# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

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INDEX TO ISSUE OF JULY 3, 1936.

	World Radio Population Now Put At 225,000,0002
	FCC Clears Up Docket; Sets 550-1600 Kc. Hearing
1	Schuette Quits S-W Institute; Becomes Counsel For RCA5
	Census Figures Released On Three Radio Station Areas6
	FCC Engineering Department Hires Technical Adviser
	Ban On Foreign Rebroadcasts Postponed For A Month8
	Japan Considers Television Research Institute
	WOL And St. Louis Applicants Lose In Examiners' Reports10
	Grand Jury To Investigate Camden Strike
	Australian Radio Manufacturers Prefer American Tubes

No. 942

#### WORLD RADIO POPULATION NOW PUT AT 225,000,000

The population of world radio listeners is growing by leaps and bounds, according to the latest report from the International Broadcasting Office at Geneva, but there is still plenty of more room to expand.

Figures just compiled as of January 1, 1936, disclose a radio listening population of 225,000,000, or 56,168,451 receiving sets. This compares with 48,300,000 sets at the beginning of 1935. Four persons on an average are estimated as having access to a radio receiver.

A. R. Burrows, Director of the International Broadcasting Office, predicted in releasing the report that there will be 60,000,000 radio-equipped homes, or 240,000,000 listeners at the end of this year.

"The United States retains the lead in the world, both in the number of receiving sets possessed by any one State (approximately twenty-two and a half millions in the homes, apart from three millions in motor cars), and in the proportion of the number of homes equipped in relation to each thousand of the population, which is 177.95", Mr. Burrows wrote in <u>World-Radio</u>. "She has drawn away from Denmark, which at one time was challenging her for first place. Denmark, Europe's champion, has nevertheless made headway, and has now a proportion of receiving sets to her population (164.41 per 1,000), which is higher than that of the United States a year ago. Great Britain takes third place in the world, with 160.77 receivers for each thousand persons. She looks like gaining second place during the present year.

"The new figures issued by the International Broadcasting Office include those for the U.S.S.R., the position of which, in the world of radio, it is always difficult to fix for statistical purposes, owing to the fact that the U.S.S.R., as far East as 40 degrees, is officially considered as being in the European zone, whereas it is impossible to obtain statistics dealing with this portion only of the vast Soviet territory. The figures received by the Geneva Office suggest a growth of 475,000 receiving sets within the U.S.S.R. in 1935. Many of these receivers, it is understood, are not receivers used in conjunction with an aerial wire, but apparatus which are attached to the Russian network of distributing circuits, and operate on the principle of 'wireless exchanges'.

"The other continents have produced several surprises. The first of these is that New Zealand listeners have outstripped Australian listeners, so far as the relation of receiving sets to population is concerned. New Zealand leapt forward during 1935 by 23.1 per cent, against Australia's 12 percent.

"Last year Canada held fourth place amongst the extra-European countries. This year the Dominion is placed sixth despite the fact that on March 31 (Canada's broadcasting year ends on March 31 and not on December 31), she was able to show 47,000 more registered listeners than a year ago. Canada, I am certain, will not grieve over her seeming displacement from a 'prize-winning' position, seeing that this is due to newcomers who possess relatively small areas and populations - one of them being British Somaliland, which possesses only six receivers amongst a white population of sixty-eight.

"If Canada's progress has not been in proportion to that of other British Dominions, that of the Union of South Africa has been above the average. Here a percentage increase of approximately 31.8 has to be recorded. Last year Chili followed on the heels of the Union of South Africa. This year Chili has been left well behind. For some reason, which we have not yet had time to discover, the figures for Chili, and indeed other Central and South American countries - such as Bolivia, Cuba, and Mexico - show a very considerable decrease on those supplied by the same sources a year ago. It is true that in all these cases the figures are but estimates, as there exists no licensing system, but the big declines recorded suggest the introduction of a new basis for the preparation of estimates. On the other hand it will be noticed that the great Argentine Republic claims an increase of about 300,000 receiving sets during 1935, and a place amongst the first eleven in the world in respect of the total number of listeners.

"Japan, although only seventeenth amongst extra-European countries (when one examines the proportion of receiving sets to population), deserves special mention. Actually, she is now sixth amongst the countries of the world in respect of the actual number of homes equipped for the reception of broadcast programs. Last year her numbers increased by 21.5 percent."

The census of radio sets in the principal European countries, follows:

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		Yugoslavia	81,385
Great Britain	7,403,109	Latvia	82,175
Germany	7,192,952	Irish Free State	78,627
France	2,625,677	Algiers	41,344
Holland	946,844	Portugal	40,409
Sweden	834,143	Danzig	29,000
Czechoslovakia	847,955	Egypt	41,370
Belgium	746,395	Lithuania	26,763
Denmark	609,226	Morocco	23,079
Austria	560,120	Estonia	24,193
Italy	530,000	Luxembourg	15,000
Poland	491,823	Iceland	12,183
Switzerlanā	418,499	Bulgaria	17,213
Hungary	352,907	Tunis	10,582
Spain	303,983	Turkey	6,175
Norway	191,378	Palestine	12,200
Finland	144,721	Greece	6,317
Roumania	127,041		4,307
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#### SCHUETTE QUITS S-W INSTITUTE; BECOMES COUNSEL FOR RCA

Oswald F. Schuette, for years a stormy figure in the radio industry, has resigned as President of the Short Wave Institute of America and has become counsel for the Radio Corporation of America, which a few years ago he was fighting upon behalf of the independent radio manufacturers.

A formal statement issued by Mr. Schuette stated that he will "advise the Radio Corporation of America on the opportunities for developing new fields and new markets for radio, on the public interest and in the research and patent developments of the art, and on its relation to the radio industry."

It was generally interpreted in the industry, however, that he will take up the cudgel of RCA against Samuel E. Darby, Jr., patent attorney, who represents 11 independent radio manufacturers and who recently has been directing publicity broadsides against RCA charging it with exercising a monopoly in the radio patent field.

Several years ago Mr. Schuette himself represented the independent manufacturers and continually assailed RCA as a "Radio Trust". He at that time had organized the Radio Protective Association.

The latest venture in the radio industry is the sixth that Mr. Schuette has taken up "in the public interest" over the last several years. Besides the RPA, he formed the Audio Research Foundation, the Radio Program Foundation, and the Short Wave Institute. He also served as counsel for the National Association of Broadcasters in the copyright fight, and the formation of the Radio Program Foundation was an outgrowth of this association.

When asked whether he would enter the RCA-independent patent fight, Mr. Schuette explained that in his role of counsel, he would advise RCA on anything that was asked of him.

"I am not getting in any fight, however" he said. "I will merely be an advisor in the matters mentioned in my statement just as an attorney might be."

Frank P. Mullen, publicity chief for RCA, when asked whether Mr. Schuette would direct RCA's scrap with the independents, said: "I don't know."

The fate of the Short Wave Institute is uncertain although Mr. Schuette said that he hoped to see it continue although he would not be associated with it. He asserted that the undertaking was of such interest to the industry that it should not be discarded.

A high RCA official in commenting on Mr. Schuette's resignation, said: "You know, of course, that the RCA was the very backbone of the Short Wave Institute."

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#### CENSUS FIGURES RELEASED ON THREE RADIO STATION AREAS

The Bureau of the Census has released its business census reports on broadcasting stations in three districts: West North-Central States, East South-Central States, and the Middle Atlantic States.

Total receipts of 63 broadcast stations in the West North-Central States, from sale of radio time during the year 1935, amounted to \$5,689,765. The report covers all broadcast stations in the seven West North-Central States which sold time during 1935, except one small station in Nebraska. It includes 14 stations in Missouri, 10 in Nebraska, 10 in Iowa, 9 in Kansas, 8 in Minnesota, 6 in North Dakota, and 6 in South Dakota.

More than one-half (54.4 percent) of the time sales of stations in the 7 States was derived from local advertisers. The remainder was received from national and regional advertisers who purchased time directly from the stations, and from national and regional networks as payment for network commercial programs carried by the stations.

More than one-third (37.5 percent) of the total time sales in this geographic division is accounted for by the 14 stations in Missouri. This State led all others with sales of \$2,133,105, of which \$1,274,552 (59.8 percent) was local advertising. Iowa was second with \$1,172,235, of which \$426,557 (or 36.4 percent) was local advertising. Thus Missouri and Iowa stations together accounted for 58.1 percent of the total time sales of stations in the 7 States.

Total receipts of the 34 broadcast stations in the East South-Central States (Alabama, Kentucky, Mississippi and Tennessee), from sale of radio time during the year 1935, amounted to \$2,140,634. The report included 9 stations in Alabama, 6 in Kentucky, 7 in Mississippi, and 12 in Tennessee.

About one-half (48.1 percent) of the receipts from the sale of time was derived from local advertisers. The remainder was received from national and regional advertisers who purchased time directly from the stations, and from national and regional networks as payment for network commercial programs carried by the stations.

Tennessee led the other States in revenue with total time sales of \$901,108, but the receipts from national and regional networks for carrying network commercial programs wass less than the comparable receipts of Kentucky stations. Tennessee stations received \$430,146 from local advertising, which was 47.8 percent of total time sales. Kentucky had total time sales of \$748,336, of which \$268,708 (35.9 percent) was from local advertising. Alabama had total time sales of \$355,427, and Mississippi, \$135,763. Total receipts of 82 broadcast stations in the Middle Atlantic States, from sale of radio time during the year 1935, amounted to \$11,422,747. The report includes all broadcast stations in the three Middle Atlantic States which sold time and were in operation December 31, 1935. There were 10 such stations in New Jersey, 39 in New York, and 33 in Pennsylvania.

Slightly less than one-half (46 percent) of the time sales of stations in the 3 States was derived from local advertisers, and the remainder from national and regional advertisers as payment for commercial programs carried by the stations.

Almost one-half (48.5 percent) of the total time sales of stations in the 3 Middle Atlantic States was accounted for by the New York stations. Total time sales of these 39 stations amounted to \$5,546,064, of which \$2,625,439 (47.3 percent) was local advertising. Pennsylvania stations were second with \$3,484,647 revenue from the sale of time, and New Jersey last with time sales of \$2,392.036.

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#### FCC ENGINEERING DEPARTMENT HIRES TECHNICAL ADVISER

The Engineering Division of the Federal Communications Commission this week announced it had hired Dr. Lynde P. Wheeler, a physicist, and made him Chief of the Technical Information Section of the Department.

