALL

The second television report, recommending a policy to govern the issuance of experimental television permits, will not be submitted to the Federal Communications Commission until it resumes full sessions in the Fall.

The Special Committee has instructed members of the FCC staff meanwhile to draft a proposed report embodying its ideas on policy. In addition to Chairman T.A.M. Craven, the Committee comprises Commissioners Norman S. Case and Thad H. Brown.

Primarily involved in the second phase of the Committee's operations is consideration of pending applications for new stations in various sections and the formulation of a definite licensing policy. Under present regulations, experimental television licenses are issued only on condition that the licensees contribute to the technical advancement of the art, with no consideration given to testing of public reaction or program technique.

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## A RADIO EDITOR LOOKS AT TELEVISION TODAY

Television promoters have two years of agony ahead, Orrin E. Dunlap, Jr., Radio Editor of the New York Times, told the NAB convention at Atlantic City last week. His paper was read to the broadcasters as he was unable to attend the convention.

"Television is making progress in New York, but slowly", he said. "It is like the baby who has taken a few steps and rather chestily looks westward as if it might be no trick to walk right across the map to San Francisco. But the parents know that when the youngster goes to California, he'll probably fly, not hike. So with television today. It is toddling around New York. It can't walk to the Pacific. It must fly. But it cannot fly until there is a wire or a national radio relay system on which to travel.

"Those in telecasting today are asking when the others are coming in to help them carry the load. The pioneer already feels the burden. He's afraid that he will not be appreciated until years from now, when monuments or plaques may be erected. Pioneering is often a thankless task. Trail blazers meet the obstacles and opposition. So it is with the telecaster.

"From the broadcaster's standpoint, there is a vital question to be answered before he can hope to get revenue from telecasting. Who will pay for the programs? It may be from three to five years before that answer is available. Because of tradition in broadcasting, the quick answer is sponsors. But can they afford it? And will the public tolerate advertising on television? The eye in its likes and dislikes differs from the ear. The eye can 'tune out' even the most subtle visual advertising on the screen by a turn of the head or a drop of the eye-lid. The ear has no such guards.

"The toughest row to hoe in television is to get the first 100,000 sets in homes. Then many of the present riddles will be answered; public reaction will be known.

"Television has been called a \$13,000,000 'If.' The question is how to sever the 'If' and let the 13 million grow.

"First, programs must be of such calibre that the Joneses will be surprised to learn that they are missing pictures the Smiths are seeing. Before this can happen the price of television sets must be within range of the average pocketbook. Telecast stations must be on the air in cities other than New York.

"The optimist in television must be fully aware of the intricate problems ahead. For one who has seen so much magic performed by radio since 1912, it is easy after seeing scenes from a Broadway play, a baseball game, and a prize fight by television to realize that it has a tremendous future - that some day it will be a great industry.



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"It is true that television has not made the splash in New York that some expected. They overlooked certain factors, now more apparent since programming has been in effect on a regular schedule for two months. The optimistic figure of 100,000 television sets being sold by Christmas is being whittled drastically. 10,000 would be a big surprise. Nevertheless, progress is being made.

"From all indications it will be the autumn of 1941 at the earliest before television really gets up steam in the New York area. Telecasters have two years of agony ahead. In that period the showmen will learn more about their art, which, incidentally, is not merely Hollywood plus broadcasting. Television is an art in itself.

"Furthermore, and this is vital, before the public takes to television, prices must be reduced or present radios converted to receive telecasts without much expense. The public is greatly interested in television, but can't afford it."

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#### FCC IN SUMMER RECESS AFTER CLEARING DOCKET

After granting permits for eleven new local broadcasting stations and approving nine transfers of ownership, the Federal Communications Commission went into a Summer recess schedule until September this week.

The granting of 11 station construction permits at a single sitting set a new record.

The new stations will be located in Sarasota and Fort Lauderdale, Fla.; Brunswick and Moultrie, Ga.; Fort Dodge, Ia.; Salem, Mass.; Hastings, Neb.; Sumter, N. C.; Greenville, S. C.; Victoria and Plainview, Tex.; "Proposed findings", which are equivalent to grants but require later ratification if no objections are raised to the proposed decisions, approved new stations in Spartanburg, N.C.; Suffolk, Va.; and Grants Pass, Ore.

Among the transfers of ownership authorized was WFBM, Indianapolis, Ind. All of the grants were made without previous hearings in line with the Commission's policy of recent months to avoid unnecessary hearings so far as possible. Several of the transfers were to newspaper interests.

The stations involved in the deals which received the Commission's sanction, in addition to WFBM, were WIBC, Indianapolis, Ind.; WKBO, Harrisburg, Pa.; WJBY, Gadsden; KANS, Wichita; KWOC, Popular Bluff, Mo.; WGTM, Wilson, N. C.; WSPR, Springfield, Mass.; WWSW, Pittsburgh, Pa.

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## CATHOLIC TRUTH SOCIETY DEFENDS FCC RULING

A defense of the Federal Communications Commission and the international rule relative to program standards for international broadcasting was given at the FCC hearing last week by the Rev. Edward Lodge Curran, President of the International Catholic Truth Society, of Brooklyn, N. Y.

Dr. Curran also assailed the attitude of the National Association of Broadcasters against the rule and asserted that the FCC now exercise similar control over domestic broadcasts.

"Contrary to false and malicious charges which have appeared in the press and over the radio by self-inspired un-American and commercial sources, the latter of whom are more interested in the gold content of radio than in its cultural values, I am confident that Section 42.03 was adopted and approved by this Commission, the radio administrative agency of the United States Government, only after long and careful consideration of the best interests of our people as a whole, and in the best interests of our country both at home and abroad", he said.

"I, myself, as well as those whom I have the honor to represent, have been, at all times, irrevocably and unequivocally opposed to any form of censorship which tends to curtail or destroy our Constitutional rights of freedom of speech. In upholding the Constitutional right of freedom of speech, I am also mindful of the fact that in no article, and in no clause, does that Constitution grant any individual, or group, the right to destroy our democratic form of government, or the right to create and maintain a monopoly, especially in the public domain, which may be a detriment to the rights of our citizenship at large.

"If the Government of the United States, and the sovereign people of the United States, both of whom are represented by the Federal Communications Commission, cannot insist that International broadcasts, originating in the United States be devoted to programs of American culture and directed to the promotion of international good will, understanding and cooperation, then the President of the United States, and the Congress, should dissolve the Federal Communications Commission and hand over, lock, stock and barrel, all of its powers and prerogatives to the National Association of Broadcasters! Perhaps that is what the NAB desires?

"They have already received a free gift from the American people in the form of a free franchise for which they have never been charged a single cent by way of any franchise fee or tax. They now tell the American people that their representative, the Federal Communications Commission, has not the right to insist on American culture programs, and not the right to uphold the international policy of good will, understanding and Cooperation as adopted by their elected chief executive in the United States. This is the height and depth, the length and the breadth of economic totalitarianism. National Broadcasters of America, I

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beg to assure you, it is the Federal Communications Commission and not your august body, that is responsible to the people of the United States of America.

"The objections of the National Association of Broadcasters are supposed to be based upon a hatred of censorship in any form of radio programs. Unfortunately, for the National Association of Broadcasters, the basis of their objection falls to the ground. The broadcasting companies have exercised, and still continue to exercise, complete censorship themselves over every program issuing from their stations.

"Allied with the National Association of Broadcasters is the American Civil Liberties Union. What strange bedfellows this hearing brings together. Mr. Roger Baldwin of the American Civil Liberties Union is quoted as having once stated, I believe, to a Congressional Committee his belief that any alien had the right to advocate the violent overthrow of the United States Government. Mr. Roger Baldwin, in the course of the same testimony, is reported to have also stated that any alien has the right to advocate the assassination of the President of the United States!

"Will the National Association of Broadcasters allow a broadcast of these colorful doctrines over an international broadcast originating in this country, and thereby impress foreign peoples with the thought that the American people believe in violence and assassination?

"In the exercise of its powers over domestic broadcasts the Federal Communications Commission indulges in no such censorship as that exercised by the National Broadcasting Companies themselves, whose demand of a manuscript before the broadcast is in the nature of that censorship which it now seeks to control from the international as well as from the domestic point of view. Only when any program violates the admonition of the Federal Communications Commission against obscene, indecent or profane programs, and only upon protests filed with the Commission is a hearing held and the offending station rendered amenable to the cancellation of its license, if the degree of guilt so warrants. This is censorship post factum. It is a necessary right of any Governmental unit, especially of a unit which exists to protect the rights of the general public."

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The Columbia Broadcasting System announces the addition, effective July 15, of KWFT, Wichita Falls, Texas. Operating at 620 kilocycles with 250 watts power at night and 1,000 watts during the day, KWFT joins Columbia's Southwestern Group, bringing the CBS total to 116 stations in 115 cities.

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## NEW RADIO RULES FOR SAFETY AT SEA ADOPTED

The Federal Communications Commission announced this week adoption of Rules Governing Coastal and Marine Relay Services (Chapter VII), and Rules Governing Ship Service (Chapter VIII), effective October 1st. At the same time the Commission repealed existing rules 263 to 296, inclusive, and the Ship Radiotelegraph Safety Rules of May 21, 1937, as amended, effective October 1, 1939.

Briefly stated, the new ship service rules constitute those provisions of the existing Ship Radiotelegraph Safety Rules which are not repetitions from sections of the Communications Act of 1934, and include practically all of the existing ship, coastal, and marine relay rules 263 to 296, inclusive, with some modifications and additional rules.

In the new ship rules, whenever any rule is applicable only to a ship subject to the Safety of Life at Sea Convention, or only to a ship subject to Title III, Part II of the Communications Act, that fact is clearly stipulated by the particular section of the rules. This is necessary since all rules now included in the present Ship Radiotelegraph Safety Rules (which are to be replaced by the new ship rules) apply only to compulsorily equipped vessels.

The new ship service rules provide that ship station licenses will be issued for a period of three years instead of for one year as is now the practice. Since there are now over 3000 licensed ship stations aboard vessels of United States registry, this provision of license term should reduce somewhat the volume of work relative to filing of applications for renewal licenses and action taken in response to such applications. The three classes of ship station licenses are defined in the new rules according to the latest international regulations and methods of administration.

"A number of new rules are proposed to reduce interference and increase safety in the maritime mobile service. In general these rules establish priority of communications for both ship telegraph and telephone services on any frequency based upon international regulations, provide for the transmission and repetition of distress and auto-alarm signals, and provide that a ship station installed for safety purposes in compliance with law shall have priority, from the standpoint of interference, over the use of any other radio equipment on the same vessel. Coast stations are prohibited from transmitting call lists of ship stations on calling frequencies in accordance with existing policy and practice. A definite rule has been added requiring coastal telegraph stations to maintain a watch on the distress frequency during the international silent period in conformity with international regulations in order to promote safety of life at sea.

With regard to radio installations on compulsorily equipped vessels of the United States, rules are included in the new ship service chapter which, for safety purposes, limit the extent to which the emergency power supply and certain emergency radio apparatus may be used for ordinary communication while a vessel is in the open sea. In addition, a new rule is included requiring that operation of the emergency radio installation shall be available aboard compulsorily-equipped vessels within one minute after the need arises for its use.

"In general", the FCC stated, "it is believed that the new rules will improve operating conditions in the maritime mobile service and will increase safety of life and property at sea, as well as afford a more convenient set of rules for purposes of reference."

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#### NEW 100 KW. TUBE DEVELOPED BY G.E.

A new type 100-kilowatt radio tube in which the filament can be replaced, the first of its kind in this country, has been developed by engineers of the General Electric Company. Two of the tubes will be used in the new 100-kilowatt transmitter being completed for the General Electric short-wave Station W2XAF which now operates on 40 kilowatts. The new transmitter is expected to be on the air by August 1, according to C. H. Lang, Manager of Broadcasting.

The new tubes, designed by E. D. McArthur, H. E. Rowe and L. E. Record of the Vacuum Tube Engineering Department of the company, represent one of a series of developments that have been and are continuing to be made to place short-wave broadcasting on a more and more practical basis.

They are the largest tubes of their kind yet to be built in this country and when used with the new Alexanderson panel antenna, are expected to produce an effective directional power output of more than 600,000 watts. It is not anticipated that these tubes will replace the 100-kilowatt tubes in standard, or long-wave, broadcast transmitters.

"General Electric's interest in short-wave broadcasting dates back to 1923 with the establishment of Station "XI", said Mr. Lang. "Since that time considerable progress has been made in international broadcasting technique and the need for high-powered transmitters was realized if the barriers of distance and those of natural origin were to be combatted successfully.

"The new tube makes possible greater power output with a simpler set-up at the transmitter, thus providing greater efficiency in transmission. Whereas six tubes are now used to obtain a power output of 40 kilowatts, two tubes of the new type will have a power output of 100 kilowatts."