His job, according to Commdr. T.A.M. Craven, Chief Engineer, will be to keep the Engineering Department informed of scientific and technical progress with respect to communications. Dr. Wheeler was for some time on the faculty at Yale University and was formerly a lecturer at the Bureau of Standards.

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#### BROADCAST ADVERTISING DROPS SLIGHTLY FOR MAY

Broadcast advertising during May amounted to \$8,545,594, a decline of 3.2 percent from the previous month's level, the National Association of Broadcasters reported this week.

Though the usual trend at this time of year is downward, the NAB explained, several contra-seasonal tendencies manifested themselves during May. Regional network and national nonnetworks advertising rose contrary to the usual seasonal decline, while local broadcast advertising fell instead of rising as expected.

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- 7 -

#### BAN ON FOREIGN REBROADCASTS POSTPONED FOR A MONTH

The Federal Communications Commission has postponed until August 1st its order requiring broadcasting stations to obtain written permission from the FCC before rebroadcasting foreign programs.

The postponement from July 1st, was made, it was explained, largely because of the protests of Oswald F. Schuette, past President of the Short Wave Institute of America, that the order constituted a censorship. FCC officials promptly denied the charge but stated that they desired more time to investigate the matter.

The original intent of the Commission's Rule 177, barring rebroadcasting without its permission, was to ban six or eight "pirate" radio stations operating just across the Mexican border from having their programs rebroadcast in this country, it was stated.

An official letter was written by a Commission official to broadcasting companies explaining that it was not the FCC's intention to require written permission to rebroadcast each individual program, but merely to require approval of general rebroadcasting of programs covering a relatively long period of time.

In this way, it is understood, the FCC expected to find what companies planned to rebroadcast programs from the Americanowned border stations and to take appropriate action.

Whatever the intent of the order, its critics asserted that in effect it established a censorship and noted that the Commission's intention to require only general information was not made clear in the order itself.

The order read, as follows:

"No licensee of any class of broadcast station shall rebroadcast the programs of any foreign radio station without written authority having first been obtained from the Commission."

In a letter sent to each member of the Federal Communications Commission, Mr. Schuette demanded a public hearing on the matter and asserted that the step marked a move "toward the censorship of domestic programs."

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#### JAPAN CONSIDERS TELEVISION RESEARCH INSTITUTE

The Japan Broadcasting Corporation is seriously considering the establishment of a collective research institute for television on the ground that Japan's research in that field has passed from the experimental to the practical state, according to Andrew W. Cruse, Chief, Electrical Division, Bureau of Foreign and Domestic Commerce. A sum of 200,000 yen has been allocated for the work outlined, namely, to make television a reality in Japan as soon as possible.

Dr. K. Takayanagi, pioneer researcher in television in Japan and the most successful to date, is expected to be the first director of the institute. The institute will conduct experiments from time to time, it is stated. Dr. Takayanagi is reported to have pointed out that: "Our system, though satisfactory theoretically, leaves much to be desired on the practical side. At present, Britain is leading the world in the progress of television research. I think it will be our day from now on. I don't believe television can very well encroach upon the territory of cinema and the newspapers, no matter what progress it may make."

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#### ELABORATE PLANS MADE FOR OLYMPIC BROADCASTS

Extensive preparations have been made in Berlin to broadcast the Olympic Games to all parts of the globe, so that millions of listeners may enjoy the descriptions of the stirring events which will be of outstanding world interest from August 1 to 16.

As a matter of fact, the listener will be able to learn more about the Olympic activities at one time than the actual spectator, who cannot possibly be in more places than one, whereas the radio audience will be able to listen to descriptions as they come from all arenas while the various contests are under way.

In the main stadium, near the stands for the guests of honor, an underground radio station has been built from which 30 direct broadcasts can be made at a time and also 42 transcriptions on record discs. If these records, of which approximately 40,000 will be needed, were to be piled one on top of the other, the stack would be 150 feet high, and if someone had the patience to listen to them for eight hours a day, it would take him nine months. The main switchboard in this radio station measures 65 feet and has room for 10,000 switches, whose location is indicated by 4,000 small signal lights. In addition fo the main switchboard, there will be 30 auxiliary boards with about 350 microphone connections.

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Not only will all the reports of the events held in the Olympic Park be received in this subterranean broadcasting centre but also the reports of the yachting races at Kiel on the Baltic Sea, of the rowing regatta course and the rifle ranges a few miles outside of Berlin, and of the Olympic Village where the athletes of the 53 participating nations will stay during the olympic Games.

In order to take care of the enormous volume of transmissions during the Olympics, radio experts from all over Germany have been summoned. Of these, 400 sound engineers will work on the international programs, 80 on the short wave senders, and 100 on the broadcasts to all parts of Germany.

Arrangements have been made for the closest cooperation with international broadcasting systems. Eighty foreign broadcasters, who will be supplied by the German Broadcasting Company, will rebroadcast the programs. It will be possible to send, at the same time, 18 broadcasts to the countries of Europe, 11 to oversea countries, and one to the stations in Germany. Plans have been made for a total of 2,500 broadcasts to foreign countries and 380 to German stations during the period of the Olympic Games.

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WOL AND ST. LOUIS APPLICANTS LOSE IN EXAMINERS' REPORTS

Adverse reports on the applications of WOL, Washington, to change its wavelength and increase its power and of WILL, St. Louis, and the Star-Times Publishing Co., St. Louis, for assignment on 1250 kc., with 1 KW power, unlimited time, were filed with the Federal Communications Commission this week by Examiners.

Examiner Melvin H. Dalberg recommended denial of the application of WOL to change its wavelength and increase its power. The applicant had requested authorization to change from 1310 kc. to 1230 kc. and to increase its power from 100 to 1,000 watts. Spokesmen had testified that WOL has been carrying some programs of the Mutual Broadcasting System and declared advertisers "are averse to accepting the use of a 100-watt station \* \* \* with two other stations on the network, one with 50,000 watts and one with 500 watts", the report said.

Four stations now render primary service in the District -WOL, WJSV, WMAL and WRC. The latter two have applications pending for increased power on their presently assigned frequencies.

Examiner R. H. Hyde declared the evidence was insufficient to show the need for additional facilities in the St. Louis area or that granting of either application "would tend toward a fair, efficient, and equitable distribution of radio facilities as contemplated in Section 307 of the Communications Act as recently amended."

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#### GRAND JURY TO INVESTIGATE CAMDEN STRIKE

Justice Frank T. Lloyd of the New Jersey State Supreme Court instructed the Camden County Grand Jury July 2nd to investigate violence growing out of the strike of employees at the Victor division plant of the RCA Manufacturing Company at Camden.

He delivered his charge about the same time Harry P. Harmer, President of Camden Local 103, United Electrical and Radio Workers of America, was announcing that the Union's negotiating committee was to confer again with company officials in an effort to end the strike, then ten days old.

Justice Lloyd acted after James B. Carey, 23 years old, of Glassboro, National President of the Union, had been given a choice of serving sixty days in jail or paying a \$100 fine by Police Judge Lewis Liberman. He paid the fine and was released. Carey was one of the more than 100 persons arrested since the beginning of the strike, most of them in clashes between strikers and workers.

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#### CONVENTION BROADCASTS COST NBC MORE THAN \$265,000

The cost to the National Broadcasting Company of bringing to American radio listeners complete proceedings of the Republican and Democratic National Conventions was set July 1st at more than a quarter of a million dollars, according to figures released by NBC at Radio City, New York.

The exact total, as computed by the NBC Statistical Department, was \$265,457. This total includes the cost of engineering and wire set-ups; commercial time which had to be cancelled; salaries to performers who were in the studios at the time of cancellations, and who were under contract to perform; payment to special commentators and political analysts, and general program and personnel expenses.

The major expense items of both conventions were the cancellations of commercial programs already booked. For the four days of the Republican Convention in Cleveland - July 9th through 12th - the cost of commercial time cancellations totalled \$94,614. Salaries to performers cost \$36,000. Engineering expenses, payments to commentators and general program expenses totalled \$13,500, thus bringing the entire total for the Republican Convention to \$144,114.

The Democratic National Convention at Philadelphia, from June 23rd through June 27th, cost slightly less despite the fact that it lasted a day longer. This was attributed by NBC officials to the fact that fewer commercial cancellations were necessary. The total for the Democratic Convention was \$121,343.

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#### AUSTRALIAN RADIO MANUFACTURERS PREFER AMERICAN TUBES

The great majority of Australian-made radio receiving sets are equipped with American tubes, according to a report to the Commerce Department from Assistant Trade Commissioner Wilson Flake, Sydney.

A leading Australian radio trade journal recently conducted a survey, the results of which constitute a representative picture of all branded radio sets manufactured in the Commonwealth, the report states. The survey covered more than 200 models offered by 19 local manufacturers.

The survey showed that 72 per cent of the locally-made receiving sets use American tubes exclusively; 12 per cent use European tubes; and 15 per cent use a combination of American and European tubes. The American tubes used, it is pointed out, are either imported from the United States or made in Australia under American patents and trade-marks.

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#### GENERAL HARBORD HONORED BY WRITERS' GUILD

Major Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, was honored June 30th at a luncheon at the Hotel Waldorf-Astoria, New York, by the Catholic Writers Guild of America in recognition of his book, "The American Army in France", which was published recently by Little, Brown & Co.

In responding to the tributes of prominent writers, educators and military leaders, General Harbord revealed the motives that led to his authorship. After the publication of five books on the war, he said, several members of General Pershing's staff decided that "something must be done" to contradict "misstated" facts in these volumes. His book was the result.

The five gooks to which he referred, General Harbord said, were by General Pershing, Newton D. Baker and Generals Robert Lee Bullard, Peyton C. March and Tasker H. Bliss. General Harbord explained he was "not reflecting on any of the five books in particular" and he exempted the one by General Bullard, who was at the luncheon.

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# INDEX TO ISSUE OF JULY 7, 1936

Sykes Hints At Radio Reallocation In NAB Address2
Stations Urged For Miami, Salt Lake City, And Prescott5
FCC Postpones Police Allocation Order
Paris Television Station Steps Up Power
Levy Threatens To Form New Broadcasters' Assn
Settlement Of RCA Camden Strike Near
Gifford Tops Communications Salaries In 1934
Industry Notesll
Short-Wave Radio Placed On Czechoslovak Planes

No. 943

July 7, 1936

#### SYKES HINTS AT RADIO REALLOCATION IN NAB ADDRESS

A reallocation of broadcasting facilities, the first since 1928, may result from a hearing on the broadcast band, 550-1600 kc., scheduled for October 5th by the Federal Communications Commission, Judge Eugene O. Sykes, Chairman of the Broadcast Division, hinted in an address on July 6th to the National Association of Broadcasters in convention at Chicago.