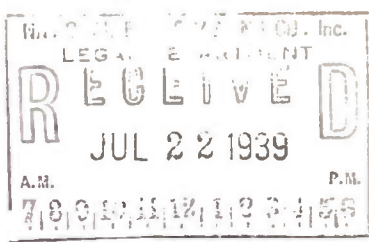
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## TRADE PRACTICE RULES ISSUED FOR RADIO INDUSTRY

Culminating efforts of the Radio Manufacturers' Association for over four years, the Federal Trade Commission this week issued Trade Practice Rules for the Radio Receiving Set Manufacturing Industry to become effective at once.

The rules aim to eliminate and prevent false advertising, deceptive selling methods, and certain other unfair trade practices, the FTC points out in a preliminary statement. They are issued, the Commission added, "in the interest of protecting the purchasing public and maintaining fair competitive conditions in the industry."

The Commission pointed out that total retail sales of radio sets, parts, etc., aggregated \$460,000,000 in 1937 and \$225,000,000 in 1938. At the present time, the statement added, there are approximately 41,000,000 receiving sets in the United States.

Among the RMA officials who assisted in drafting the Trade Practice Rules were Bond Geddes, Executive Vice President, and Commdr. Eugene F. McDonald, Jr., of Chicago, Chairman of a Special Committee on Fair Trade Practices.

Major provisions of the Fair Trade Practice Rules as promulgated by the FTC follow:

### "GROUP I"

"The unfair trade practices which are embraced in the Group I rules are considered to be unfair methods of competition, unfair or deceptive acts or practices, or other illegal practices, prohibited, within the purview of the Federal Government, by acts of Congress, as construed in the decisions of the Federal Trade Commission or the courts; and appropriate proceedings in the public interest will be taken by the Commission to prevent the use, by any person, partnership, corporation or other organization, of such unlawful practices in or directly affecting interstate commerce.

"RULE 1 - "It is an unfair trade practice for any member of the industry, in the course of or in relation to the marketing or distribution of radio receiving sets, parts or accessories therefor, or other products of the industry, (1) to use, or to cause, promote or further the use of, any marks, brands, labels, depictions, advertisements, trade promotional descriptions or representations of any kind which, directly or by implication, are false, misleading or deceptive to the purchasing or consuming public; or (2) to offer for sale, sell or distribute, or to cause or promote the sale or distribution of, radio receiving sets, parts or accessories therefor, or other products of the industry, under any other conditions or selling practices which have the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public.

"Rule 2 -- "All-Wave", "Standard Broadcast", Etc.:

"(a) Except as hereinafter provided, the terms 'All-Wave', 'World-Wave', 'World-Wide Wave', or words, phrases or representations of similar import, shall not be used as descriptive of a radio receiving set advertised, offered for sale, sold or distributed in the American market when such set is not constructed to receive and capable of receiving, with reasonable or adequate consistency, the entire spectrum of radio frequencies in recognized use in the art, namely, all long-wave broadcasts and transmissions; all medium-wave and short-wave broadcasts and transmissions, and all other waves transmitted or broadcast, including both foreign and domestic; excepting, however, that such set so described or represented need not include within its capacity of reception such point-to-point transmissions as are confidential and illegal for general reception and divulgence by members of the public, nor such unchanging signals as emanate from radio beacons or radio lighthouses, when such set is not otherwise falsely or deceptively described or represented, directly or indirectly, as being constructed to receive, or as being capable of receiving, such point-to-point or beacon or lighthouse transmission.

"(b) Nothing herein contained shall prohibit the use of the term 'Limited All-Wave', 'Limited World-Wave', 'Limited World-Wide Wave', or term or words of similar import, as descriptive of a radio receiving set advertised, offered for sale, sold or distributed in the American market when such set is constructed for and capable of consistently receiving at least a continuous spectrum of frequencies from 540 kilocycles to 18,000 kilocycles, provided such term or words are immediately accompanied by words, phrases or terms set forth conspicuously and clearly, unequivocally and truthfully stating the exact wave bands or frequencies which such set is capable of consistently receiver.

"(c) Nothing herein contained shall prohibit the use, as descriptive of a radio receiving set, of the term 'all waves' as an integral part of a clause, sentence or statement which truthfully and unequivocally sets forth the bands or radio frequencies such set does not cover, and wherein the words 'all waves' are not given greater prominence or conspicuousness than the other parts of such clause, sentence or statement; provided such set is constructed for and capable of receiving with reasonable or adequate consistency all the waves or bands of frequencies from 540 to 18,000 kilocycles and such other bands or frequencies as are represented to be within its receptive capacity.

"(d) The term 'Standard Broadcast' shall not be used as descriptive of a radio receiving set which is not built for or capable of receiving with reasonable or adequate consistency a continuous spectrum of frequencies from 540 to at least 1600 kilocycles.

"(e) Also, the term 'Standard Broadcast' as descriptive of a radio receiving set shall not be used in such manner as to lead the public to believe (1) that such set is constructed for and capable of receiving with reasonable or adequate consistency a greater number of radio frequency signals than is in fact true of such set; or (2) that the set is capable of so receiving more than the continuous spectrum of frequencies from 540 to 1600 kilocycles.

"(f) In the advertisement or sale of radio receiving sets, disclosure of the exact bands of frequencies which such sets are constructed to receive and capable of receiving with reasonable or adequate consistency is deemed desirable in the interest of



avoiding confusion, misunderstanding or deception of purchasers. Failure or refusal adequately to make such disclosure of frequencies, in connection with the use of the term 'Standard Broadcast' or otherwise, when the capacity and tendency or effect thereof is to mislead or deceive the purchasing or consuming public, is an unfair trade practice.

"(g) Nothing in these rules shall prevent the use, in lieu of 'kilocycles', of other recognized units of measurement, such as 'meters' or 'megacycles', when employed in a truthful and non-deceptive manner.

"Rule 3 - It is an unfair trade practice for any member of the industry to use, or cause to be used, any of the following-described types of advertisements or representations:

"(a) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will receive distant stations or any or all foreign broadcasts or transmissions easily or satisfactorily or as easily or satisfactorily as local or domestic reception, when such is not the fact.

"(b) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented, or the reception thereof, is not subject to interference or to being interfered with or interrupted by fading, noise, electrical interference, atmospheric conditions, static or any other phenomena or conditions, when such is not the fact.

"(c) Advertisements or representations, with respect to the receiving capacity or performance of a radio receiving set, which make deceptively exaggerated or misleading claims or claims which are not justified and supported by the fact or performance of such radio set in the locality in which it is so advertised, represented and sold.

"(d) Advertisements or representations which directly or by implication lead purchasers to believe that the radio set so advertised or represented is capable of greater or more consistent or satisfactory performance or reception than is in fact true.

"(e) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will give world-wide continuous reception or other continuous reception, when such is not the fact; or that the radio receiving set will give such reception or other reception with loud speaker volume, when such is not the fact; or that the radio receiving set will give world-wide reception or other reception regularly or dependably, when such is not the fact.

"(f) Advertisements or representations which present claims or representations concerning any radio receiving set in such a way as deceptively to cover or conceal defects or deficiencies inherent in such set, or defects or deficiencies inherent in the contemporaneous state of the art to which the receiving set is subject but which are not generally known to the purchasing public.

"(g) Advertisements or representations, of any radio receiving set, stating, purporting or implying that each station or any station, whether nearby or foreign or domestic, can be brought in, or brought in with sharp, clear or distinct reception or with ease, simplicity or regularity, by any radio receiving set so advertised or represented, when such is not the fact.



"(h) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will bring in or receive broadcasts from Europe, Africa, South America, Australia or Asia, or from any other designated locality; or that it will bring in such broadcasts, or any of them, consistently or satisfactorily, when such is not the fact.

"(i) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented sifts out noise or is free from noise, or brings in far distant stations sharp or clear, when such is not the fact.

"(j) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented will bring in or receive satisfactorily or consistently foreign stations, police calls, aviation calls, radio transmissions from or to ships at sea, amateur stations or other types of radio transmissions, when such is not the fact, or when only a small part of any such class of radio frequencies transmitted or broadcast is so receivable and such fact, or the fact that others of the same class are not so receivable, is deceptively concealed.

"(k) Advertisements or representations stating, purporting or implying that any radio receiving set so advertised or represented contains a certain number of tubes or is of a certain tube capacity when one or more of such tubes in the set are dummy or fake tubes, or are tubes which perform no useful function, or are tubes which do not perform or were not placed in the set to perform the recognized and customary function of a radio receiving set tube in the detection, amplification and reception of radio signals.

"(l) Advertisements or representations of any radio receiving set, or of any part or accessory therefor whatsoever, in such a manner as deceptively to conceal the true function of such part or in such manner as otherwise to mislead or deceive the purchasing or consuming public in respect to such set or such part or accessory.

"(m) Advertisements or representations stating, purporting or implying that the price of radio receiving sets, parts or accessories therefor so advertised or represented have been reduced or are reduced prices, or have been reduced a certain amount, when in fact such purported or represented price reduction is fictitious, or is otherwise misleading or deceptive.

"(n) Advertisements or representations stating, purporting or implying that radio receiving sets so advertised or represented are of the latest model, when such is not the fact; or advertisements or representations which, directly or indirectly, have the capacity and tendency or effect of leading the purchasing public to believe that the set is of the current year's model or has not been supplanted, superseded or succeeded by a newer or later model; when such is not true in fact; or advertisements or representations which are otherwise deceptive or misleading respecting the model of the set.

"(o) Advertisements or representations of radio receiving sets or prices therefor which deceptively or misleadingly conceal the fact that the advertised price does not cover necessary or advertised accessories or devices which must be purchased with the set at an additional charge; or which falsely or deceptively state or imply that the advertised price covers such accessories or devices, when such is not the fact.

"(p) Advertisements or representations of radio receiving sets which present former prices or so-called list prices which are fictitious.

"(q) Advertisements or representations of purported bona fide trade-in allowances when the price of the new set so offered for sale has been deceptively inflated or marked up to offset the trade-in allowance.

"RULE 4 - Sponsorship: It is an unfair trade practice to use, or cause to be used, advertisements or representations, of radio receiving sets, parts or accessories therefor, or of other products of the industry, which have the capacity and tendency or effect of misleading purchasers or the consuming public into the belief that such radio sets, parts, accessories or products are sponsored or manufactured by, or are otherwise associated with, any person, concern or organization which is or has been prominent or well known in the electrical or radio industry, or by or with any other person, firm, corporation or association, when such is not the fact.

"RULE 5 - (a) Alteration of Brand Name. The defacement or removal of the correct name plate or brand name of a radio receiving set, or the replacement thereof by another name or mark, when done with the capacity and tendency or effect of thereby misleading or deceiving the purchasing or consuming public in respect to the origin, manufacture or true name of such set, or in any other material respect, is an unfair trade practice.

"(b) Deceptive Use or Change of Cabinets. The placing of a radio receiving set or chassis in a cabinet designed or made for a set or chassis of a different manufacturer or for a set or chassis of a different size, type or model, when done with the capacity and tendency or effect of thereby misleading or deceiving the purchasing or consuming public as to the original, size, capacity, make, manufacture, brand or type of such set or cabinet, or when done to mislead or deceive purchasers in any other respect.

"RULE 6 - The imitation or simulation of the trade-marks, trade names, labels or brands of competitors, with the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public is an unfair trade practice.

"RULE 7 - It is an unfair trade practice for a member of the industry directly or indirectly to give, or offer to give, or permit or cause to be given, money or anything of value to agents, employees or representatives of customers or prospective customers, or to agents, employees or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their employers or principals to purchase or contract to purchase products manufactured or sold by such industry member or the maker of such gift or offer, or to influence such employers or principals to refrain from dealing in the products of competitors or from dealing or contracting to deal with competitors.

"RULE 8 - It is an unfair trade practice for any member of the industry, directly or indirectly, to give, pay or contract to pay, to any clerk or salesperson of any customer-dealer handling two or more competitive brands of radio merchandise, 'push money' 'spiffs' or any other bonus, gratuity or payment, as an inducement or encouragement to push or promote the sale of such member's product or products over competing products of other members in the industry.

"(a) with the capacity and tendency or effect of thereby causing the purchasing or consuming public, when making purchases of such products, to be misled or deceived into the erroneous belief that such clerk or salesperson is free from any such special interest or influence, or is not so subsidized or paid by such member; or

"(b) with the capacity and tendency or effect of thereby hampering and unduly restricting the legitimate, free and full use and enjoyment of such retail trade outlets for the distribution to the public of competing products; or

"(c) with the purpose or effect, directly or indirectly, of otherwise substantially lessening competition or unreasonably restraining trade in the marketing of the products of the industry; or

"(d) with the effect of thereby bringing about the granting of an illegally discriminatory service, payment or price contrary to Section 2 of the Clayton Act as amended by the Act of Congress approved June 19, 1936, known as the Robinson-Patman Act."

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#### DOG CHASES "CAT" IN TELEVISION TEST

Television -- now coming into its own -- has drawn upon every existing science for its development and operation, declared Dr. Orestes H. Caldwell, Editor of Radio Today and former Federal Radio Commissioner, addressing the New York Lions Club luncheon at the Hotel Astor this week.

Even the homely art of sic-ing a dog on a cat has been resorted to by the engineers in trying to locate sheat breaks in the coaxial cable used for radio transmission.