Stressing the significance of the repeal of the Davis Amendment to the Communications Act and the abandonment of the quota system of allocating radio facilities on the basis of population, Judge Sykes predicted that the FCC will provide better service for rural listeners in the near future.

"No new general allocation has been made by the Commission since that of 1928, under the Davis Amendment", he said. "Since then many technical improvements have been made in equipment, including antenna design. All of us have learned a great deal in that time.

"The Commission has in its files the result of the extensive field survey of the coverage and characteristics of broadcasting stations. With these improvements, and this knowledge, it should be possible to make improvements in the allocation. This question has been receiving the careful study of the Commission.

"On the second instant, the Broadcast Division decided to hold such an informal hearing beginning October 5th. Those who desire to participate will be furnished information as to the results of the above studies so that they may carefully consider this data in preparing to make their suggestions and recommendations at the hearing. I am sure that you will appreciate the great importance of this conference to the listening public, the entire broadcasting industry and to the Commission."

Recalling the history of the Davis Amendment, Judge Sykes pointed out that in pasing the organic Radio Act in 1927, Congress failed to appropriate funds for the new Federal Radio Commission, and as a result the Commission had to share the money appropriated for the Radio Division of the Department of Commerce.

"This bringing order out of chaos was a much bigger job than Congress contemplated", he explained. "The Commission, due to a lack of funds, was unable to employ any staff except some clerical help. It was impossible to pass on a great many applications and it was impossible to bring order out of chaos during the first year. At that time, the cream of the radio facilities were being

- 2 -

used in the large cities. Congress thought that the Commission was dilatory in making its distribution of these facilities among the States, and this led to the passage of the Davis Amendment. This amendment, in brief, provided that these radio facilities should be divided equally, as nearly as possible, among the five zones and then the facilities of the zone should be further equitably divided among the States, as nearly as possible, in accordance with the population.

"The object and purpose of Congress, namely, to bring about a fair division of radio facilities throughout the entire country was most praiseworthy, but the formula laid down for this division was too much of a mathematical formula and failed to take into consideration a number of salient facts, such as disparity in size of the five zones, that there was no way of stopping the carrier wave interference of stations and that, in effect, the amendment would really operate in favor of the smaller zones and the smaller States with a dense population. As a result of this amendment in the Fall of 1928, the Commission, as a yardstick, adopted certain quota figures which allocated a value to stations of certain classes and power. It gave to each of the five zones eight high powered, cleared channel assignments; it likewise gave, as nearly as possible, to each of the zones its share of regional and local stations. This brought about a number of changes within the country.

"This allocation, from the standpoint of radio listeners, which we must primarily consider, was an improvement on the first allocation of the Commission. It soon became evident, under this allocation, that the States with a large area and sparse population were lacking in radio service, though overquota under the Davis Amendment. The Commission likewise found that the day power of a number of stations could be increased without interference, but in order to do this, it became necessary to separate night and day quota. This was done and radio reception was greatly improved by increases in day power of stations.

"Bearing in mind the fact that a great many of the rural population have no radio reception, except that of a secondary nature, and that those of our people should be given more reception if possible, the Commission, from time to time, recommended to the Congress that the Davis Amendment be repealed and the original provision in the Radio Act be reenacted into law.

"The recent session of Congress repealed the Davis Amendment and reenacted in its stead the original provision of the Radio Act. This amendment also abolishes the five zones into which the country was divided. Consequently, the Broadcast Division has repealed those rules relating to quota made necessary by the Davis Amendment.

"In all applications for new stations or increases in power, changes in hours of operation, etc., of existing stations, the main questions now for consideration are:

- "1. Will interference be caused with existing stations by such grant?
- "2. Would it be to the benefit of the listening public to grant the application?
- "3. Will the granting of the application tend to bring about a fair, efficient and equitable radio service among the States and the communities?

"Also, the Commission will be able to decide upon the facts presented, to what State and community the station is to be charged.

"I feel sure that, under the present amendment the Commission will be enabled to give these rural listeners better radio service than they now enjoy.

"Speaking technically, the constant effort of the Communications Commission has been to improve broadcast service to the listening public. A great step in this direction is through betterment of station broadcasting equipment. The Commission has no jurisdiction over receiving sets and can not prescribe standards for their production. I am informed, by engineers, that the transmission quality of broadcasting stations now surpasses the reception capability of a majority of broadcast receiving sets. I hope and believe that the set manufacturers will improve the fidelity of receiving sets.

"There has been adopted, within the last year, a number of regulations dealing with technical aspects of broadcast transmission. These are aside from the changed rules and regulations governing services outside of the conventional broadcast band. In these new regulations our desire has been to help the broadcasters help themselves. Very little complaint has been received about these new rules and we, therefore, infer that they must be good.

these new rules and we, therefore, infer that they must be good. "I regret to say that we have not yet been able to reach an agreement with Mexico relating to broadcast channels. The result is that we still have interference with some of our stations. This matter is continuing to receive the consideration of the State Department and the Communications Commission and we trust that some time, some day, a satisfactory agreement may be reached.

"Just a fortnight ago there was held in Washington, a conference involving projected uses of channels in the very high frequency band. The conference envisages the development of such services as television, facsimile, very high frequency broadcasting, and other experimental services which you broadcasters eventually will be called upon to nurture.

"From statements made at this conference we are sure that important strides have been made in television, although perhaps it is not yet ready for general use. Facsimile seems to be well perfected and it is possible that the Commission, in the near future, may make provision for its transmission. This question, however, has not yet been settled.

"A good deal has been said in the past relating to the program content of some broadcasts over stations. I congratulate you upon the valuable service rendered by your diligent and efficient Managing Director, James W. Baldwin, in contacting in your behalf the Commission, the Federal Trade Commission, the Post Office Department and the Department of Agriculture upon this question. I would call your further attention to the fact that, while an alleged cure-all remedy may not be harmful if tkane, it might be harmful because it prevented a patient who was sick from consulting a doctor in time to cure or alleviate his trouble.

"I want to assure you of our deep appreciation for the cordial cooperation you have always shown our Commission and we feel sure that this will continue.

"In my service, since the creation of the Radio Commission in 1927, I have seen radio broadcasting and the radio business grow with stupendous strides. Now broadcasting reaches practically into the homes of all of our people, and correspondingly with this growth in the industry your responsibility and ours has grown. You should ever remember that your programs reach the homes and firesides of our entire citizenship, and you should especially remember that it reaches the ears of the children of tender age in that plastic stage when their character, for good or bad, is being molded. Therefore, your every thought, your every aspiration, and your every act should be to see that each and every program broadcast by your station should tend to improve and develop and make better American citizens of every man, woman and child within its service range."

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# STATIONS URGED FOR MIAMI, SALT LAKE CITY, AND PRESCOTT

Favorable reports have been filed by Examiners with the Federal Communications Commission upon applications for construction permits to erect new broadcasting stations in Miami, Salt Lake City, and Prescott, Ariz.

Nathan N. Bauer is the Miami applicant for 1420 kc., 100 watts power, and unlimited hours. There are now two stations in Miami: WQAM, a CBS affiliate, and WIOD, an NBC outlet.

The Salt Lake City applicant is the Intermountain Broadcasting Corp., licensee of KDYL, whose application was granted last February. Upon receiving a protest from the owner of KLO, Ogdent, Utah, the FCC reopened the case. The Examiner recommends that the Commission reaffirm its previous grant of a permit to use 1290 kc., with 1 KW nighttime and 5 KW daytime, unlimited hours.

The Southwest Broadcasting Co., of Prescott, was favored by Examiner P. W. Seward over W. P. Stuart, of Prescott, for a construction permit to build a station for operation on 1500 kc. with 100 watts night, 250 watts daytime, unlimited hours.

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- 5 -

#### FCC POSTPONES POLICE ALLOCATION ORDER

The Federal Communications Commission on July 6th postponed to July 20th the effective date of an order allocating radio frequencies for use in a nation-wide police broadcasting network.

The order, originally scheduled to go into effect July lst, was delayed on petition of Purdue University and The National Television Corporation of New York, which protested against removal of the frequencies from use by television experimenters.

Purdue said it had been using one of the wave-bands for television broadcasts for several years and contended that if the wave length were handed over to police stations, residents of rural areas would be deprived of television service.

Commission officials said the entire set-up of frequencies for the projected police network would be resurveyed with a view to determining whether it could be successfully operated without the frequencies now used in television.

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# SPONSORS BALK RADIO SHOW AT CONVENTION

At the Democratic National Convention in Chicago four years ago, the "added attractions" included some of the big names of radio, stage and screen. The late Will Rogers almost stole the show from the perspiring presidential candidates.

In Philadelphia this year this part of the convention program was missing. And there's a reason.

The story leaked out in Washington that the 1936 convention leaders again had planned a side show of radio stars to keep the delegates happy during the five long days prior to the Roosevelt acceptance speech.

A week before the convention, leaders began soliciting radio notables by long distance phone. A dozen or more calls were made, and acceptances were obtained from six, including Lawrence Tibbets, Kate Smith and "Amos 'n' Andy".

But there was a joker in the deal. The radio stars cautioned that they "would have to see their sponsors."

On the day before the convention opened, all of the tentative acceptances were withdrawn on the ground that sponsors' contracts prevented such personal appearances. The stars would give no further explanation.

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Eddie Dowling, Chairman of the entertainment group and a stage star himself, was left high and dry. He filled in the breach as best he could with an Indian girl singer, a couple of news commentators and the introduction of radio's top flight of announcers, the latter safely confined behind the glass fronts of the convention hall's sound booths.

Not until the convention was well under way did the convention finally land a "personality." She was tiny Lily Pons, star of the Metropolitan Opera and friend of President and Mrs. Roosevelt. She agreed to sing at the Franklin Field notification ceremonies, with no strings attached. Miss Pons has no contract entanglements which might be aline to the New Deal.