In England, a 12-mile underground "coax" cable had been giving trouble, said Dr. Caldwell. After every other test had been tried, the engineers bethought themselves of pumping the hollow cable full of a gas having a strong "cat odor". Then a trained retriever dog was led along the ground for the length of the buried cable, and at 14 points the dog stopped and began pawing the earth, in search of an invisible cat. At each such spot the engineers found leaks and repairs needed in the cable, although buried three feet below ground. In this way the "dog-and-cat" method, although new to electrical engineering, saved incalculable digging.

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## FCC MAY SPLIT ON CENSORSHIP RULE

Although it may be a week or two before the outcome of their deliberations may be known, there is an impression that the Federal Communications Commission will be divided in the matter of restoring the rule or a substitute for it requiring that international broadcasts reflect American culture and international goodwill. Prepared to go all the way in fighting a restoration of this ruling, or anything else smacking of censorship on the the part of the Commission, is Commander T. A. M. Craven. Commissioner Case might also be counted upon to register opposition.

The other Commissioners smarting under criticism from Congress, the newspapers, and President Neville Miller of the National Association of Broadcasters, it is believed, may try to rewrite the rule or salvage it at least in part so as to avoid the appearance of reversing themselves or of defeat. Again the rule may be thrown out altogether and a substitute offered; but in any case it is thought there may still be quite a difference of opinion among the Commissioners on it. Apparently Commissioners Thompson, Walker, Brown and Payne stand together as a bloc with Craven and Case likely to take the opposite side.

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### RADIO CENSORING WOULD BE A SWEET JOB

What trouble the Federal Communications Commission might let itself in for if it undertook to censor international radio programs was gleaned from the testimony of Frank E. Mason, Vice-President of the National Broadcasting Company, in charge of the NBC International Division. Mr. Mason, a veteran foreign correspondent was later an intelligence and censor officer with General Pershing in the A.E.F.

Asked at the short-wave hearing whether he had ever had any of his newspaper material censored overseas, Mr. Mason replied: "I have been censored and have been the censor." Mr. Mason then told at length of his censorship experiences and while he dealt almost entirely with newspaper work, he gave the Commission a pretty good idea of what they would be up against if they undertook to censor radio programs, especially the news.

Mr. Mason was then questioned with regard to other phases of the Commission's much discussed short-wave rule. Asked if it was his primary purpose to reflect the culture of the United States or to create international good-will, Mr. Mason replied:

"We are trying to do an intelligent job but we don't go out every morning and say, 'We are going to try and promote International good-will'. We have selected men whom we believe

will do an adequate job. When the President of the United States speaks we feel that we ought to carry the words of the President to the four corners if it is consistent with the desires of the White House. We don't inquire whether it is going to promote International good-will or not."

"If you had to measure all of your programs by the application of a standard which provided that you should render a service which would reflect the culture of the United States and contribute to International good-will, understanding and cooperation, would it impose any additional burden upon the effectiveness of your service?" P. J. Hennessy, Jr., NBC counsel inquired.

"Well", Mr. Mason replied, "I have listened very attentively to the use of the word 'standard' in this hearing, but I don't know what you mean by 'standard'", the witness replied. He said that the rule under discussion, in his opinion, has all the elements of surveillance and censorship in it.

"Do you ever make any conscious effort to create International ill-will for the United States?"

"No sir", Mr. Mason replied.

"I understood you to say that certain programs may do so incidentally."

"I have five large volumes of clippings from newspapers in two Continental European countries which are filled with clippings showing ill-will which has been created toward the United States from various actions in the United States. We don't feel that our obligation is any different from any other truthful reporter in reporting the actions of the government of the United States., and we don't question as to what the reactions will be."

"Are you of the opinion that in the long run, the broadcasting of truthful news is followed by international good-will?"

"I don't know that the truth is always so pleasant", Mr. Mason countered.

"Then let's say 'truthful news.'"

"Well, what constitutes 'news'?" the witness came back. "We don't call it censorship if we have to do editing and we select as carefully as possible in order to create a truthful picture in the mind of the auditor."

"But you do make the effort?"

"Very distinctly."

Getting back to culture, William J. Dempsey, General Counsel of the FCC, inquired:

"General speaking, your programs have reflected the culture of the country?"

"We have intended, as we understood culture to reflect it", Mr. Mason answered, "but I would hate to have to define the word 'culture', if that is your next question."

"That isn't my next question, Mr. Mason", Mr. Dempsey concluded, "in fact I haven't any more questions."

Asked what place technical testimony given by Dr. C. B. Jolliffe, in charge of RCA frequencies had in the International Short-Wave hearing, Mr. Hennessy said:

"One of the issues involved here is that if the transmission of programs will meet with the affirmative requirement that they cultivate American good-will abroad. It seems to me to be the essence of this proceeding that we show what countries we reach and in doing so what other parts of the world we serve through the use of frequencies that are assigned to us."

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LEMMON DENIES APPROVING FCC HOT-SHOT

Taking issue with the testimony of Neville Miller, President of the National Association of Broadcasters, that he had approved the final draft of the letter which Mr. Miller wrote to the Federal Communications Commission, which stirred up the animals so, Walter S. Lemmon, President of the World Wide Broadcasting Company, denied this vigorously when he appeared before the Commission.

"Did Mr. Miller show you the drafts of letters similar in purport to the one accusing the Commission of censorship?"

"Yes", Mr. Lemmon answered, "some rough drafts. As I recall it, it was a chance meeting with Mr. Miller while traveling aboard a train one evening."

"What were your comments to Mr. Miller, if any?"

"This was a casual meeting and I can't remember the exact comments, but I think I said I felt that one draft was entirely too hot; but I believe I said that the other rough draft was good, but I think I also added that I gravely doubted the advisability of proceeding in quite this manner. I think I recommended to Mr. Miller a conference with the Commission of some sort."



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"Were you consulted in that final draft as it was submitted to the Commission?"

"No", Mr. Lemmon replied. "I had no idea that Mr. Miller was in any way seeking my approval."

"Did you know that it was intended that this letter should be submitted to the press?"

"No", Mr. Lemmon again said with some emphasis.

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#### DIRECTIVE ANTENNA MIGHT KILL SEVERAL BIRDS

A new angle was raised when Boyd W. Bullock, Assistant Manager of Broadcasting of the General Electric Company, suggested the possibility of a directive antenna enroute, also placing the program in other countries outside the direct path of the beam.

"Do you agree that there may be some programs that are favorably received in some countries but which may have the opposite effect in other country?" Mr. Bullock was asked.

"Just the fact that we are broadcasting uncensored news might have unsatisfactory effects in some countries", was the reply.

"Do you mean then that the broadcasting of uncensored news might create International ill-will?"

"I can see how it might. Of course one has to describe what he means by 'International good-will'. I can conceive how uncensored news might build good-will with most peoples of most countries.

"Under present conditions the parties in power in some of these countries might not be so happy about us broadcasting uncensored news into their countries; therefore we might not be building good-will with the governments but we might with the peoples. One general conclusion from our mail is that people like to get uncensored programs."

Although Mr. Bullock agreed that the rule which the FCC had promulgated which had brought down upon that body so much criticism was a good objective for international broadcasting, he frankly stated that he did not think this objective should be contained in an official rule of the Commission. When asked why, he replied:

"Because if there is such an official rule we must operate under it. In the operation of such a rule, the program content must be examined and an examination of any program content and whatever action may be taken after that examination, that as I see it, constitutes censorship, which the Commission has said that it does not care to indulge in."

Mr. Bullock said in such a rule, those operating the G.E. short-wave station would feel that it would have to take each program and measure that program against each one of the qualifications in the rule.

"You say you 'would have to do that'", Commissioner Paul Walker inquired. "That rule has been in existence for some time. Have you done it?"

"No sir, we have not", Mr. Bullock replied. "We have not changed up to the present time our method of operation since the rule has been in effect."

Asked by Commissioner Craven if he felt qualified to judge what is international good-will and what is not, Mr. Bullock replied, "No, I do not very well."

"Aren't you fearful of the difference of judgment between yourselves and the Commission?" Mr. Craven continued.

"I am not fearful of the difference of opinion; I am just fearful that as a result of it we could be accused of doing something that was wrong when our intention would be to do what was right."

"Well, the fundamental difficulty is the fear of the difference of opinion, isn't it?"

"For fear of not knowing how to comply", Mr. Bullock replied.

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#### SWITZERLAND SHOWS FIRST TELEVISION

One of the attractions at the Swiss National Exhibition in Zurich is a small television transmitter, specially constructed for the exhibition, and entirely of Swiss origin, according to World Radio. The transmissions, mostly of outdoor scenes, are of good quality. It is the first time television has been demonstrated in Switzerland, and the apparatus is intended primarily to show the achievements of technical engineering, because it is recognized that, for technical - the high mountains present one of the problems - as well as financial reasons, it will be a long time before it is a practical proposition for general use.

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## NAB COUNSEL CITES BILL OF RIGHTS AS FCC LIMITATION

The Bill of Rights, as well as the Communications Act, serves as a limitation upon the Federal Communications Commission and in itself would bar the enforcement of the FCC regulation, now suspended, regarding the type of programs that international radio stations may transmit, Swagar Sherley, Special Counsel of the National Association of Broadcasters, declared in the closing arguments at the Commission hearing this week.

"I believe I speak the voice of the sober thinking people of America", he said, "when I say that they do not believe that democracy can be preserved by the Government's denying, even for a good purpose, the very essence of democracy: freedom of expression.

"The vice that underlies this regulation is the old, old vice of believing that any limited number of people given a temporary grant of power are capable of or should be permitted to determine what it is well for the American people to think and say.

"The folly of such a regulation is shown most glaringly when we consider what effect it will have upon the age-old attitude of our government regarding its accountability to other nations for the views and expressions of its nationals.

"Always when protest has been made by another nation because of expressions voiced in their individual capacity by officials of this government, the State Department on behalf of the government has replied that under our system of government it is the right of its citizens freely to speak and print their views regarding all matters, governmental or otherwise, and that there is no power within the government to control the utterances of its nationals.

"When recently the German government saw fit to protest against remarks that had been made by the Secretary of the Interior, this was the answer given by our government. Similarly, when exception was taken to remarks made by the Mayor of New York, the answer was one that while expressing regret that any citizen should have given utterance to criticisms of the ruler of a friendly nation, yet it was not the province of our government and it was without power to undertake a censure of the person complained of, or to prevent a repetition of the incident.

"If, however, the Federal Government is to undertake to stand sponsor for international broadcasts, in that it makes a positive requirement that such broadcasts shall reflect the culture of America and shall be such as to promote international good will and cooperation, then I submit that the Federal Government stands committed to see to it that the broadcasts are so circumscribed and robbed of all vitality as to prevent the giving of offense; and if by chance the judgment of your Honors, as the



governmental agency underwriting the harmlessness of programs broadcast on international waves, should prove faulty, the Federal Government must accept the responsibility for the broadcasts and take disciplinary action to punish the offense and to prevent its recurrence.

"In summary and in conclusion, may I say that it is my position that the Bill of Rights is an express limitation upon every power conferred upon our Federal Government by the Constitution of the United States.

"That Congress, recognizing the limitation in the First Amendment upon freedom of speech, has most emphatically and explicitly declared that this Commission should exercise no form of censorship.

"That all of the powers conferred upon the Commission regarding classification and other matters are by the express terms of Section 326 of the Radio Act made subject to that clause.

"That Rule 42.03(a) is censorship and censorship none the less because of the benevolent intent of the Commission in adopting it.

"We lose sight entirely of the fundamental issue here involved if we accept a disclaimer as to an intent to disagreeably or restrictively enforce a regulation as warranting its enactment.

"We were told during the hearing that the industry should have no concern over the regulation adopted or some substitute for it, because its enforcement would be by reasonable men and without an intent to interpret it oppressively. This is the old, old plea for power sought to be justified by a disclaimer of intent to abuse the power. But I submit as a matter of law that a regulation adopted speaks in its own language and once adopted it becomes the duty and not the option of those charged with enforcement to see to its enforcement.

"It should be a sufficient answer in the realm of practical matters that if the regulation is not to be interpreted as censorship in any way and is not to be enforced, there is no need for it.

"We spent a good deal of time in question and answer as to the form of the regulation. The very fact that after weeks of consideration the regulation took its present form of clear censorship (though that was not the intent of the Commission), indicates the futility of undertaking by a regulation that deals with character of program to express an objective, no matter how worthy, that does not of necessity entail censorship.

"I do not believe that the wit of man is sufficient to enable anyone to lay down a regulation that deals with the subject of program broadcasting in the international field that will not prove upon analysis subject to the same or equally serious criticism as to its restrictive character. Certainly at first blush a

broadcasting that shall promote international good will and co-operation would seem to be one about the purpose of which there would seem to be no dispute. But if this hearing has shown anything, it has shown the futility of such an expression.

"I have spoken in vain unless I have made plain that this whole issue arises from the Commission having, however unintentionally, failed to appreciate the limitations upon its action that arises out of the very philosophy of our government.

"Believe me - and I say it with very deep respect - it is not the function of the Commission to act as guardian of the radio industry. It was not intended by the law of its being that it should be a guardian. Its powers are very great. They tax the wisdom of the wisest men, but they do not embrace this field.

"The Commission has made its mistakes, but when we consider the complexity of the problems that have confronted it in its many fields of activity, I am very loath to criticize; and it should be said that it has had the wisdom and the courage to correct many of these mistakes. I truly believe that it will have the wisdom and courage to correct this fundamental mistake and that it will do so not by undertaking the impossible task of rephrasing an intent as to the character of international broadcasts, but will content itself solely with the classification as to area to be served under licenses given for international broadcasting.

"Time will justify such a course and the evidence in this case, aside from the question of power which the Commission does not have, demonstrates the lack of wisdom of undertaking to define, generally or generously, the program duties of those who have been licensed in this field."

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ASCAP ISSUES "COPYRIGHT LAW SYMPOSIUM"

The American Society of Authors, Composers, and Publishers this week issued copies of "Copyright Law Symposium", being a reprint of five essays adjudged by a Committee of the American Bar Association as the best among forty prize-winning papers prepared by graduating students of law schools participating in the 1938 Nathan Burkan Memorial Competition.

The Nathan Burkan Memorial Competition was inaugurated in 1938 in memory of the General Counsel, who died in 1936. The purpose of the competition, according to the foreword, "is to encourage careful and impartial study of copyright law, analysis of the need and justification for, the public benefit from, and the wise public policy of enacting such a law."

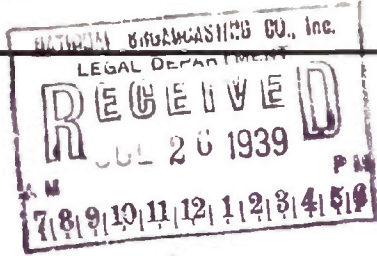
All law schools were invited to participate in the contest. Forty did so in 1938 and 76 have entered the 1939 competition. An award of \$100 is paid to the student in each class who prepares the best essay.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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*[Handwritten signatures and initials]*



July 25, 1939

## WORLD LISTENERS JUMP 33 MILLION IN A YEAR

There are at least 33,000,000 more radio listeners over the world today than there were a year ago, according to Arthur R. Burrows, of the International Broadcasting Office, Geneva, who makes a yearly tabulation of the distribution of receivers.

The International Broadcasting Office has just issued its annual chart showing the growth during the previous year of homes equipped for the reception of broadcasts. The figures obtainable from 88 governments or administrations show that in these countries the number of homes equipped rose from 69,748,829 in 1937 to 77,997,444 in 1938.

"The actual position is undoubtedly even more favorable than the figures suggest", Mr. Burrows comments in World-Radio. "Although the Geneva Office has received more returns than on any previous occasion, the Union of Socialist Soviet Republics has again provided no new figures and we have been compelled to have recourse to those of 1936. Brazil and China, too, are countries with some hundreds of thousands of listeners which, for various reasons, have not given their figures for 1938. These facts apart, the new total of 78 million equipped homes, or approximately 312,000,000 persons to whom radio programs are available in their homes, is a gratifying one.

"It is also interesting to note that Europe is rapidly catching up with the rest of the world in the matter of radio installations. At the end of 1937 Europe had only about 33½ million radio-equipped homes against 35,900,000 on the other Continents. At the end of 1938 Europe had nearly 38,600,000 against just over 39,400,000 elsewhere. These figures, it should be kept in mind, refer to homes and do not take into account the many millions of sets now installed in motor-cars, notably in the United States of America.

"There is a possibility that European listeners will equal in number the listeners in the rest of the world at the end of the present year.

"The United States of America remains the most densely equipped country. Her figures are approximative, as there is no system of registration; but the estimate of the Federal Communications Commission (which is one of 28 millions at the end of 1938 as against something like 25½ millions at the end of 1937) places the United States in the forefront with just over 215 sets for each thousand of its inhabitants. Denmark takes second place with 205.78 sets for each thousand inhabitants. Actually, Denmark still leads the world amongst those countries possessing a license system and able therefore to provide definite figures as distinct from an estimate.

"Third in the world order comes New Zealand with 195.90 equipped homes for each thousand persons. New Zealand has displaced Great Britain from third position by raising her license numbers from 279,054 to 313,826 - a highly creditable performance; Sweden has fourth place with 194.74 receivers to each thousand persons; and Great Britain fifth place with 192.86 per thousand. The Commonwealth of Australia, which for some years past has been highly placed in this great world race, is sixth with 160.53 sets to each thousand of her people.

"If we continue to think in terms of the relation of equipped homes to the white population, then Northern and Southern Rhodesia now hold seventh place, there being, at the end of 1938, 9,956 receiving sets among a white population of 67,552. This is a growth of over 2,150 sets within a year - due, in a great measure no doubt, to the development of short-wave broadcasting. Uganda, Kenya, and Tanganyika, together take eighth place with 140.25 sets to each thousand of the white population. Actually, there was a growth of 1,160 sets in a total of 3,996 in these areas during last year.

"For the ninth place we come back to Europe. Belgium can claim this position by having raised her proportion of sets to each thousand of the population from 122.09 to 134.29. Germany takes tenth place with 133.45 sets per thousand. This figure takes into account the license figures for what was Austria and also those of the Sudeten German areas. It also takes into account an augmented population.

"The Netherlands, which possess a registration system, but prefer to rely on voluntary contributions rather than institute a tax as a source of revenue, hold eleventh place with 132.74 equipped homes for each thousand persons; and Switzerland twelfth place with 131.27, as against 120.97 at the end of 1937. Iceland, Norway, Luxembourg, France, and Danzig come thirteenth, fourteenth, fifteenth, sixteenth, and seventeenth respectively, with figures ranging down from 131 to 110.68 equipped homes per thousand of the population.

"One cannot pursue these figures throughout the countries of the world without risk of becoming tedious. It is interesting to note, however, that the Dominion of Canada takes eighteenth place with a total of 1,213,725 equipped homes representing 108.85 for each thousand of the population and the Union of South Africa nineteenth place with 102.29. The next best figure - an approximation - comes from the Argentine Republic. It shows 91.44 equipped homes for each thousand of its people."

Next year, Mr. Burrows concluded, it may be possible to obtain an estimate of the number of short-wave receivers in use in these distant places.

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7/25/39

## CRAVEN-FOR-CHAIRMAN BOOMLET IS LAUNCHED

A mild boom to make Commdr. T.A.M. Craven Chairman of the Federal Communications Commission if and when Frank R. McNinch resigns, as is expected, has been launched by persons prominent in the radio broadcasting and manufacturing industries.

Commissioner Craven, who is the only trained engineer on the FCC, was slated for the chairmanship at the time of his promotion to the Commission from the position of Chief Engineer. Politics and his refusal to knuckle under to some of the Administration aides, it is understood, interfered, however.

Commander Craven was intimate with President Roosevelt when they were both in the Navy Department, and since he has been associated with the Commission, he frequently has been called to the White House for conferences with the Chief Executive.

His opposition to the McNinch purge last Fall aroused some of the Presidential advisors, notably Thomas G. Corcoran, and led to an open feud with the Chairman.

Within recent months, however, the attitude of the White House toward McNinch and other members of the Commission has changed, and it is believed that Commander Craven is again in favor with the President.

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## RADIO WIRE TELEVISION CORPORATION FORMED

The Radio Wire Television Corporation of America, with studios at 160 East 56th Street, New York City, has been formed as a merger of Wire Broadcasting, Inc., and Radio Service Co., Inc., it was announced last week. John E. Otterson, formerly President of the Winchester Repeating Arms Corporation, Electrical Research Products, Inc., and Paramount Pictures, will be head of the new organization. Incorporation papers were filed last Thursday in Wilmington, Del.

In accepting the active leadership of the expanded enterprise, Mr. Otterson said that every current technological trend pointed to the ultimate distribution of entertainment by wire. He said that at present the company's operation is limited to key cities on the Atlantic seaboard, but that in the near future he hoped to extend it on a nationwide basis.

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## OPENING OF CONGRESS RADIO GALLERIES CELEBRATED

Radio correspondents, broadcasters, and legislators celebrated the formal opening of radio galleries in the U. S. Senate and House Monday night at a dinner given on Capitol Hill.

Officials of the three major networks - NBC, CBS and MBS - mingled with radio reporters and members of the Federal Communications Commission. Speaker Bankhead participated in a network broadcast. Boake Carter was a guest.

Present also were Representative Dempsey (D.), of New Mexico, who sponsored the changes in rules in the House, and Senator Gillette (D.), of Iowa, who brought about the change in Senate Press Gallery rules.

Fulton Lewis, Jr., Washington commentator for MBS and President of the Radio Correspondents' Association, acted as master of ceremonies.

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## LOGAN BILL, FOUGHT BY ADMINISTRATION, CURBS FCC

Radio attorneys are watching with interest the efforts of the Administration to block the Logan bill to curb the powers of quasi-judicial agencies which has passed the Senate and is now in the House.

The proposed law is opposed by the government agencies as well as the Department of Justice, and an effort is being made by Administration leaders to have the bill reconsidered. It would impose a mandatory obligation upon Federal Courts to set aside decisions, rulings and orders of administrative agencies on any of the following grounds:

- (1) If the findings of fact were "clearly erroneous";
- (2) If the findings of fact were not supported by "substantial evidence";
- (3) If the decision was not supported by the findings of fact;
- (4) If the decision was issued without "due notice" and a "reasonable opportunity" for the aggrieved parties to have "a full and fair hearing";
- (5) If the decision was "beyond the jurisdiction" of the agency;
- (6) If the decision infringes the Constitution or statutes of the United States, and
- (7) If the decision is "otherwise contrary to law".

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## G.E. DEVELOPS WATER-COOLED TELEVISION LAMP

One of television's greatest problems, that of providing studios with twice the light now required by the movies, yet not subjecting articles to unbearable heat, has been solved by General Electric engineers in its television station at Schenectady, by the use of a battery of four new-type water-cooled quartz mercury-arc units containing 12 lamps having the light output equivalent to that provided by nearly 30,000 watts of incandescent light, at the same time giving off no appreciable amount of heat.

The lamps are about the size of a cigarette and have an exterior of quartz. Surrounding the tube is another quartz jacket through which water passes at the rate of three quarts a minute, to prevent the lamp from destroying itself, due to the intense heat.

The water, in passing around the tube, transmits 90 percent of the heat away from the light source, and as a result, little heat is dissipated into the studio, unlike other types of lamps previously used.

The new mercury lamp radiates more than two and one-third times the light given off by an incandescent lamp of the same wattage. The twelve 1000-watt lamps used in the G-E television studio have a total light output of 780,000 lumens, while the same wattage of incandescent lamps would give off only 330,000 lumens of light.

The greatest factor, however, prompting their use in the television studio was that no appreciable amount of heat was given off by the mercury lamps. The possibility of a burn from incandescent lamps, caused by the infra-red radiation, greatly inconvenienced performers appearing before the television camera; in the new lamps more than 90 percent of the infra-red radiation is absorbed in the circulating water.

The cooling system of the lamps is equipped with a pressure-operated switch and magnetic valve because the water in the jacket must be moving before the lamp is lighted and because the lamp must be turned off automatically in the event of failure or reduction of the water supply.

The lamp is filled with argon gas and, when lighted, a pressure of more than 1000 pounds per square inch is developed within the quartz jacket.

Two rubber hoses connect to each of the lamp units; one leading from a tap at one of the studio walls to allow water to pass into the lamps, and another carrying the warmed water from the lamps to the sewer line. An electrical conduit with a plug-in connection, also on the studio wall, provides the power to the transformers and control equipment mounted on the standard floodlighting unit tripods which support the lamps and reflectors.

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## MCDONALD CALLED "GOOD-BAD BOY OF RADIO"

Commander Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, is labelled the "good-bad boy of radio" in a biographical sketch by Jack Auburn Pennmann in "Future", a magazine published in Chicago in the interest of the Junior Chamber of Commerce.

The writer, after reviewing Commander McDonald's rise in the radio industry and his experiments in other industrial fields, concludes:

"He is known now as the 'good-bad boy' of radio. He is called the bad boy of the industry because of his unheralded moves that leave competition breathless. He does things that they 'know' can't be done and then, when he's done them, they have to find a way to do the same thing. He is the good Samaritan of the industry because of his constructive work in stabilizing the radio business and protecting retail dealers against price-slashing that ruins their investments. Although a busy man with many interests, he is famous for his personal correspondence with dealers.

"This hard-hitting, seagoing business executive lives an intensely interesting life. He has owned twenty-three boats and yachts in his lifetime. He lives with his wife and baby daughter on his 185 foot yacht, 'The Mizpah', which is known in every major port of the Great Lakes and from Labrador to the South Seas.

"The yacht, a floating home, is also the only floating experimental laboratory for radio in the world. Upon it, McDonald developed a Great Lakes radio-telephone service from ship-to-shore, the first automatic tuning and his famous 'radio nurse'.