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#### PARIS TELEVISION STATION STEPS UP POWER

France's improved Eiffel Tower television station, which went into operation May 24, 1936, has 10 times the power of the original station; the original power of 2 kw. being raised to 25 kw. and the power at the antenna being raised from 1 kw. to 10 kw. The temporary installation could only transmit images 30 kms., but although definite tests have not been made with the new apparatus, it is estimated that images can be received as far as 70 kms.

It was necessary to reduce the power of the lights at the studio from 25,000 to 10,000 lux per sq. cm., as artists claimed that the original power was too strong for their eyes. This reduction in power, which was done by the adding of an additional electron multiplier, at the same time improving the character of the image amplifiers, has in no way decreased the efficiency of the apparatus.

The Compagnie pour Fabrication des Compteurs et Materials d'Usines a Gaz, which installed the original apparatus, made the above improvements to the Eiffel Tower station. This company has also developed a small receiving set but, according to the director, Mr. Le Duc, it is not at present going into production as it believes that it cannot build a set cheap enough to make it interesting to the public. However, several French manufacturers exhibited television sets at the regular Radio Show, which closed June 2nd.

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An increase in power from 250 watts to 500 watts nighttime and 1 KW daytime for WPRO, Providence, R. I., was recommended to the FCC this week by Examiner P. W. Seward.

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# LEVY THREATENS TO FORM NEW BROADCASTERS' ASSN,

Following the plea of Leo J. Fitzpatrick of Detroit, President of the National Association of Broadcasters, for more confidential treatment of internal troubles, Isaac D. Levy, of Philadelphia, announced before the body's annual meeting in Chicago Monday, according to the Associated Press, that he would form a new organization.

Assailing the Association's leadership, particularly Managing Director James W. Baldwin, Mr. Levy asserted that it would be "only a short time before the organization collapses if you run it this way."

He promised his new organization would "give service to our members" and said there would "be no kings and no big shots."

Much of Levy's attack concerned difficulties over music rights which cropped up last December when Warner Brothers withdrew from the American Society of Composers, Authors and Publishers, forcing radio stations to make individual arrangements for the use of music.

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#### POLITICAL COMMENTATOR RAPS RADIO "BUNK"

"Before the Democratic and Republican Conventions fade from our minds, there are lessons we should take account of", Mark Sullivan, Washington political columnist, wrote last week in his syndicated column. "A minor one has to do with the impression made on the country by the radio.

"The radio descriptions gave the impression of drama, tension, of a great crowd deeply stirred. The facts were quite the contrary. During Senator Robinson's delivery of his address as permanent chairman, supposed to be a solemn and moving keynote of a great party, the national chairman of the party, Postmaster General Farley, sitting in a conspicuous position on the stage, seen by all the delegates and all the galleries, was turning the pages of a tabloid newspaper, with a pleased smile at what one took to be some photographs of himself. One could forgive him - he had had to listen to a lot of political oratory.

"During that same address a strange interloper, Dr. Townsend, entered the hall and found a seat among the newspaper men, in front of the stage. About the \$200-a-month-for-the-old leader, to see if there was news in his presence and to ask him questions, gathered rather more reporters than were listening to Senator Robinson. "Merely to mention the contrast between actuality and the radio accounts is hardly worth while, unless something can be said that is of value. The lesson, it seems to me, is that the two groups concerned - public men and the radio reporters who describe public men and their performance - ought to avoid increasing the amount of bunk in the world."

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SETTLEMENT OF RCA CAMDEN STRIKE NEAR

Negotiations between the RCA Manufacturing Company and the United Electrical and Radio Workers of America were being conducted secretly early this week, but there were indications that the strike at the company's Victor Division plant in Camden, N. J., would be settled soon.

The Negotiating Committee of the Union had virtually completed a reply to a statement made confidentially to it by David Sarnoff, President of the Radio Corporation of America, of which the Camden plant is a subsidiary. A Union official said, however, that the Union's reply would not be made public until the company had had an opportunity to consider it.

There were some disgruntled voices among individual Union members, but in some quarters the opinion was expressed that the positions of the company and the Union were drawing closer together. Estimates placed the number of workers back at their jobs at 9,000 out of the normal 12,244.

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#### TRAFFIC DIRECTED FROM AIR VIA RADIO

Directing traffic and the possible pursuit of criminals from the air by means of short wave radio was given a practical demonstration in Cleveland a few days ago when Deputy Traffic Commissioner Martin A. Blecke soared over the city in a Goodyear blimp and gave orders to his men below by means of radio.

With a special short wave transmitter and receiver installed in the airship, Commissioner Blecke was able to not only give orders to traffic men in Cleveland's 25 radio police cars in which short wave receivers were installed but also carried on a two-way conversation from one of the cars, which had been equipped by General Electric engineers with a transmitter as well as a receiver.

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GIFFORD TOPS COMMUNICATIONS SALARIES IN 1.934

The Federal Communications Commission reported July 6th that 442 officials and employees of communications companies received annual salaries of \$10,000 or more during 1934. The report was compiled from data filed with the Commission by telephone, telegraph, cable and radio telegraph companies.

The top salary listed was \$206,250 for Walter S. Gifford, President of the American Telephone and Telegraph Company. Newcomb Carlton, Chairman of the Board of the Western Union Telegraph Company, received a \$60,000 salary, and a like sum was paid to R. B. White, the Company's President.

Among the Mackay companies, including Postal Telegraph-Cable Company, Ellery Stone, Operating Vice-President and Director, received \$21,000, while W. A. Winterbottom, Vice-President, General Manager and Director of R.C.A. Communications, Inc., received \$20,000.

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RCA WINS PATENT CASE AGAINST D'ANDREA

In a decision handed down July 6th, Judge Clarence G. Galston in the Federal Court in Brooklyn ruled that a patent held by Radio Corporation of America for superheterodyne radio receiving circuits has been infringed by the F. A. D'Andrea Corporation of 48-02 Forty-eighth Street, Long Island City.

The D'Andrea Corporation, manufacturing solely for the export trade, makes sets which it admits are DeForest superheterodyne circuits when assembled abroad and played. The corporation contended there was no infringement of the patent because no final assembly is made in this country. Judge Galston held that the tests given the sets here before their shipment establish an infringement.

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NBC MODERNIZING SAN FRANCISCO STUDIOS

NBC's San Francisco studios are being equipped with new microphones, new amplifiers, a new mobile unit and innumerable other items of equipment. Western Division Engineer A. H. Saxton is in charge of the modernization. The same type of equipment is to be used throughout as is found in Radio City.

All microphones in the studios not of the velocity, or "Ribbon" type are being replaced by velocity ones. New 40C studio amplifiers are being installed in all the studios and the automatic switching system is being outfitted with new relays and jacks about a thousand separate items of equipment, which will make the panel in the control room standard with the type used in Radio City and Chicago.

Mobile Unit #5 has been ordered and will be in operation shortly. This is the conveyance which is virtually a miniature broadcasting station on wheels, able to travel anywhere an automobile can, or to serve as a base for remote control broadcasts from spots attainable only on foot.

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#### INDUSTRY NOTES

Allura, Inc., 626 I Street, Sacramento, Cal., has been served by the Federal Trade Commission with a complaint charging unfair competition in the sale of an eye lotion advertised by means of radio broadcasts, pamphlets and testimonials.

Sales data for April released by the Radio Manufacturers' Association of Canada, reveal that 8,100 units were sold valued at \$698,349, registering a decline of 4 percent in number and 13 percent in value as compared to the previous month (8,441 units valued at \$789,659). In comparison with April 1935, a decline of 9 percent in number and 10 percent in value is shown.

Joseph Creamer, who has been unofficially heading the sales promotion activities of WOR, Newark, since February, has been appointed Sales Promotion Manager for the station. He has been a member of the staff since the first part of the year. Previous to coming with WOR, Mr. Creamer was Sales Promotion Director for the distribution branch of the McCall Publishing Company. Prior to that, he served on the staff of Batten, Barton, Durstine & Osborn, Inc., New York advertising agency, and was later Publicity Director for the Frank A. Munsey Company.

Arrangements are reported under way for WSM, Nashville, which is owned and operated by the National Life & Accident Insurance Co., to ally itself with the Mutual Broadcasting System. As the plans now stand WSM would become a basic station, such as WOR, WLW and WGN. This alliance would necessitate WSM's breaking away completely from NBC, which now offers the station as a member of the south-central group.

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#### SHORT-WAVE RADIO PLACED ON CZECHOSLOVAK PLANES

The Czechoslovak Air Traffic Company recently introduced short wave transmitters and special goniometric instruments on their airplanes. The short wave airport broadcasting stations and the plane transmitters operate on a 50 to 100 meter wave band which permits of an uninterrupted two-way communication during the whole flight and after landing through a fixed aerial above the plane's body.

The long wave broadcasting stations of the Prague airport requires (for the 900-meter wave) a capacity of 1,000 watts and the maximum wave range is 650 kilometers.

The new radio-goniometric instruments of the Czechoslovak Air Traffic Company are connected with a circular antenna and permit of an exact goniometric spotting of the airplane and, through reception from any broadcasting station (300 to 1,800 meters wavelength) near the air route, the direction of the flight may be set accurately. At the same time, the programs received are transmitted into the passenger cabin, thus serving a double purpose.

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# "GLOOMY SUNDAY" DOESN'T UPSET CANADIANS

"Gloomy Sunday", a mournful dirge that has been banned forever in Hungary, the country of its origin, that has become "forbidden music" with certain broadcasting companies on this and other continents, and that caused such international attention that Congress threatened to prohibit its playing, would seem to be a complete flop as far as Canadian listeners are concerned.

The "song of death", responsible, it is claimed, for 23 suicides, was played at various intervals for a week from CRCT, the Canadian Radio Commission station at Toronto, and, according to reports, not a hair was turned.

Leading orchestra conductors and crooners refuse to have anything to do with the song, fearing dire consequences. Others have omitted it from their repertoire simply because they dislike its melody. CRCT officials with considerable trepidation, broadcast it after several requests. Nothing happened, however, and "Gloomy Sunday" was put back into the music library as just another "number".

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL -- Not for Publication

INDEX TO ISSUE OF JULY 11, 1936.