"But in back of ownership of that yacht are years spent in taking the trouble to reason things out for himself and then having the courage to go ahead contrary to the weight of opinion. Then there has been the risk of putting hard earned money into ventures when that money had no more security than the correctness of his own judgment.

"McDonald always put his own finances into whatever he was trying to develop. Sometimes it wasn't much, and he had to make it grow. But when it was little, he put in little and then worked harder. When he made money, and really had money, he put more into what he was promoting so that he always has had a great stake in whatever he has done.

"And he constantly looked for something new or better. Besides the 'firsts' already mentioned, McDonald developed the first radio set for farmers to operate off a single auto-type of storage battery; the first single tuning control that did away with the many dials; the first radio set to operate one hundred



per cent from electric current without any batteries whatever; and the first set with more than one loud speaker - one for treble, another for bass notes and some sets with three speakers for high, medium and low vibrations.

"Television, air conditioning, aviation, commercial chemistry, plastics and a score of other industries are expecting today's young men to make similar accomplishments."

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### ELLIOTT ROOSEVELT HIT FOR COUGHLIN ATTACK

Taking the air in defense of the Rev. Charles E. Coughlin, Dr. Edward Lodge Curran, of Brooklyn, N. Y., President of the International Catholic Truth Society, assailed Elliott Roosevelt for his recent criticism of Coughlin over a nationwide hook-up Monday night from Detroit.

Dr. Curran appeared last week at the hearing of the Federal Communications Commission on international rules and at that time denied that he represented the Detroit radio priest or was in any way associated with him.

"It is doubtful if Elliott Roosevelt would ever be on the air in the guise of a speaker were he not the son of the President", Dr. Curran said. "The truth is, however, that this New Deal dynasty, not satisfied to having attempted to purge Senators, is now trying to purge all citizens who dare criticize the New Deal experimentations.

"Liberty of speech is the corner-stone of all political liberty. Either Elliott Roosevelt and the group with which he is associated cannot stand criticism or else the members of that group, including himself, fear the peering rays of the lamp of truth.

"The assertion that Father Coughlin has been anti-Semitic in his oratory is a strange charge and accompanied by no proof. It was a rehash of what is being said by the Leftist leaders of the country who think no charge too low, or too unworthy if it succeeds in smearing the object of its attack.

"Without freedom of speech on the radio, who would arouse the American public to the dangers of the World Court, to the un-Americanism of the Supreme Court packing plan, to the truth of the entire Spanish question and to the insidious dangers which lurked beneath the recent attempt to throw us into war, known as the Neutrality Act."

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7/25/39

## VATICAN PAPER EXPLAINS PAPAL RADIO BLESSING

Osservatore Romano, Vatican City newspaper has published an explanation of Pope Pius's decision July 12 to extend the benefit of plenary indulgence to all the faithful who listen to a radio broadcast of it. To obtain the indulgence, the newspaper says, those who listen in at the radio "must receive the Supreme Pontiff's blessing with the same devotion as those who are present at the rite."

Moreover, it continues, there are some conditions to fulfill for the acquisition of the indulgence. They are the same as for those who are physically present at the rite. These conditions are: confession, communion, a visit to a church or to a public or semi-public oratory and prayer in keeping with the Pope's desire.

"From the above", says the newspaper, "it can be obviously deduced that the indulgence connected with the blessing cannot be acquired by those who listen to the broadcast of the rite in a manner that does not concur with required piety and devotion or by those who have not fulfilled the four required conditions".

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## SWEDEN CELEBRATES DECADE OF SCHOOL BROADCASTS

In Sweden, which is celebrating the tenth year of broadcasting to schools, the number of schools equipped with radio receiving sets has increased from 283 to 4,000, and the number of school listeners from 14,000 to 140,000.

The successful collaboration between the Swedish Board of Education and the Radio Service began in 1929, and while the programs for elementary schools have been extended, those for the higher-grade schools have been reduced because of the heavy demands of their normal syllabus. The elementary-school broadcasts deal with a wide range of items, but those for secondary schools are confined to courses in English, French, German, Danish, and Norwegian.

To enable the smaller schools in remote country districts to obtain suitable radio equipment, grants are made out of the revenue received from licenses.

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B U L L E T I N

## McNINCH ANNOUNCES RESIGNATION AS FCC CHAIRMAN

Chairman Frank R. McNinch called at the White House late today (Tuesday) and conferred with President Roosevelt and afterwards announced that he was resigning as Chairman of the Federal Communications Commission. There was no immediate speculation as to his successor on the Commission.

Mr. McNinch has been ill and away from the Commission for several months.

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## GERMAN RADIO SET PRICES ARE REDUCED

German receivers will be considerably cheaper this season, according to World-Radio.

"Drastic price-cuts have been made possible by the official removal of all price restrictions and agreements", its Berlin correspondent writes. "A number of types will be reduced by at least 30 percent. The industry is now quite free, and every manufacturer will sell at the price he chooses. His price calculation and his costs bill, however, will be checked by an official organization.

"Rationalization of the radio industry has now been completed, but the full effect will not be seen until 1940."

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At a special meeting of the Jefferson-Travis Radio Manufacturing Corporation, New York City, held this week, stockholders approved a plan of readjustment of the corporate and financial structure of the company which was submitted by Felt & Co., of 52 Wall Street, according to Raymond Jefferson, Secretary-Treasurer of the corporation.

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Another legitimate theatre in New York will pass into the hands of a radio company when the National Broadcasting Corp. took over the Vanderbilt yesterday (July 24) on a thirteen week lease with a renewal option. The broadcasting company, which has been using the Ambassador since July 10, will install the Fred Waring program in the theatre.

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7/25/39

## FCC AUTHORIZES TRANSFER OF MACKAY CONTROL

The following order, authorizing an intra-corporation transfer in control of the Mackay Radio & Telegraph Co., of Delaware, was issued this week by the Federal Communications Commission:

"The Commission having under consideration applications filed pursuant to Sec. 310(b) of the Communications Act of 1934, for consent to transfer control of Mackay Radio & Telegraph Company of Delaware from Radio Communications Company, Inc., to Commercial Mackay Corp., a Delaware corporation, through The Associated Companies, a Massachusetts trust; and to transfer control of Mackay Radio & Telg. Co. of California from George S. Gibbs and Raymond C. Kramer as trustees of the Estate of The Associated Companies, a Massachusetts trust, to Commercial Mackay Corporation, a Delaware corporation, both filed on May 13, 1939; which transfer of control will be effected as a result of and in accordance with the reorganization of the Postal Telegraph and Cable Corporation and The Associated Companies as provided in a Reorganization Plan approved and confirmed by order of the United States District Court for the Southern District of New York, dated June 30, 1939, in the Matter of Postal Telegraph and Cable Corporation, The Associated Companies, debtors, in proceedings for Reorganization of a Corporation; and it appearing that said transfer is in the public interest; the Commission granted the said applications; Provided, however, that nothing in this action shall be construed as a determination whether any acquisition or transfer involved in the reorganization of the Postal Telegraph and Cable Corporation and The Associated Companies in accordance with the aforementioned Reorganization Plan, or any operations thereunder may or will result in any violation of Section 314 of the Communications Act of 1934, Section 7 of the Clayton Act or any other laws relating to monopolies or unreasonable restraints of trade; and Provided further that nothing in this action shall constitute an approval of the provisions of any contracts entered into or to be entered into among the companies involved; and Provided further that the proposed transfer of control shall not become effective without further order of the Commission unless the said order of the U. S. District Court for the Southern District of New York, dated June 30, 1939, shall be affirmed upon any appeal which may be taken therefrom."

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## LITTLEPAGES MOVE TO NEW QUARTERS

Littlepage, Littlepage, Porter, Littlepage & Williams, radio attorneys and counsellors at law in Washington, D. C., have announced the removal of their offices from the Bowen Building, 815 - 15th Street, to Suite 1036-1046 Investment Building, 15th and K Streets, N.W.

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## RCA TELEVISION ANTENNAS ANNOUNCED FOR AMATEURS

Three television receiving antenna systems, designed to meet the exacting scientific requirements determined by RCA Victor's seven-year, \$2,000,000 field test of television receivers and antennas, have been announced for sale to television amateurs and experimenters by the RCA Manufacturing Company. The Company has previously announced a number of tubes and parts to enable television-minded amateurs to construct their own receivers.

Each of the three antennas is designed to bring in television, as well as standard broadcast signals, with maximum efficiency under different conditions of reception. Together, they provide for every contingency, from the problems caused by reflection in city and mountain areas or where other obstructions exist, to the simpler problems of reception in suburbs and in relatively unobstructed localities.

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## WOR TO TRY TO TUNE IN MARS

When the planet Mars comes a'visiting Thursday (July 27) WOR engineers and a Hayden Planetarium executive will station themselves at a giant radio receiving station at Baldwin, Long Island, in an attempt to pick up signals from the planet.

With Earth and Mars closer together than at any time since 1924, observatories all over the world will train their telescopes on the mysterious orb in an effort to learn more about its characteristics. The radio engineers will be busy at the same time trying to solve the ever present question of whether or not life exists on the far away astral body.

Station WOR has requested the Army Signal Corps and the Navy Communications transmitters to remain off the air, except in the case of emergency, during the period from 9:30 P.M. to 10:30 P.M., EST, in order that many frequencies may be cleared for the experiment. At 10 P.M. Earth and Mars will be 36,030,000 miles apart. The maximum distance between the two planets is 61,000,000 miles. It is estimated that it would take approximately three minutes for a radio signal to flash from one point to the other on July 27 when Hans Christian Adamson, assistant to the President of the Hayden Planetarium, and WOR engineers tune more than forty powerful receivers to the frequencies they believe the Martians most likely to use.

"In 1924 WOR reported it had heard signals which apparently were not from any known transmitter on earth", a WOR release states. "Should they be successful in intercepting a signal from Mars this year they should be entitled to several important awards offered by distinguished scientists."

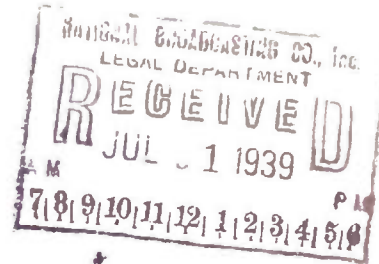
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1144

*my Aug 9*



## FLY, SUCCESSOR TO McNINCH, BACKED BY CORCORAN

James Lawrence Fly, gangling soft-spoken Texan who on Thursday was nominated by President Roosevelt as a member of the Federal Communications Commission to succeed Frank R. McNinch, resigned, had the backing of Thomas G. Corcoran, who is reputed to have suggested McNinch's appointment.

Mr. Fly, who is General Counsel of the TVA, is expected to encounter little opposition before the Senate Interstate Commerce Committee despite his affiliation with the New Deal's left wing. He is not, as has been reported, a former secretary of Senator Pat Harrison, of Mississippi. His name, it was said, was confused with that of Eugene Fly in the Internal Revenue Bureau.

While he was not designated as FCC Chairman at the time of his appointment, it is understood that he has been assured that he will be so designated by President Roosevelt once he has been confirmed.

Friends of Commdr. T.A.M. Craven, who has been supported for the chairmanship by organized broadcasters and radio manufacturers, still clung to the faint hope that he may be named Chairman if Mr. Fly arouses any opposition on Capitol Hill.

Mr. Fly, who successfully handled TVA's litigation before the U. S. Supreme Court and weathered the feud among the TVA Directors, has been considered for a half a dozen top New Deal jobs, it is understood, even though he was introduced to Government service by Herbert Hoover.

In 1929 he was appointed Special Assistant to the Attorney General in charge of anti-trust cases and in August, 1934, was made TVA General Counsel.

Mr. Fly's appointment, it is understood, had the approval of the retiring FCC Chairman.

Chairman McNinch's resignation does not become effective until September 1st, and it is reported that he is planning to let loose a final broadside against his critics and "unpurged" colleagues on the Commission.

Mr. Fly's nomination is for the remainder of the seven-year term of Mr. McNinch, which will expire July 1, 1942.

Mr. Fly has taken a leading part in the Administration's public-utility drive, but his service in this field dates back to 1929, when as Special Assistant United States Attorney General he

began and continued for six years to defend the Government as counsel in actions involving restraint of trade under Federal anti-trust laws and regulatory measures under commerce power.

Now, at 41, he is rated one of the most accomplished of the Administration's younger men.

Born February 22, 1898, in Seagoville, Dallas County, Texas, the son of Joseph Lawrence and Jane (Ard) Fly, the FCC Chairman-designate was graduated from the Dallas High School in 1916, from the United States Naval Academy in 1920 and from the Harvard Law School in 1926.

In June, 1923, Mr. Fly retired from the naval service and married Miss Mildred Marvin Jones of San Rafael, Calif. In 1925 he was serving as law clerk with Burlingham, Veeder, Nasten and Fearey in New York City. He was admitted to the New York and Massachusetts bars in 1926 and practiced with White & Case in New York until 1929, when he entered the Government service.

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MRS. ELLIOTT ROOSEVELT BUYS KTAT

The Federal Communications Commission this week authorized Mrs. Elliott Roosevelt to acquire all the outstanding common stock of the Tarran Broadcasting Co., licensee of Station KTAT, Fort Worth, Texas, from Raymond E. Buck for \$101,570.

The authorization was contingent upon the surrender of the license for Station KFJZ, also at Fort Worth, of which Mrs. Roosevelt is President and Director. It is proposed to make KTAT the key station of the Texas State network, which is headed by Elliott Roosevelt, son of the President.

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CRAVEN REPORT ON SHIP RADIO POWER IS ADOPTED

The Federal Communications Commission this week adopted the report of Commissioner T.A.M. Craven of May 19, last, relative to the power requirements of ship radio transmitters.

The Commission, had under consideration the proceedings upon the hearing conducted for the purpose of determining the power requirements for ship radio transmitters, in order to comply with the terms of treaty and statute, and as set forth in paragraph 12(c) of the Commission's Ship Radiotelegraph Safety Rules, as modified January 18, 1939.

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## RISE IN RADIO FACTORY OPERATION SHOWN BY REPORT

Continued increase in radio factory operations this year over 1938 were disclosed in the April employment report of the U. S. Bureau of Labor Statistics, just released, but with decreases from the preceding month of March. A supplementary report stated that in the monthly turnover rate per 100 employees, there were layoffs in radio factories of 3.64 per hundred last April, and 1.94 per hundred in the following month of May compared with 12.19 in May 1938. The ratio of new radio employees hired was 3.38 per hundred last April and 8.73 in May, compared with 6.68 in May 1938.

The April Government report stated that radio employment last April declined 4.3 percent from the previous month of March but was 21.5 percent above radio employment in April 1938. The April index figure was 94.6 compared with the previous March index of 98.9.

Radio factory payrolls for April declined 5.1 percent but were 22.8 percent above radio payrolls of April 1938. The April index figure on payrolls was 80.8 as compared with the previous March index of 85.1.

Average weekly earnings last April of radio factory employees were reported at \$21.19, five cents more than in March, and 1.0 percent above the April 1938 average. For all manufacturing industries the April 1939 average weekly earnings were \$23.82, a decrease of 2.1 percent from March but 7 percent above April 1938. The average weekly earnings of all durable goods manufacturers was \$26.98, a decrease of .5 percent from the previous month of March but 12 percent above the April 1938 average.

Average hours worked per week last April in radio factories were 36.2 hours, a decrease of 1.3 percent from the March average of 36.6 hours and were 7.7 percent above the April 1938 average. The national average working hours of all manufacturing industries last April were 36.4 hours, a decrease of 2.1 percent from the March average of 37.1 hours. The national average working hours of all durable goods manufacturers in April was 36.5 hours, a slight decrease from the March average.

Average hourly earnings last April of radio factory employees were 58.6 cents, .6 percent above the March average of 57.8 cents but 5.5 percent below the radio average hourly earnings for April 1938. The national average hourly earnings last April of all manufacturing industries were 64.8 cents, a slight decrease from the preceding month, and the national average of all durable goods manufacturers was 72.6 cents compared with March average of 72.7 cents.

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## FUTURE OF McNINCH IN DOUBT; U. S. JOB EXPECTED

Just where Chairman Frank R. McNinch will be transferred following his resignation from the Federal Communications Commission on September 1st is conjectural, but it is understood that he has been assured that a place will be made for him in the Government service.

It is doubtful that he will return to the Federal Power Commission because of opposition to him on Capitol Hill.

One story is that he will return to private law practice but with a sinecure as Special Assistant to Attorney General Murphy.

Reports of his state of health also vary widely. His friends insist that he has all but recovered from his stomach ailment which has kept him away from the FCC for most of the two years that he has been Chairman, while others maintain that his malady is incurable.

Mr. McNinch, who was appointed as FCC Chairman in the Fall of 1937 to do a "house cleaning" job, has had an odd political career. A former Mayor of Charlotte, N. C., he deserted the Democratic party when Al Smith was nominated for President and helped swing North Carolina to Herbert Hoover.

Mr. Hoover rewarded him by appointing him to the Federal Power Commission, but when Franklin Roosevelt was nominated, Mr. McNinch agilely jumped back on the Democratic bandwagon and became an ardent New Dealer. He soon became associated with Corcoran, who also first came to Washington under the Hoover standard.

Almost from the beginning McNinch aroused opposition both in the Commission and in the industry by his attempts to impose censorship on broadcasting, his ideas that radio stations are quasi-public utilities, and his hostility to newspaper ownership of broadcasting outlets.

His Waterloo came last Fall when he belatedly set about "house cleaning" by abruptly dismissing Hampson Gary, General Counsel, G. Franklin Wisner, Press Relations Chief, Davis G. Arnold, Chief Examiner, and others in a widely publicized "purge".

Commissioners Craven and Payne aroused his wrath by voting against the "purge", and McNinch thereafter devised, with Corcoran, the idea of reducing the Commission to a three-man agency to "purge" the recalcitrant Commissioners.

He got as far as having Senator Wheeler (D.), of Montana, introduce such a bill early in the session, but such an outcry of "dictatorship" was raised in the press and the radio industry that even Mr. Wheeler shortly thereafter pigeon-holed the plan.

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FOUR NEW STATIONS AUTHORIZED BY FCC

Construction permits for four new broadcasting stations were granted tentatively this week by the Federal Communications Commission. Two of them are to be operated by newspaper publishers.

The applicants are:

Niagara Falls Gazette Publishing Company, for a new station in Niagara Falls, N.Y., to operate on the frequency 1260 kc., with power of 1 KW, during daytime hours.

Vincennes Newspapers, Inc., Vincennes, Indiana, for a construction permit to erect a new station to operate on 1420 kc., with 100 watts, unlimited time.

Pontiac Broadcasting Company, Pontiac, Mich., for a construction permit to operate on frequency 1100 kc., with power of 1 KW, daytime only.

John R. Pepper, Greenville, Miss., for a construction permit to erect a new station to operate on 1310 kc., with power of 100 watts night, 250 watts, until local sunset, unlimited time.

Two license transfers also were approved.

Acting on the application of Charles R. Cook, Transferor, for consent to the transfer of 127½ shares of the Commodore Broadcasting Company, Inc., Licensee of Station WJBL, Decatur, Illinois, to the Decatur Newspapers, Inc., the Commission granted the application for Consent to Transfer Control of the Commodore Broadcasting Company, Inc., licensee of WJBL, to Decatur Newspapers, Inc. The station operates on 1200 kc., with 100 watts, sharing with Station WJBC.

The Commission also granted the application of Corn Belt Publishers, Inc., Transferees, for Consent to Transfer of Control of Drovers Journal Publishing Company, Licensee of Station WAAF, to Ralph W. Dawson, et al, transferees. Station WAAF operates on 920 kc., 1 KW, day.

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MARS IGNORES RADIO SIGNALS FROM MOTHER EARTH

Inhabitants of Mars, if any, blithely ignored radio signals of good will Thursday night when Station WOR, New York, attempted a unique, if futile, experiment to penetrate the 36,000,000 miles between Mother Earth and Mars with a high frequency signal.

The experiment, as described by the New York Times, created considerable interest and some sarcastic comments by spectators, chiefly newspaper men.

"The American Museum of Natural History, which has sent expeditions to all parts of the terrestrial sphere until there is very little of it left to explore, set out on its first inter-planetary adventure last night in an effort to communicate with Mars by radio", the Times reported. "The occasion was the close approach of Mars yesterday, when it was at the nearest point to the earth since 1924.

"The museum's Martian 'expedition' was headed by Dr. Clyde Fisher, Curator of the Hayden Planetarium, with Hans Christian Adamson, Chairman of the Museum's Committee on Public Press Information, acting as co-leader. Headquarters for the Museum's explorers were established at the Baldwin (L.I.) plant of Press Wireless, Inc., operated by WOR, where a group of radio engineers gathered last night for the most ambitious radio program in history.

"The first part of the expedition's program consisted in listening for signals that might possibly come from Mars. Forty men sat listening tensely to powerful short-wave receivers tuned in to different frequencies, ranging from 16 to 300 kilocycles. Many strange sounds came to their ears, leading some to believe that Mars might be populated largely by a species of cats. Others, more skeptical, ascribed the sounds to terrestrial atmospherics.

"At 11:22, when Mars was at a 30-degree angle to the Baldwin position on the earth, the signal was given for the second phase of the evening's adventure. At a signal from Mr. Adamson, radio engineers threw into operation a high-frequency radio transmitter, operating on 20,000,000 cycles, with a power of 20,000 watts. A long dash was aimed straight at Mars, a tiny dot in the heavens more than 36,000,000 miles away, which, to make matters a little more difficult, was at that time completely hidden by thick dark clouds.

"If that signal should break through the ionized layer', Mr. Adamson informed the curious by-standers, mostly newspaper men, 'and if it should hit Mars squarely, it should be reflected directly back at the earth by the mineral substance of Mars. The round-trip of the signal should take approximately six and a half minutes.'

"The forty powerful short-wave receivers tuned in once again and the radio engineers sat listening for the signal's return. Once again there were those who insisted they heard something. But the skeptics in the gathering spoiled it all by pointing out that the same sounds could be heard several minutes before the expected time. To relieve the tension some one offered the explanation that the Martians had bounced the signal back before it reached them."

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## FCC ACTS ON 290 OF 325 HEARING DOCKET CASES

The Federal Communications Commission this week announced that since November 15, 1938, it had disposed of 290 of a total of 325 broadcast hearing docket cases. Of the 35 not disposed of by the Commission, 12 cannot be acted upon by reason of contingencies beyond the control of the Commission, such as possible conflict with Havana Radio Broadcast Treaty and pending litigation. Of the remaining 23 docket cases decisions are in the course of preparation for early action by the Commission.

In addition to the foregoing 325 cases, there are 19 cases recently heard which are not available to the Commission for action because of lack of completion of the cases by litigant parties to the proceedings.

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## LOHR TO THE RESCUE?

Quoting an International News story, Earl Godwin, NBC commentator in Washington, said that it had been reported that some exhibitors at the New York World's Fair were starting a movement to try to get Maj. Lennox Lohr, President of the National Broadcasting Company, to pull the New York Fair out of the red. According to the New York Times, the Fair is 100,000 persons a day behind in attendance necessary to make it a financial success.

Major Lohr, along with Mr. Rufus Dawes, is credited with the success of the Chicago World's Fair.

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## BRITISH RADIO LICENSES INCREASE 5 PERCENT

The British Post Office issued 455,174 radio receiving licenses during May, representing a net increase of 21,544, or 5 percent, in the number of license holders during the month after making allowance for expired licenses and renewals, according to the American Commercial Attache at London.

The approximate total number of licenses in force at the end of May was 8,984,250, compared with 8,627,860 at the end of May 1938, an increase during the year of 356,390 or 4.1 percent.

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 ::: TRADE NOTES :::  
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The Federal Communications Commission has adopted Standards of Good Engineering Practice for Ship Stations, to become effective immediately. These Standards will be printed in a later issue of the Federal Register. Copies are now available for inspection in the office of the Commission.

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Station KWFT, Wichita Falls, Texas, is now available to CBS clients as a member of Columbia's Southwestern Group. This latest addition to CBS facilities operates on 620 kilocycles, with power of 250 watts nighttime, and 1,000 watts daytime.

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Radio industry payments of the Federal 5 percent excise taxes were 23 percent larger in the first six months, ending June 30, 1939, than in the similar half-year period of 1938, although the fiscal year radio tax collections were 17.3 percent below 1938. Radio tax collections in June, largely covering industry operations for last May, however, showed a sharp reduction of 42.4 percent from June 1938. The June radio tax collections were \$258,438.23 compared with June 1938 collections of \$448,882.61.

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John Joseph Gilbert, Vice-President and a Director of the International Standard Electric Corporation and Export Manager of the International Telephone and Telegraph Corporation, died at his home in Brooklyn Wednesday at the age of 67. Among his business associates Mr. Gilbert was credited with being one of the pioneers in extending the sale and use of the telephone in foreign countries. Over a period of years, beginning shortly after the Spanish-American War, he was described as having played a conspicuous part in the sales of equipment made in the United States to South America and Europe.

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The Federal Communications Commission this week announced the adoption of its final order granting the application of Mutual Broadcasting System, Inc., Chicago, Ill., for authority to transmit programs to broadcast stations in Canada.

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The Federal Communications Commission tentatively rejected this week a proposal to set up a radio paging service for physicians and surgeons in the New York City area. Sherman C. Amsden, who operates a doctors' telephone service in that city, asked the Commission for a construction permit to erect a special emergency radio station.