Baldwin Reelected Following Stormy NAB Convention2
Allen Heads Eastern G.O.P. Radio Unit
RCA Stages Planned Television Show For Licensees
Local Advertising Backbone of Radio, Census Chief Says6
N. J. Governor To Sue Radio Commentator
Four Washington Stations Gross \$739,5309 France Building Station Of 120 KW. Power9
Mutual Network Officials At Chicago Luncheon
Argentina Changes Regulation On Radio Tubesll RCA Lauded For Protecting Free Speech Despite Strikell
Industry Notes

No. 944

# July 11, 1936.

#### BALDWIN REELECTED FOLLOWING STORMY NAB CONVENTION

James W. Baldwin, Managing Director of the National Association of Broadcasters, was reappointed by the NAB Board of Directors following a stormy convention of organized broadcasters at the Stevens Hotel in Chicago, July 6-8, attended by some 800 delegates and guests.

C. W. Myers, President and principal owner of KOIN, Portland, Ore., was elected President of the NAB by the membership at its closing session although a Nominating Committee had proposed Edwin W. Craig, of WSM, Nashville, who is in Europe. Mr. Myers succeeds Leo Fitzpatrick, of WJR, Detroit.

Mr. Baldwin was reappointed despite a one-man revolt on the opening day of the convention and after threatened opposition from the networks subsided.

Isaac D. Levy, of WCAU, Philadelphia, Treasurer of NAB, withdrew his station membership from the organization and stated he would form a rival organization after sharply criticizing the NAB leadership for its actions in connection with copyright negotiations. However, at the conclusion of the convention there was no indication that any substantial number of member stations were joining Mr. Levy's revolt.

The attack on Mr. Baldwin and the Board of Directors came after Mr. Fitzpatrick had made a plea for unity in the industry. Mr. Levy, in making charges of wilfull misfeasance against the NAB leadership, described the Directors as "the secret ten".

No attempt was made by the NAB Managing Director to answer the attack in his subsequent report. He referred the membership to his detailed report on copyright matters last February and asserted it answered adequately all of the charges made.

Meanwhile a move was started by the networks to take copyright matters out of the hands of the NAB on the ground that it is a matter for private negotiations. Mefford R. Runyon, Treasurer and Vice-President of the Columbia Broadcasting System, made the proposal but the membership voted it down and authorized continuance of the Copyright Bureau.

Mr. Levy charged Mr. Baldwin with ignoring instructions of the Board that a letter be sent to the NAB membership urging acceptance of the ASCAP five-year contract under former terms. As a result, he said, the Warner Brothers withdrawal and consequent troubles ensued. Mr. Baldwin assumed the role of a dictator, the Philadelphian asserted, and failed to consult either with the Executive Committee or the President. His publicity releases on copyright, Mr. Levy said, "tore into shreds this association."

During the course of his speech, Mr. Levy essailed three other persons formerly associated with the NAB and charged them with splitting NAB funds when the Radio Program Foundation dissolved.

"Three gentlemen, Hostetler, Loucks and Schuette formed a corporation", he said, "and they acquired a little music. When they decided to abandon this project as a failure, there was \$5,000 left, which they divided among themselves, and sent a letter to the NAB justifying their action."

Mr. Baldwin in his report made a strong plea for steps toward creation of a cooperative bureau of radio research, for a continuing program of technical research, and urged promotion of the new copyright venture, including operation of the NAB Copyright Bureau.

Summarizing the year's activity, he pointed out that NAB membership is larger today than anytime in its history, totaling 407 members, which is 22 more than last year. The NAB on June 30 had a balance of \$17,451.49 on hand, he said, as against \$46.45 on July 1, 1935.

Other highlights of the convention were:

Regional channel stations organized as a group and elected Walter Damm, WTMJ-<u>Milwaukee Journal</u>, Chairman; Dean Fitzer, WDAF-<u>Kansas City Star</u>, Secretary; and Stanley Hubbard, KSTP-St. Paul, Treasurer.

Some 70 independent station owners, in separate session, voted unanimously to continue the National Independent Broadcasters, Inc., as an organization devoted to interests of local independent stations.

Creation of a Cooperative Bureau of Radio Research was urged by Arthur B. Church, Chairman of the Commercial Committee. He proposed that the University of Pennsylvania be endowed to carry on the work.

A Sales Managers' Division was organized within the NAB "to promote the sale of broadcasting as a medium and establish a round-table discussion of all problems that confront the sales manager in his everyday routine.

Ross Wallace, of WHO, Des Moines, won the NAB golf tournament on Sunday preceding the convention and was awarded the <u>Broadcasting</u> magazine trophy. Other officers, besides Mr. Myers, elected on the closing day are:

John Elmer, WCBM, Baltimore, First Vice-President; Gardner Cowles, Jr., KSO and KRNT, Des Moines, Second Vice-President, and Harold Hough, WBAP, Fort Worth, Texas, Treasurer.

Directors elected are Eugene O'Fallon, KFEL, Denver; Edward A. Allen, WLVA, Lynchburg, Va.; L. B. Wilson, WCKY, Covington, Ky.; Arthur B. Church, KMBC, Kansas City, Mo.; John F. Pratt, WGAR, Cleveland and Frank M. Russell, WRC, Washington, D. C.

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ALLEN HEADS EASTERN G.O.P. RADIO UNIT

Theodore F. Allen, of Westport, Conn., has been appointed head of the Radio Division at the Eastern headquarters of the Republican National Committee. Representative Joseph W. Martin,Jr., of Massachusetts, Eastern campaign manager, made the announcement July 10th.

Mr. Allen for eight years has been identified with the Sales Department of the National Broadcasting Company. For the last four months he has been on leave and working for the Republican National Committee at its Washington headquarters. The appointment of Mr. Allen was made in Chicago by Hill Blackett, Director of Public Relations of the National Committee.

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87 MID-WEST STATIONS GROSS \$10,111,645

Total receipts of 87 broadcast stations in Indiana, Michigan, Ohio, Wisconsin, Arkansas and Oklahoma, from sale of radio time during the year 1935, amounted to \$10,111,645. William L. Austin, Director of the Bureau of the Census, Department of Commerce, disclosed this week.

The report includes all broadcast stations in these States which sold time during 1935, except one small station in Ohio. It includes 14 stations in Indiana, 17 in Michigan, 19 in Ohio, 14 in Wisconsin, 11 in Arkansas, and 12 in Oklahoma.

Somewhat less than one-half (43.2 percent) of the time sales of stations in these 6 States was derived from local advertisers. The remainder was received from national and regional advertisers who purchased time directly from the stations, and from national and regional networks as payment for network commercial programs carried by the stations.

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#### RCA STAGES PLANNED TELEVISION SHOW FOR LICENSEES

Television, as represented in the experiments of the Radio Corporation of America atop the Empire State Building in New York City, has made considerable progress within the past year but is still far from being ready for public consumption.

This is the view of one of the invited guests to the "planned show" given by RCA early this week for RCA licensees.

"Television is still not so good as home movies", he commented, "though I understand that visual broadcasting in this country is far ahead of Europe, where public demonstrations are being held.

"The pictures have lost the greenish tint they had last Fall, but they still lack definition.

"The greatest obstacles to public television transmission, however, is in preparing the programs and in the complexities of reception. Preparation of programs would be as expensive and as complicated as making motion pictures, and yet the pictures could not be repeated as in the films.

"There are fourteen controls on the receing set; this alone would make it difficult to sell receivers to the public."

The first "act of the television show presented Major Gen. J. G. Harbord, Chairman of the Board of RCA, and David Sarnoff, President, sitting at a desk reviewing television progress. The scene shifted to Otto S. Schairer, Vice-President in Charge of Patents for the organization, who reported to the 225 licensees that there were no plans to design commercial television sets for 1936.

He revealed that three sets were now in operation in the Metropolitan area, the most distant being at Harrison, N. J. Within a short time he estimated more than 100 receivers would be aistributed at scattered outposts.

Next there was a dance by twenty girls, introduced as the Water Lily Ensemble. A film was then shown, featuring the streamlined train "Mercury". A glimpse of what is ahead in the world of fashion was given by models from Bonwit Teller. Films were shown of several leaders in the radio industry, and then Henry Hull, actor, entertained with a monologue of his role in "Tobacco Road". Graham McNamee and Ed Wynn showed what comics may do in the future. A film of army manoeuvres ended the performance, after the research engineers had been introduced for a nod across New York

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LOCAL ADVERTISING BACKBONE OF RADIO, CENSUS CHIEF SAYS

An analysis of the revenue received by broadcast stations over the country in 1935 "clearly indicates that local advertising was the backbone of their business in 1935", C. H. Sandage, Chief of the Division of Communications, Bureau of the Census, declared in an address this week at the NAB convention in Chicago.

"The relative importance of local advertising, however, varies by geographical areas", he added. "Thus about 61 percent of the time sales in the Mountain States came from local advertising, while the Middle Atlantic States received only 46 percent of their time sales from this source.

"South Dakota and South Carolina show the highest ratio of local advertising to total net sales, local business accounting for about 71 percent of total station revenue from the sale of time.

Naturally, the inclusion of network figures (as yet not tabulated) will change the relative position of local advertising in terms of the total broadcasting business. Individual stations, however, should give serious thought to the local factor in their operations."

Explaining that final results of the census of the broadcasting business could not be given because reports had not been obtained from five stations, Mr. Sandage said:

"It is possible to give you the data for all radio stations except those located in Illinois and Louisiana. There were 560 regular radio stations in operation in the United States, December 31, 1935, which sold time during the year. The other 68 stations were operated by churches and schools, or were inactive. Of the 560 time-selling stations, figures have been released for 517, or 90 percent of the total number.

"The net revenue from the direct sale of time by these stations, plus the sums they received from networks, amounted to \$47,957,501. This figure represents net time sales, i.e., gross billings after time and quantity discounts have been deducted. Agency discounts have not been deducted. This is in harmony with the Government practice to collect all sales and revenue data in terms of net.

"The breakdown of this \$47,957,501, shows some interesting facts. Some \$24,000,000, or almost exactly one-half of station revenue, was received from local advertisers - that is, those business houses selling their merchandise or services largely within one trading area. Of the remainder almost one-half was derived from national and regional 'spot' advertisers; and an equal amount from networks as payment for carrying network commercial programs. This latter figure for these 514 stations amounted to \$11,920,543. "The total non-network time sales of these stations amounted to \$36,036,958. This incomplete figure is only \$308,465 less than the estimate of station time sales for 1935, made by your association. Your estimates were indeed conservative. An industry - especially an advertising industry - that understates rather than overstates its size and importance is a rarity. You are to be congratulated!

"Employment data for broadcast stations outside Illinois and Louisiana show that an average of 11,446 persons were employed in 1935. They received an annual pay roll of \$18,972,845. More than 90 percent of this sum was paid to full-time employees. The total payroll amounted to more than 40 percent of the advertising revenue of those stations.