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## RADIO AN INSTRUMENT OF PEACE, SAYS BBC CHIEF

Addressing his remarks in German to listeners in Germany, F. W. Ogilvie, Director General of the British Broadcasting Corporation, recently spoke on the influence of broadcasting in promoting peace over BBC international transmitters. His remarks follow, in part:

"What can broadcasting do for peace? Well, some fifteen years ago perhaps the answer might have been: Not much. Broadcasting was then fundamentally a regional matter only: you would have been lucky if, in Bremen, say, you could hear the broadcast of the launching of a ship at Hamburg only eighty km. away; and it would have been quite unthinkable that listeners in the north of Germany should hear, say, the chug of that lovely little train from Partenkirchen up the Zugspitz in the south, or the clanking of textile machinery at Breslau in the east. Then broadcasting became national, covering pretty well the whole of a country; and now, quite fairly quickly, it has become international. Broadcasting across national frontiers - on short waves principally, but also to a large extent on medium and long waves - is now a regular feature of most broadcasting organizations; and it is obviously something which has not merely come to stay, but is likely to develop much farther, both technically and in other ways.

"The BBC was comparatively late in entering this field of international broadcasting. It was only eighteen months ago - in January of last year - that our first service in a foreign language began: we now have eight such services, including this one in which I have the honor to be speaking to you tonight. You also, of course, like other countries, do a great deal of broadcasting in foreign languages.

"Well, what are we to think of it all? Each one of us, of course, is entitled to his own opinion. My own personal opinion, for what it is worth, is that this world-wide development of international broadcasting has in it, perhaps, greater and more far-reaching possibilities of good than almost any other movement of our time. Have not the troubles of the world throughout history - troubles within a country, and troubles internationally - been due very often and very largely to misunderstanding; to ignorance of facts and ignorance of other people's ways of life and their points of view - which also are facts, and facts of a very important kind? For in the last analysis people act in such-and-such a way because they think in such-and-such a way; and I suppose we should all agree that wrong thinking has led most of us, at one time or another, both privately and publicly, into needless difficulties.

"To help us to know one another in things big and little: that surely is what international broadcasting can do as perhaps nothing else can, and is not that one of the surest ways to peace? In our BBC foreign language services, as in our home services, we try to give listeners what we think will interest them, and we are always very glad to know what listeners, at home or abroad, think about our broadcasts."

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## HENYAN MANAGER OF G-E RADIO TRANSMITTER AND TUBE SALES

George W. Henyan, for the last nine years Sales Manager of the Radio Department of the General Electric Company at Schenectady, has been named Manager of the Transmitter and Tube Sales Divisions of the Company's recently organized Radio and Television Department. The appointment, announced by Dr. W. R. G. Baker, Department Manager, is effective at once. Mr. Henyan will continue to make his headquarters in Schenectady.

Mr. Henyan graduated from the University of Texas in 1916 and entered the Test Department of General Electric in October of the same year. Except for a period from 1917 to 1919, when he enlisted for military service, he has been continually associated with the company. From the test he was transferred to the Central Station Department as a commercial engineer in 1919, and in 1921 entered the Radio Department and has since been associated in this line of work.

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## RCA WINS DISK RIGHT IN COURT DECISION

RCA Manufacturing Company, Inc., complainant in an action against Paul Whiteman, W.B.O. Broadcasting Corporation and Elin, Inc., has established its right to control the use by radio broadcasters of phonograph records of its manufacture, according to a recent decision of Judge Vincent L. Leibell of the United States District Court for the Southern District of New York.

Although not a party, National Association of Broadcasters appeared in the action by its counsel and was permitted by the Court to argue the position of the broadcasting industry against that of the record manufacturer. Its counsel also filed extensive briefs which were carefully studied by the Court.

The Court has directed that an injunction be issued in favor of RCA Manufacturing Company and against W.B.O. Broadcasting Corporation, operator of Station WNEW, permanently restraining the further unauthorized broadcasts of Victor and Bluebird records. Injunctive relief is also directed in favor of RCA Manufacturing Company and against Paul Whiteman from further asserting, either directly or through National Association of Performing Artists, or otherwise, that he has the right to prevent or permit radio broadcasts of Victor and Bluebird phonograph records embodying his performances unless an express reservation of this right was made in his contract of employment. NAPA is an association recently organized to assert the claims of certain performing artists that they have the right to control the commercial use of records of their performances. Even where a reservation was made by Whiteman with respect to radio broadcasts of his records, injunctive relief was directed in favor of RCA Manufacturing Company against Whiteman

from further asserting that he has the sole and exclusive right to prevent or permit radio broadcasts of RCA Manufacturing Company's records embodying his performances.

The decision establishes that both the record manufacturer and the performing artist are possessed of rights. The RCA Manufacturing Company rights, it was found, arise out of its manufacture of the records and their marketing with notices appearing on the labels and envelopes restricting their use to the home. The Court further found that use of phonograph records by broadcasters without the manufacturer's permission constitutes unfair competition with the manufacturer.

Officers of RCA Manufacturing Company stated that its counsel are carefully considering the legal effect of the decision. The Company plans to adopt a policy under which it will make many Victor and Bluebird records available for broadcasting purposes upon payment by broadcasters of a reasonable fee; also, it is contemplated that such fees will be equitably divided between the recording artist, the copyright proprietor and the record manufacturer so that reasonable compensation may be derived for groups which have heretofore complained of uncontrolled broadcasts of records, and full justice done to the artist, the copyright proprietor and the record manufacturer, as well as to radio broadcasters themselves.

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#### KSTP ARRANGES TO BUY RCA TELEVISION UNIT

Arrangements for the immediate installation of a television picture system for demonstrating television to the public of St. Paul and of the surrounding territory, have been completed by Stanley Hubbard, President of Station KSTP, with the Engineering Products Division of the RCA Manufacturing Company.

The television equipment is similar to that now in use at the New York World's Fair and at the Golden Gate Exposition, where the public has an opportunity to be televised and to see others televised. It consists of an electronic camera, with the famed Iconoscope television "eye", which picks up the images and carries them by special cable to a number of standard home television receivers.

Mr. Hubbard plans first to install the equipment, which is being shipped from the RCA Manufacturing Company's Camden, New Jersey plant, in the KSTP studios, at St. Paul. Later, he expects to set the equipment up in outlying districts which are not likely to have television service for some time yet, so that they too will have an opportunity to see the excellent pictures that are now possible with the type of high-definition television system that is now servicing the New York metropolitan area with regular television programs.

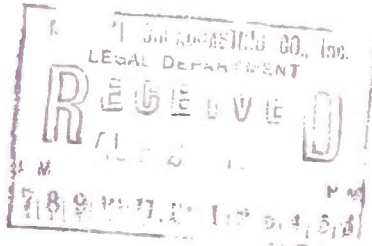
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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August 1, 1939.

## POLITICIANS AGAIN MANHANDLE RADIO INDUSTRY

(Editorial)

Once more a political appointee has been named by President Roosevelt to head the Federal Communications Commission. Although Mr. James M. Fly, slated to be the new Chairman, has an excellent record and may prove a very good man, nevertheless he would fit in just as well as the head of any other Government body. Like so many of his predecessors, he has no particular knowledge of the radio or communications industries and, as far as they are concerned, he is just another one politically favored who has been wished on them and who, at their expense, must learn the business from the ground up.

Of the six Chairmen, the Radio and Communications Commissions have had during their twelve years of existence, only two of them - the late Admiral Bullard and General Saltzman - had any technical knowledge of the industries. The others - Judge Sykes, Judge Robinson, Messrs. Prall and McNinch - were political appointees.

Although the life and death of the broadcasters is in the hands of this Government group, it is doubtful even with the aid of the National Association of Broadcasters, which has always been very weak in this respect, and still is, whether they have been a factor or in many instances even been consulted in the naming of a single Commissioner. The broadcasters "see" or communicate with a lot of people on the Hill and run around in a lot of circles where they are beautifully kissed off each time, but when the smoke clears away they find some Tommy Corcoran, as was supposed to be the case with Mr. Fly, has saddled another politician on them. True some of these appointees have proved to be very capable men but that wasn't why they landed on the Commission. It was because the Administration and the politicos wanted to put them there. That they proved themselves of any value was a lucky break for the industry.

Of the twenty-two men appointed to the FRC and FCC, only eight of them had any previous radio or communications experience. They were: Admiral Bullard, former radio expert of the U. S. Navy; O. H. Caldwell, radio engineer and editor; Henry A. Bellows, radio station operator; Col. John F. Dillon, U. S. Radio Inspector; Sam Pickard, director of an agricultural college radio station; General Saltzman, former Chief of the U. S. Signal Corps; Irvin Stewart, State Department radio chief; and Commander T.A.M. Craven, radio engineer and former Navy radio expert.

As against those eight, either the White House or the politicians, or both, have been responsible for the appointments of the following fourteen Commissioners who had had no previous radio experience but who were "right" politically: Thad Brown, Judge Robinson, Judge Sykes, Anning S. Prall, George Henry Payne, James H. Hanley, Frederick I. Thompson, Frank R. McNinch, Governor Norman S. Case, Hampson Gary, Harold A. Lafount, William D. L. Starbuck, Paul Walker, and the man who, up to a week ago, probably not one in a hundred in the radio or communications industry had ever heard of - Mr. James L. Fly.

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### McNINCH TO SUBMIT REPORT ON FCC "REFORMS"

Frank R. McNinch, before formally quitting as Chairman of the Federal Communications Commission, will deliver his swan song on his two-year tenure in a report on "the major improvements in the FCC since I took office." His resignation is effective September 1st.

The report, which will be submitted to President Roosevelt, is expected to be a defense of the purge-that-failed and a final slap at Commissioners T.A.M. Craven and George Henry Payne, who resisted his would-be dictatorship.

Mr. McNinch, who will enter the private practice of law upon his return from an ocean voyage, has been assured a retainer by the U. S. Government that will be as large as the salary he earned as FCC Chairman. Either as Special Counsel, or in a similar capacity, Mr. McNinch will handle special litigation, largely in the power field, for the Justice Department at a reputed retainer of \$10,000 a year. At the same time he will be permitted to engage in the private practice of law.

In his letter of resignation, released at the White House late Friday, Mr. McNinch said that the Federal Communications Commission cannot function to the maximum of efficiency with the "present personnel and within the inadequate framework" of the Communications Act.

He pointed out in his letter that the President had asked him to resign as Chairman of the Federal Power Commission in 1937 and take over the FCC Chairmanship to reorganize its work "to enable it to function more speedily and more uniformly and more nearly to our satisfaction."

"We both expected this task would be accomplished long before this time", he added. "Once having undertaken this work, however, I found it so fraught with problems and difficulties and the Commission so disunited that not until now have I felt justified in respectfully requesting you to release me from further service at the Commission.

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"I do not believe I could contribute a great deal more by continuing as Chairman unless I desired to continue in the work indefinitely, which I have no desire to do."

Mr. McNinch said reorganization of some Commission procedure and "certain personnel changes" had contributed toward a marked improvement in its efficiency, but "it is not possible to reach the maximum of efficiency in the public interest with the present personnel and within the inadequate framework of the Communications Act".

Accepting the resignation, the President in a "My dear Frank" letter, said he did so "with reluctance and sincere regret because of the high type of service you have rendered in the public interest."

"I realize that I imposed a heavy burden upon you when I asked you to resign as Chairman of the Federal Power Commission and assume the duties of the Chairmanship of the FCC. I know that the task of reorganization, with which you were confronted, was a heavy one, and I appreciate your present conviction that you could not see the work through to completion without continuing with the Commission indefinitely.

"For all that you have done - much of it imposing a tremendous strain on your physical strength - I desire to express gratitude and appreciation. And although your retirement from the public service is deeply regretted I do hope that in the less exacting demands of private life you will find speedy restoration to health and strength."

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#### SECOND RECESS MEETING SCHEDULED BY FCC

The Federal Communications Commission will hold another "summer session" to clear up accumulated business next Monday. Because two of its members - Commissioners Walker and Payne - leave for the Pacific Coast August 9th on FCC business, it was decided to schedule the meeting at that time.

The FCC at its meeting last week virtually cleaned up its docket with all cases ready for decision said to be current.

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The Federal Communications Commission granted the application of Orville W. Lyerla for a construction permit to erect a new station at Herrin, Ill., to operate on the frequency 1310 kc., with power of 100 watts night, 250 watts local sunset, unlimited time.

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## COPYRIGHT PARLEY SLATED; LEGISLATION DELAYED

Organized broadcasters and spokesmen for the American Society of Authors, Composers, and Publishers will meet in New York on Thursday of this week in an effort to reach an agreement on the terms of a new contract to govern the broadcasting of copyrighted music.

As there appears no prospect of remedial legislation by Congress at this session, the copyright question again will have to be settled between the National Association of Broadcasters and ASCAP in a give-and-take bargaining conference as in the past.

The NAB Copyright Committee, headed by Neville Miller, has been accorded broad powers to call a special NAB convention if it is unable to reach an agreement with the ASCAP officials.

Prolonged negotiations may follow the New York meeting as ASCAP to date has shown little inclination to substitute a new type of uniform performing rights contracts, as desired by NAB, for the current schedules, which do not expire until December 31, 1940.

Meanwhile, Senator Wheeler, Chairman of the Senate Interstate Commerce Committee, has entered the copyright negotiations by sponsoring a bill providing for the clearance of copyright at the source, whether by network or transcription.