"Employment and payroll figures include only those persons in the direct employ of broadcast stations. Many persons appearing before the microphone are employed and paid by the advertisers and by networks. The latter are to be shown separately, as network personnel. Direct employees of advertisers are not reported.

"A more detailed analysis of employment for a representative week shows that station talent, including artists and announcers, make up the largest number of employees and receive a greater portion of the annual payroll than any other functional group. Station technicians are second, both in number and payroll. Employment figures indicate that a relatively large part of the revenue of stations is paid out for personal service, the greatest single portion going to those who appear before the microphone.

"With the exception of artists, or those furnishing entertainment, most employment is on a full-time basis. It is difficult to define part-time employment, but taking the figures as reported, about 53 percent of all artists employed by stations worked on a part-time basis. They accounted for more than 75 percent of all part-time employment."

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Denial of an application filed by J. R. Maddox and W. B. Hair, of Chattanooga, Tenn., for a permit to erect a new station and operate on 590 kc., with 1 KW power, unlimited hours, was recommended this week to the Federal Communications Commission by Examiner Ralph L. Walker.

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#### N. J. GOVERNOR TO SUE RADIO COMMENTATOR

As an aftermath of the Lindbergh kidnapping investigation, Governor Hoffman, of New Jersey, announced this week that he had authorized the filing of a \$100,000 suit against Boake Carter, radio news commentator, and others.

Charges in the action are to be based on broadcasts by Mr. Carter before and on the day of the Hauptmann execution at Trenton, according to William Conklin, the Governor's secretary, after a conversation on the subject with Mr. Hoffman. The Governor authorized the suit, Mr. Conklin said, after a conference at Trenton, with Harry Greene, his attorney, who has offices at Newark.

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RADIO CLEAN-UP DRIVE FORECAST BY AMUSEMENT ORGAN

A radio clean-up drive patterned after the film sapolio movement launched by the Catholic Church, is in prospect and probably will come in the open early this Fall, according to the current issue of Variety. It continues:

"While a lid of secrecy has been imposed, those acquainted with the strategy disclose that church and fraternal groups will be invited to take part in a nation-wide crusade to whip offending broadcasters into line and improve the moral tone of air entertainment. A 'black list' of potential victims already is being compiled.

"Campaign will be two-edged, according to present indications, and will assume an important political aspect. Crowd gunning for transgressors will inject the issue of more stringent radio regulation into the Congressional competition.

"Tentative decision to start rating stations and boycotting repeated offenders followed realization that little can be expected from the Federal Communications Commission in the way of help in penalizing big broadcasters and in busting up alleged monopolistic control of the radio industry. Blue-noses feel the FCC has had plenty of opportunity to swing into action, if it seriously intends to do something about low-quality air entertainment, and there is no longer any sense in staking hopes on the government agency.

"Like the Legion of Decency movement, the radio clean-up effort will be a non-partisan affair, with all groups interested in the moral tone of broadcast programs invited to take part. Just who will lead the drive has not been decided, but it probably will not be the Catholic group which was the spark-plug of the moving picture chastisement."

# FOUR WASHINGTON STATIONS GROSS \$739,530

Sale of radio time grossed the four Washington stations \$739,530 in 1935, it was disclosed this week by the Census Bureau in its eighth report of a series on the broadcasting business. More than 55 per cent of the time sales was derived from local advertisers.

Maryland and Delaware stations with time sales of \$873,401 led all other States in the South Atlantic States division. The total for the region amounted to \$4,505,167. Revenue as reported by the stations is the net billings for advertising time on the air, including the stations' proportion of network billings. It is computed after deducting quantity and time discounts.

The 63 South Atlantic stations employed a total of 963 persons with an annual pay roll in 1935 of \$1,541,433. More than 95 percent of this was paid to full-time employees. The total payroll of District stations was \$264,568.

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# FRANCE BUILDING STATION OF 120 KW. POWER

The Ministry of the P.T.T. has announced that work on the installation of the new broadcasting station at Muret will soon be completed. This station will be one of the most important in France as it will reach a power of 120 KW.

The general plan of broadcasting in France will, with the Muret station, be practically completed. For the last few months, the stations at Lille, Strasbourg, Lyons, Marseille, Nice and the Paris-P.T.T. have been broadcasting on a power of 60 to 120 KW. and the stations under construction in the region of moulins of Radio-Paris and the Centre d'Emissions Coloniales will be amongst the most powerful in Europe; plans are also being made for the installation of stations in the regions of Limoges and Grenoble. With the full realization of this plan France hopes to be able to successfully compete with other European countries along that line.

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#### MUTUAL NETWORK OFFICIALS AT CHICAGO LUNCHEON

More than thirty officials of the member and affiliated stations of the Mutual Broadcasting System and Judge Eugene O. Sykes of the Federal Communications Commission were guests July 6 of W. E. Macfarlane, President of the Mutual network, at a luncheon which was held on the concert platform of Studio 1 of WGN's radio studio building on Michigan Avenue in Chicago.

No official business of the network was discussed but in a short statement to the luncheon guests Mr. Macfarlane reviewed the past two years history of the network and commented on future plans.

"The Mutual Broadcasting System, now less than two years old, has done well on the foundation that the system was built for advertising and sales coverage at the lowest cost and minimum of waste", Mr. Macfarlane said. "It has appealed to members and affiliates by giving them the majority of the gross from time sales. It has also done well because its originating stations produce the best in remote dance music, sports and special events including political broadcasts. Mutual's coverage of the Democratic and Republican conventions drew much favorable comment.

"The announcement of the Mutual network's extension to the Pacific Coast through stations KFEL-KVOD in Denver and the Don Lee Network in California, the extension to take place the last of this year, has aroused much interest among large broadcasters. We have every reason to feel the progress of Mutual in 1937 will be even greater than in the first two years of its existence."

Among those present at the luncheon were: W. E. Macfarlane President of the Mutual network; Quin A. Ryan and Carl J. Meyers, of WGN; Alfred J. McCosker, Chairman of the Board of Mutual and T. C. Streibert of WOR; Judge Eugene O. Sykes, Federal Communications Commission; Louis G. Caldwell, of Washington; Louis Crosley, John Clark, Frank Smith and Don Becker of WLW; John Shepard of the Yankee Network; Frank Ryan, CKLW; Owens Dresden, Don Lee Network; John Gillin, WLW; Gardner Cowles of Des Moines, Iowa; Don Withycomb and F. R. Rosenbaum of WFIL; Ford Billings, WCAE; John Patt, WGAR; E. J. Lounsberry, WGR-WKBW; Eugene O'Fallon of KFEL; Harry Stone, WSM, C. T. Lucy, WRVA; Fred Weber, General Manager of Mutual.

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#### DON FLAMM TAKES BRIEF EUROPEAN RESPITE

Donald Flamm, President of the Knickerbocker Broadcasting Company, of New York, sailed for Europe last Friday. He will be gone about a month.

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# ARGENTINA CHANGES REGULATION ON RADIO TUBES

Andrew W. Cruse, Chief, Electrical Division, Bureau of Foreign and Domestic Commerce, Department of Commerce, reports that the Minister of Finance of Argentina has decided to grant advance exchange permits (which entitle the holders to purchase official exchange) for the importation of radio tubes and about 50 other categories of non-radio goods from the United States. Heretofore it has been necessary to purchase exchange in the open market at a rate 20 percent above the official rate.

More complete information is understood to be forthcoming and when received will be made available by the Bureau.

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RCA LAUDED FOR PROTECTING FREE SPEECH DESPITE STRIKE

Dorothy Thompson, in her syndicated column last Thursday discussed the significance of the speech of John L. Lewis over the NBC network even while labor unions were battling with the RCA at its Camden plant. She said, in part:

"There is one highly ironic fact to Mr. Lewis' denunciation of the economic tyrants who control our world and prevent democracy. Mr. Lewis issued his call to the workers of America over a Nation-wide hookup on time provided him free. The NBC is an affiliation of the Radio Corporation of America. And at this moment Mr. Lewis is at grips with this company in a strike which he has called in the Camden plant. The circumstances of that strike do not quite bear out Mr. Lewis' picture of the workers in relation to corporate industry. In this conflict and from the outset and before the strike began the company offered to proceed in accordance with the principles of the Wagner labor act. It offered to respect the decision of a majority of the workers, as expressed in a free and secret ballot, to be taken under the auspices, not of the industry but of the Government, and to recognize whomever the workers might elect as the representative of all of them for collective bargaining. Mr. Lewis rejected this offer for obvious reasons. Not thus would he win the fight.

"The RCA has not called in strike-breakers, it has not called out troops, nor armed the workers, the majority of whom have not responded to the strike summons. But there has been violence and a great deal of it has been committed by the 'peaceful picketers' whose methods of persuasion have been to add the black-jack to the argument. The RCA has not yielded to Mr. Lewis. But it has also remained true to its policy of keeping the air free for public discussion.

"There is something to be said for this democracy, even with its economic tyrants."

7/11/36

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Major-General James G. Harbord, Chairman of the Board of the Radio Corporation of America, will be principal speaker on Saturday, July 18th, at the dedication in Washington, D. C., of the Second Division's memorial to its World War dead. The ceremonies will be broadcast over the nationwide NBC-Red network from 3:00 to 4:00 P.M., E.D.S.T. General Harbord was Chief of Staff of the A.E.F. during the World War.

The Electrical Division, Bureau of Foreign and Domestic Commerce, has just issued supplemental radio market reports on radio tariff in the United Kingdom, characteristics of the Australian radio set, and regular reports on the radio markets in the Bahamas and British Malaya. Copies may be obtained at 25 cents.

With advertisements to be placed in 200 newspapers, reaching 15,000,000 readers per insertion, a record for newspaper advertising of radio sets will be established by the new Philco campaign, plans for which were announced this week by E. G. Loveman, Advertising Manager of the Philco Radio & Television Corporation. Mr. Loveman declared that the new schedule will exceed even that of last year when Philco did more newspaper advertising, according to his statement, than all other radio manufacturers combined.

A salute to WBT, Columbia's 50,000-watt transmitter in Charlotte, N. C., honoring its fifteenth anniversary of continuous broadcasting and the opening of its new studios, was carried over the CBS network last Thursday night. WBT's new studios and offices, which occupy an entire floor in the heart of downtown Charlotte, are constructed and equipped along the most modern lines. The studios themselves are replicas, in the modern manner, of those at Columbia's New York headquarters.

The radio audience which listened to the Louis-Schmeling fight broadcast Friday, June 19, under the sponsorship of the Buick Motor Car Company, reached record-breaking proportions, according to a statement issued by the Cooperative Analysis of Broadcasting. The fight was broadcast over the red and blue networks of the National Broadcasting Company from 9 to 10 P.M. (E.S.T.) and according to C.A.B., 57 percent of the set owners interviewed, reported hearing the fight. Eighty-eight percent of families who used their sets at any time after 7 P.M.EST reported listening to the fight.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

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WASHINGTON, D. C.

CONFIDENTIAL-Not for Publication

INDEX TO ISSUE OF JULY 14, 1936

RE Sees Better Radio Service For Farmers
Knox Urges Free Radio At WROK Ceremony
Payne Talks On Erasmus Anniversary Program
Former FCC Counsel Raps Press Operation Of Radio
Trade Commission Bars Piracy Of Radio Names
FCC Urged To Assume Jurisdiction In Rochester Case
Community Company Leads In Toledo Radio Battle
German Television To Follow Four Courses
Church Leaves CBS And WJSV10
Engineer Explains FCC Modulation Requirements

No. 945

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July 14, 1936.

#### RE SEES BETTER RADIO SERVICE FOR FARMERS

The extension of rural power lines will give the farmer better radio service at a low initial cost and low operating expense, the Rural Electrification Administration states in an article in its departmental organ.

"The city dweller looks upon radio solely as a means of entertainment; the farmer relies upon it for the betterment of his economic status as well", it adds. "From the many broadcasts which are addressed to the rural population, the farmer keeps a close check on market quotations, and gets technical information which results in better crops per man-hour of work. He is also well informed regularly of weather conditions. The importance of radio in rural life may be estimated from an economic angle as well as on the cultural and entertainment basis.

"Of the 6,800,000 farms in the United States, about two and a half million have radio receivers. The other four million plus must rely upon the neighbor's set or the country store. It is not surprising, therefore, that radios are among the first electric installations which a farmer demands.

"One of the reasons for the lag of the farm radio market is that the radio manufacturers, whose experience has been primarily in the design and construction of utility company line receivers, reluctantly build battery and 32-volt radios. The price and cost of operation are high for the farmer's modest budget. However, of late, the approaching saturation of the urban radio market has forced the radio manufacturer to seek ways and means to sell to the farmer. The battery-operated receiver, with its average monthly operation cost of about 1 dollar, is not a simple apparatus to build in quantities. The market for 32-volt sets depends on the number of 32-volt power installations. Thus, the manufacturers have given a great deal of attention to storagebattery operated sets (somewhat similar technically to the automobile set) where the battery is kept charged by means of a winddriven generator.

"There is no dearth of strictly rural programs. As of January 1935, there were 60 radio stations broadcasting the National Farm and Home Hour; 623 transmitters presented weather forecasts, and 146 stations cooperated with the Department of Agriculture in broadcasting market news. In 37 States, 221 stations supply radio time for the State Extension Service and the Department of Agriculture; the remaining 11 States have commercial stations on which the Department of Agriculture broadcasts frequently. Agricultural colleges operate 19 transmitters and 13 of them use commercial facilities. "Actually the farmer can keep in close touch with his city neighbors many miles away as the modern radio receiver has a long service range. Reception is usually better in the country than in the city.

"The educational possibilities of radio in rural school houses are very great. The city school child is in wide contact with modern affairs, but the farm's child leads a rather circumscribed life. A radio installation in the Little Red School House will enable children to listen to programs which will enlarge their vision of what is happening outside of their village. Power lines along the highway should pause at these little school houses to deliver the few watts which stand between the child and the great world in which some day he may be a very important part."

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KNOX URGES FREE RADIO AT WROK CEREMONY

Colonel Frank Knox, Republican Vice-Presidential nominee, dedicated the expanded facilities of Station WROK, Rockford, Ill., July 12th with a plea for continued freedom of speech, press and radio and a warning against using radio "to spread wrong ideas and encourage wrong policies."

"Freedom of the radio and the press must be preserved", he said. "They must not be prostituted to the uses of indecency or treason or false propaganda or class hatred or government coercion. Except for these limitations they must be free."

His address was at the dedication ceremony which marked the inauguration of the enlarged studios and new transmitting equipment of WROK. The Rockford Consolidated Newspapers (Morning Star and Register-Republic), published by Mrs. Ruth Hanna Simms, acquired the principal interest in the station's ownership.

Praising the radio as "a device for breaking down barriers of time and distance", Colonel Knox said that he looked "to the day when there will be no sectional feeling in this country, when city and town will cooperate in the solution of the problems of economic life."

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The Polski Radjo (Polish Radio Company) has ordered an experimental television station from the State Telephone Works for installation near Warsaw. The power will be 5 KW and the definition about the same as that of the Berlin television station, i.e., 25 screens per second. It is expected that the studio will be installed in the top floors of the Prudential building on Plac Napoleona, which is the only building in Warsaw high enough for the purpose. Transmission should be started by Christmes time.

# PAYNE TALKS ON ERASMUS ANNIVERSARY PROGRAM

George Henry Payne, member of the Federal Communications Commission, spoke July 12th over an international hookup of the Columbia Broadcasting System, in commemoration of the 400th anniversary of the death of Erasmus.

"In concluding this brief but memorable observance of the death of Erasmus, it is well to remember that although he has been dead four hundred years, the world has not even yet caught up to many of the ideas he had, the visions of betterment he conceived or the spiritual and political morality that he preached", he said.

"To many he was simply the great book-worm, the kind that is despised by politicians. To others, more understanding, he was simply the great scholar, the most learned man of his times, the master of irony and style. But to those who read more deeply, in a period when the world was emerging from the old order of the Medieval Ages to the new order, Erasmus was the pioneer and pathfinder. He was the turning point, intellectually, of a time when humanity began to come into its own."

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BRITISH EXPERTS LAUNCH WAR ON INTERFERENCE

An important move to cut those crackles, hisses and bangs which ruin listening-in has been made by the General Post office in Great Britain.

Its Engineering Department has been carrying out numerous experiments, with special apparatus for silencing electric vacuum sweepers, motors, lifts, medical appliances and other electrical instruments capable of causing interference with radio reception.

The Post Office engineers are now asking permission from manufacturers of certain electrical appliances in this country to carry out experiments and tests at factories. This will enable them to suggest the most suitable type of apparatus to silence interference in each case.

Legislation enforcing the addition of suppressing apparatus on certain electrical appliances is the only solution to the problem of eliminating electrical interference with broadcast reception. The problem will become far more acute when television transmissions from the Alexandra Palace begin. A great deal of research work in this direction has been carried out by a special Interference Committee, set up by the Institute of Electrical Engineers, and this has resulted in the best type of suppressing apparatus being found for various interference-producing apparatus.

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FORMER FCC COUNSEL RAPS PRESS OPERATION OF RADIO

Newspapers operating broadcasting stations have not measured up to what might be expected of them and often have used radio facilities for purely selfish purposes, Paul D. Spearman, former General Counsel of the Federal Communications Commission, states in an article in the July 11 edition of Editor & Publisher.

After discussing briefly the recent FCC ultra high frequency hearing, Mr. Spearman said:

"Probably the most important question in connection with the licensing of facsimile broadcast stations is: Who are to be the licensees of such stations? It is only natural to expect that many newspapers will apply for authority to operate such stations when the Commission authorizes them on a commercial basis. How many newspaper applicants will be permitted to sucure such licenses cannot be foretold.

"There is a distinct feeling in many quarters that some newspaper-owned broadcast stations have not measured up to what might be reasonably expected of them. Some of the finest, most efficient and best broadcast stations in the country are operated by newspapers. There is a feeling, however, that some newspapers have operated their broadcast stations as a mere appendage or sideline to their newspaper publishing business.

"There is also a belief that some newspapers have acquired and others are desirous of securing radio stations largely for the purpose of protecting their advertising business, program service to the public being a secondary consideration or afterthought. These impressions may have their influence on the future licensing of facsimile broadcast stations. In fairness it should be said that the operation of broadcast stations in a haphazard way by some newspapers has been and is responsible for the impressions referred to existing.

"Another objection which has been raised to newspapers controlling radio broadcast stations, and particularly to their control of the only station in a given community, is that this tends to concentrate the control over dissemination of information and to prevent the airing of all sides of public questions. Newspapers have been vigilant in protecting their rights to express themselves freely and it may be a difficult thing to argue that all these methods of reaching and influencing the public should be concentrated in a few hands."

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- 5 -

# TRADE COMMISSION BARS PIRACY OF RADIO NAMES

Unauthorized use of several well-known trade names, such as Edison, Marconi, Majestic and others, in the sale of radio sets, tubes and appliances, is prohibited under an order to cease and desist issued by the Federal Trade Commission against six manufacturing and sales companies operating in New York, Boston and other cities.

The respondents are: Marconi Radio Corporation, Edison Radio Stores, Inc., both of 23 East 21st Street, New York City; Stuart Radio Corporation, 58 Stuart Street, Boston; Joseph E., S. A. and A. M. Frank and G. Blumenthal, trading under the names Perfection Radio Stores, Harvard Radio Stores and Post Radio Company, formerly operating in various communities of Massachusetts, New York, Pennsylvania, Maryland, and in Washington, D. C.

These respondents are ordered to cease representing through advertisements, trade promotion literature and through the use of corporation, company or trade names, that the radio sets, tubes and appliances manufactured or assembled for, or by, and sold by them, are radio sets, tubes and appliances made, sold, sponsored or licensed by Thomas A. Edison, Thomas A. Edison, Inc., American Telephone & Telegraph Company, Western Electric Company, Marconi Wireless Telegraph Company of America, Radio Corporation of America, Victor Talking Machine Company, Brunswick-Balke-Collender Company, Warner Brothers Pictures, Inc., and its subsidiary, Brunswick Radio Corporation, Grigsby-Grunow Company, and General Electric Company.

The order also bars representation through use of the names "Edison", "Edison-Bell", "Edison Redio Stores, Inc.", "Edison International", "Bell", "Marconi", "Marconi Radio Corporation", "Victor", "Brunswick", "Bronswick", "Majestic", "Radio Corporation of America", "General Electric Company", or the letters "R.C.A.", "R.S.A.", "R.C.L", "G.E." or "E.B.", or through picturization of a bell, alone or in connection with other words or symbols, that the radio sets, tubes, and appliances made or assembled for or by and sold by the respondents are made, assembled, approved or licensed by the Edison Company, American Telephone & Telegraph Company, and the other large, well-known companies above designated.