The Wheeler Bill (S-2486) would amend the 1909 copyright law by providing that in case of an infringement by broadcasting, the liability for the use of a copyrighted work over two or more stations shall rest solely with the originating station. In the case of electrical transcriptions or other forms of recorded works, the responsibility would rest solely with the manufacturer.

No action is expected on the legislation, however, before next year.

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## BBC PLAYS UP U.S. SHORT-WAVE PROGRAMS

As a result of letters received showing that the American page in World-Radio published in London by the British Broadcasting Corporation and devoted to international radio programs and to cover adequately the outstanding transmissions received from the United States, this publication has decided to devote two pages to American short-wave programs and notes.

The first of these double-page spreads appeared in the issue of World-Radio for July 14 th.

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## U.S. AND MEXICO NEAR AGREEMENT ON RADIO PACT

After months of negotiations, the United States and Mexico appear to be reaching an accord on the allocation of broadcasting frequencies for the North American continent. This country, however, has been forced to consent to the continuation of the troublesome "border stations" which turn their powerful signals toward the United States.

Under the compromise which is expected to be accepted both by the State Department and the Mexican Government, the Havana agreement, with modifications, will become effective on February 1st next. Operation of this treaty has been held up by the refusal of Mexico to sign it.

The Havana Treaty would have eliminated the "border stations", which are operated chiefly by ex-American broadcasters and are aimed at American rather than Mexican listeners, but the compromise pact would permit Mexico to use six of its exclusive channels on the border at specified locations.

If the February 1st effective date is agreed upon, it will mean the Federal Communications Commission will be in a position to reallocate broadcasting facilities in this country in accordance with the terms of the Havana Treaty. This will mean a substantial number of frequency shifts, with many stations sliding 10 to 30 kilocycles within the band 550 to 1600 kc. However, the fact that six of Mexico's exclusive channels would be used on the border instead of in the interior of the country, will complicate certain of the frequency assignments contemplated originally.

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REARGUMENT SCHEDULED IN "BROOKLYN CASE"

The Federal Communications Commission, upon its own motion, has ordered a reargument before the Commission on October 19, 1939, in the matter of the Voice of Brooklyn, Inc. (WLTH), United States Broadcasting Corp., (WARD), for renewal of licenses, and the Brooklyn Broadcasting Corp. (WBBC), for modification of license, insofar, only, as said application requests the facilities of WARD and WLTH.

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FLY NOMINATION APPROVED AFTER CLOSED INQUIRY

The Senate Interstate Commerce Committee reported favorably the nomination of James Lawrence Fly as a member of the Federal Communications Commission this week after questioning the nominee in executive session. Prompt confirmation by the Senate was expected.

The White House is understood to have consulted Senate leaders before announcing the nomination to make sure that Mr. Fly would be confirmed before adjournment.

One of the sponsors of Mr. Fly on Capitol Hill is Senator Norris (Republican-Independent), of Nebraska, father of the TVA, with which the nominee has been associated as General Counsel.

Meanwhile, broadcasters wondered whether Mr. Fly will attempt to apply the regulatory methods used in the power and public utility field to radio as did his predecessor, Chairman Frank R. McNinch.

The latter encountered immediate opposition both on the Commission and in the industry and was forced to abandon most of his ideas for governing broadcasting as though it were a quasi-public utility.

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SINGLE RADIO QUESTION IN CENSUS SAMPLE TEST

A single radio question, "Does this household have a radio set?", has been included in the supplementary census schedule to be tested in mid-August when the Census Bureau conducts a special trial census in two Indiana counties, St. Joseph and Marshall.

The special census, first of its kind ever undertaken, is designed primarily to test questions on the proposed schedules, according to Census Bureau officials, and although results will be compiled and made public later, the general interest in the figures will be only temporary, since the territory will be covered again during the general population census in 1940. Final selection of the questions to be asked in the general census will not be made until the results of the special census have been analyzed and appraised, Secretary of Commerce Hopkins said.

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## G.E. SEES TELEVISION WIDESPREAD IN FEW YEARS

Within six or eight years, according to General Electric Company, "it is reasonable to assume that television facilities will have pretty well covered the country and that television receivers will be standard equipment in millions of homes."

A booklet on "Television" was included this week with the 68th quarterly report to G.E. stockholders. After describing General Electric's activities in the field of television production and manufacturing, the booklet takes a glimpse at "the future of television".

"The ladies will be able to view the season's new hats and gowns paraded on live models, see interesting cooking demonstrations and all kinds of products and appliances in actual use, and receive lessons from experts in interior decorating and gardening", the booklet says. "Television will make it possible for the entire family to enjoy - at home - baseball, football, sporting events of every kind, the theater, and other forms of entertainment.

"Instead of doing to the motor shows to see the new cars, we shall be able to 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.

"It is possible that television will act as an 'electronic peddler'. The housewife will be able to see the wares of department stores, make notes on bargains and prices, and then phone in her orders and save the many hours required in going from store to store.

"Television is rapidly coming to be one of many electrical helpers, supplementing, not supplanting, its predecessors.

"Just as the telephone did not do away with the telegraph, radio did not do away with the telephone, and television will not do away with radio. But television can now aid these other great benefits by extending man's horizons, and contributing to his material comforts."

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Station WMT, Cedar Rapids, Iowa, will rejoin Columbia on May 1, 1940. The station operates on 600 kilocycles, with power of 5,000 watts day and 1,000 watts night.

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## EXPORT TRADE TO BE THEME OF BRITISH RADIO SHOW

Special displays of receiving-sets, batteries, loud-speakers, aerials, and anti-interference devices designed for use overseas are to be an outstanding feature of the 1939 Radiolympia, Britain's annual radio exhibition, which is to take place from August 23 to September 2. Every British radio manufacturer marketing sets for oversea use will be represented, and guides and interpreters will be in attendance to show the visitor that, in whatever part of the world he lives, there is a British set to suit his listening needs.

The export section is only one of the many innovations designed to make the 1939 Radiolympia the most ambitious in the Exhibition's seventeen-year history.

In addition to the extensive BBC exhibits - a miniature Broadcasting House, containing displays reflecting every phase of BBC activity, will be the central feature of the main exhibition hall - there will be special displays by the British Army, Navy, and Air Force, showing radio's part in the work of the Forces, and the British Post Office, as usual, will take its customers behind the scenes of its varied services.

A model factory revealing how a receiving set is made, and daily demonstrations, by means of records, of good and bad reception are other features that will be included for the first time.

No spectacular developments in receiving-set design are expected, but emphasis will be laid on the advantages of the modern short-wave receiver and the refinements - press-button tuning and remote-control, for example - that have been introduced in recent years and further developed during the past twelve months.

"Considerable space will be occupied by displays of television apparatus, a branch of radio in which the British manufacturer may claim to lead the world", the BBC stated. "The would-be viewer will have a unique opportunity of proving that the 1939 vision receiver fully justifies the claim."

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## MILITARY PERMIT SYSTEM FOR CZECHS ABOLISHED

The American Commercial Attache at Berlin reports that the Ministry of National Defense (in liquidation) of the Protectorate Bohemia-Moravia has announced that on their suggestion the German military office (Wehrwirtschaftsinspektion Prag) abolished the military permit system on the import and export of radio

receiving sets. It will be remembered that in addition to import permits for which a few of 5 percent ad valorem is being charged, radio apparatus in former Czechoslovakia was also subject to military permit.

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#### RADIO DEBATE ON FCC RULES PROPOSED BY CURRAN

The Rev. Edward Lodge Curran, President of the International Catholic Truth Society, this week challenged Representative John Cochran (D.), of Missouri, to a public debate on his Bill to preclude the Federal Communications Commission from issuing any rules which would have the effect of "limiting international programs, originating in this country, which will reflect the culture of the United States, or promote international goodwill, understanding, or cooperation".

In a letter to Congressman Cochran, Dr. Curran suggested, "from the standpoint of public interest, that you arrange with Mr. Neville Miller, President of the National Association of Broadcasters, for a nation-wide broadcast on which I shall be glad to defend the purposes of Section 42.03 of the rulings of the Federal Communications Commission, while you criticize them."

Dr. Curran also called Congressman Cochran's attention to the recently-adopted Code of Ethics of the National Association of Broadcasters which provides for equal radio facilities for both sides of controversial issues, and he further reminded the Congressman, in view of the protests filed with the Commission against the adoption of Section 42.03, by the American Civil Liberties Union and the National Association of Broadcasters, that, "I feel sure Mr. Miller will be only too willing to grant your request."

"Naturally", said Dr. Curran, "I possess no freedom of speech on the floor of Congress, and, therefore, I feel that the importance of Section 42.03 entitles the American public to a fair and open discussion of its merits and demerits."

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Crosley Corporation and subsidiaries, Cincinnati, this week reported net profit for the quarter ended June 30, of \$193,141, equal to 35 cents a share on common stock, compared with \$208,916, or 38 cents a common share, in the preceding quarter and \$24,266, or 4 cents a share, in the June quarter last year.

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## TWO-FIFTHS OF NATION GETS NEWS FROM RADIO

While newspapers still hold a substantial lead in furnishing the nation with news, radio has made deep inroads into the field, a survey published in the current Fortune discloses.

Most of the study deals with "The Press and the People", but the following table is of equal interest to broadcasters.

In answer to the question, from what source do you get most of your news about what is going on, the investigators obtained the following replies:

	Total	Pros- perous	Upper middle class	Lower middle class	Poor	Negro
	%	%	%	%	%	%
Newspapers	63.8	70.7	70.0	63.6	58.1	51.6
Radio	25.4	17.8	21.0	26.8	31.3	28.3
Friends	3.4	1.1	1.2	2.5	4.8	12.2
Both	3.1	4.0	3.5	3.1	2.7	1.4
Magazines	2.3	4.5	2.7	1.9	1.3	3.1
All other	1.3	1.2	1.1	1.5	1.0	1.5
Don't know	.7	.7	.5	.6	.8	1.9

Commenting on the tabulation, Fortune says:

"Here a cloud, no bigger than a man's hand, shows itself above the horizon. True, the newspaper lead is ample; but there is good cause for concern on the part of publishers in the fact that nearly two-fifths of the nation has found it can get most of its news without turning to newspapers; and that one-fourth relies most heavily on radio - an entertainment medium to which news transmission is admittedly a byproduct.

"Radio's inroad deepens from top to bottom of the economic scale, taking in nearly twice as many of the poor as the prosperous. (The impecunious Negro depends on newspapers less than all others, more on the gossip passed on by his friends.) By occupation, there are marked preferences. Executives, professionals, and retired people rely on newspapers even more heavily than do the prosperous; unemployed and students rely on radio even more than do the poor.

"There is one more reason why the publishers should ponder well the growing rivalry of radio: while the 63.8% who still favor newspapers are a plump majority, they are not a contented majority. They don't like some things about the press; indeed, many of them compare newspapers unfavorably to radio."

Question 2 deals with which does the better job - radio or newspaper, in the opinion of the people. According to the survey, 83% believe radio gets news to them more quickly, and

surprisingly, Fortune says, 12.9% consider the newspaper faster. The press presents news more fully, in the opinion of 79.6%, and on the score of accuracy the totals were almost identical - 38.3 for newspapers and 38.0 for radio. A total of 49.7% said radio gives news freer from prejudice. The newspaper's vote on this latter point was 17.1%.

The interpreters of news are studied in Question 3: "Which do you like best? - radio commentators, 39.3%; newspaper editorials, 25.9; newspaper columnists, 10.7, no choice, 18.4; don't know, 5.7. And so it appears", comments Fortune, "that radio is the U. S. public's preferred source of news interpretation. Indeed, the radio commentators are more popular than the editorial writers and columnists combined. Even the prosperous, who give the editorial writers a larger vote (33%) than any other economic group, prefer the commentators by a shade (34%); while the poor favor the radio pundits six to one over the columnists. The commentators ranked first of the three in every section of the country, and among all occupational groups except professionals, executives and retired people, who stand loyally by the press on nearly all questions."

Totals on the fourth question: "If you heard conflicting versions of the same story from these sources, which would you be most likely to believe?" are: A radio press bulletin, 22.7%; a radio commentator, 17.6 (radio total 40.3); an authority you heard speak, 13.0; an editorial in a newspaper, 12.4; an item in a newspaper, 11.11; a columnist in a newspaper, 3.4 (newspaper total 26.9); depends on paper writer or speaker, 11.6; don't know 8.2.

"There, perhaps is the most painful set of answers that the press must swallow from its public. For reasons implicit in Question 2, it may be an unjust answer, as much denoting an inappreciative body of readers as an inadequate press", the magazine comments. "However, that extenuation cannot completely explain away the weak hold on the public of the editorial writer and the columnist."

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#### RCA QUARTERLY DIVIDEND DECLARED

David Sarnoff, President of the Radio Corporation of America, announced this week 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 held July 28th. The dividend on the First Preferred stock is 87½¢ per share, and the dividend on the "B" Preferred stock is \$1.25 per share. These dividends are for the period from July 1, 1939 to September 30, 1939, and will be paid on September 30th to stockholders of record at the close of business September 8, 1939.

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