A third provision of the order prohibits the use on radio sets, tubes and appliances sold by the respondent companies, or escutcheon plates, brands, or other marks bearing the nemes "Edison", "Edison Radio Stores, Inc.", "Edison Internation", "Edison-Bell", "Bell", or the representation of a bell, and various other names and initials of large and well-known companies so as to imply that these products are made, assembled, sold or licensed by these prominent manufacturers. Findings are that Joseph E. Frank controls the business of the several respondent corporations and companies, and extended his business activities throughout the United States and into foreign countries, attempting to register with the Spanish Government the names "Edison" and "Marconi" as trade marks or trade names for radio and television sets and related products. This registration was denied by the Spanish Government upon objection of Thomas A. Edison, Inc., and the Marconi Wireless Telegraph Company of America, according to findings.

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FCC URGED TO ASSUME JURISDICTION IN ROCHESTER CASE

Establishing what may prove to be a significant precedent, Chief Examiner Davis G. Arnold has submitted a recommendation to the Federal Communications Commission that it assume jurisdiction over the Rochester Telephone Corporation, of Rochester, N. Y.

The significance of the recommendation lies in the fact that the Rochester company contends that it is not engaged in inter-state commerce and that it therefore is not subject to FCC control and should not be compelled to comply with certain orders issued by the Commission in 1935.

Arnold brought out that the Rochester company is under "the indirect control" of the Bell Company "and is a carrier engaged in interstate communications through physical connection with the carrier controlling". He also pointed out that facilities for broadcast purposes are furnished by the respondent.

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ENGLISH WOMAN SEES ULTIMATE BAN ON RADIO ADS

Miss Edith Parnell, editorial manager of Charles F. Higham, Ltd., London, and the only woman delegate to the recent Boston advertising convention predicted before sailing for home that the United States will follow the example of Great Britain with respect to radio advertising.

"As is well known, we do not have 'commercial' advertising on the radio in Great Britain and I am of the opinion that not so far in the distant future the programs in the United States will eliminate advertising, since the real place for advertising for home reading is the daily newspaper", Miss Parnell said.

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### COMMUNITY COMPANY LEADS IN TOLEDO RADIO BATTLE

Of three applicants for a permit to operate a second broadcasting station in Toledo, O., the Community Broadcasting Co. appears to be in the lead.

Examiner Ralph L. Walker this week recommended to the Federal Communications Commission that this applicant be granted the permit for operation on 1200 kc. with 100 watts power, daytime, providing the applications of WALR to move from Zanesville to Toledo and of the Continental Radio Co. to construct a new station be denied.

At the same time he recommended that WALR'S application, which has been hanging fire since 1934 and which was one time granted by the FCC only to be withdrawn because of protests, be denied. An earlier report recommended that the Continental Radio Co., a subsidiary of the Scripps-Howard newspaper syndicate, be denied the station privilege.

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HOFFMAN ASKS \$100,000 IN CARTER SUIT

Following an earlier announcement, Governor Harold G. Hoffman filed suit in New Jersey Supreme Court last week for \$100,000 damages from Boake Carter, radio commentator; three broadcasting corporations and four sponsors, charging Carter with defaming him in malicious broadcasts in the days preceding the execution of Bruno Richard Hauptmann on April 3 for the murder of Charles A. Lindbergh, Jr.

Governor Hoffman charged that the broadcasts were composed by Carter as agent and employee of the defendant sponsors, and that "the said words were false and malicious and were read, spoken and published for the purpose of injuring the said plaintiff in his reputation, good name, integrity and credit and brought into public scandal; shame and discredit."

The other defendants, in addition to Carter, are the Columbia Broadcasting System, WCAU Broadcasting Company, which is the Philadelphia outlet, and Atlantic Broadcasting Corporation, operator of station WABC in New York City, and the sponsors Philco Radio and Television Corporation, Philco Radio and Television Corporation of New York, Philco Radio and Television Corporation of Pennsylvania and Philadelphia Battery Company.

#### GERMAN TELEVISION TO FOLLOW FOUR COURSES

Future development in Germany will be mainly in four directions, according to <u>World-Radio</u>, British Broadcasting Corporation organ. They are:

(1) Erection of more transmitters in order gradually to cover the country;

(2) Improvement of studio and outdoor, direct and film television equipment. This development will go hand-in-hand with an increase in definition and the introduction of suitable means to avoid "flicker";

(3) Production and sale to the general public of television receivers;

(4) Continued extension of the two-way television-telephone which automatically provides a cable-link between television transmitters.

"Already the Post Office has announced the intention to erect ultra-short-wave television transmitting stations outside Berlin: one on the Brocken, in the Harz mountains, to serve Hanover, Cassel, Brunswick, Halle, and Erfurt; and a second one on the Grosse Feldberg, in the Taunus, for Frankfurt, Coblenz, and the Rhine Valley up to Mannheim, the periodical states.

"These stations are to be ready in 1937. By that time, no doubt, the Berlin television transmitter will have been adapted for higher definition. By next year the German television industry will have a very much larger potential market than it has at present. Of course, nobody can say at the moment whether, in practice, the system of placing transmitters on high mountains will eventually prove to be the best one for providing the country with a television service, but it seems certain that ultra-shortwaves will be employed in all cases.

"The extension of direct television facilities in the Berlin studio is progressing very gradually. The program-builders are still hampered by the fact that even the very latest addition to their equipment in the Rognitzstrasse studio will not permit the transmission of more than three-quarter-length pictures of up to three or four people. Ultra-sensitive photo-electric cells of the "secondary emission type" have been fitted. They permit scanning by the light of an arc lamp projected through a disc fitted with a multitude of tiny lenses. Theoretically, the system is very much the same as that employed by Baird for his 30-line transmissions, except that in Germany 180 lines are used, and the cells are different.

"Those responsible for the programs are eagerly awaiting the introduction of the iconoscope, which will give them more facilities and greater range. It is hoped that this instrument will become available towards the end of the year. "At the time of writing preparations are in full swing for the televising of sporting events from the main stadium during the Olympic Games. I understand that iconoscopes will be used, as well as the intermediate film system. Definition will not be altered from the usual 180 lines and 25 frames-per-second.

"For the German Radio Exhibition, which opens on August 28, it is anticipated that a large number of spectacular demonstrations of higher definition television will be staged. No doubt the 375-line pictures, with interlace scanning will be shown for the first time in public. After a further test period, it is generally expected that this type of picture will be adopted as the new German standard. It will be remembered that the present standard of 180 lines and 25 frames-per-second was decided upon several years ago - in the Autumn of 1933. Since then those concerned with the development of the new technique have found that the 180 lines will not be sufficient after all, and that the "flicker", due to the comparatively small number of frames-persecond, tires the eyes and certainly diminishes the entertainment value of the picture."

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CHURCH LEAVES CBS AND WJSV

T. Wells ("Ted") Church, Program Manager for Station WJSV, Washington, has ended his connection with that station and the Columbia Broadcasting System.

Mr. Church, who joined CBS in 1931 as Publicity Director in Washington, had been with the Mount Vernon Hills (Va.) station since October, 1932, when it was taken over by Columbia. He is given a large part of the credit of building WJSV. Mr. Church's future\*plans were not disclosed.

Before entering the radio field, Mr. Church was a correspondent for the United Press and the New York Herald Tribune.

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During May, 384,542 radio receiving licenses were issued by the British Post Office, a new increase of 29,102 after allowing for renewals and expired licenses. The total licenses in force at the end of May, 1936, was 7,671,760 compared with 7,092,596 a year ago.

# ENGINEER EXPLAINS FCC NEW MODULATIONS REQUIREMENTS

some few weeks ago The Federal Communications Commission/by amending Rule 139 of its regulations required that broadcasting transmitters be capable of operating at a modulation level of at least 85 percent. Arthur E. Thiessen, writing in the "General Radio Experimenter" approved the regulation and discussed its significance.

"The purpose and usefulness of the monitor are immediately apparent", he writes. "By its use station operators can maintain the highest possible modulation consistent with good broadcast practice, and, when modulation exceeds the capability of the transmitter, the alarm flashes a warning. A reasonable balance between inefficient under-modulation and distorted overmodu lation is thus made possible.

"The Federal Communications Commission has specified in detail the electrical requirements of a suitable monitor.

"The specifications are the result of a long study of the problem. In order to obtain the various viewpoints, the Commission held several conferences which were attended by engineering representatives of many operating companies and manufacturers. As a result of this study of the monitoring requirements of the broadcasting station, the final specifications were drawn, taking into consideration that the monitor as an instrument had to be simple in operation, accurate, and not expensive.

"The important features which the monitor must provide

"(1) A d-c meter for setting the average rectified carrier.
"(2) A peak indicating light which flashes on all peaks
exceeding a predetermined value set at will by operator.
"(3) A meter indicating continuously the percentage modu-

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"(3) A meter indicating continuously the percentage modulation.

"The d-c meter has two functions: first, it provides a means for indicating the reference carrier level at which the monitor is to operate and, second, it shows carrier shift during modulation, which is a warning of inequalities in positive and negative peaks, with the resulting probability of distortion.

"The flashing light operates when the modulation exceeds any percentage that has been pre-set by the operator. The setting of the level of modulation above which the lamp flashes is determined by the modulation capability of the transmitter and by the type of program. It is set to flash with moderate frequency while things are functioning normally. This is usually at a level of about 85% or higher. After a little experience, the normal rate of flash to be expected from any particular class of program material becomes familiar to the operators. "When used at first in conjunction with a monitoring loudspeaker, a surprising facility of modulation level maintenance is developed by the use of the light alone. If, without a change in program, the rhythm of the flashes is markedly changed, the operator is immediately warned that something is wrong. If the flash rate slows down or stops, the modulation level has dropped too low, and if the light flashes continuously or not in synchronism with the loudspeaker monitor, trouble has developed in the transmitter. Since the light is visible at some distance, close attention to the monitor is not required. An electrical counter may be attached to provide a record of the number of overmodulation flashes occurring in a given period.

"The third requirement is a meter which reads the actual percentage of modulation at all times. It can be switched to read either the positive or the negative modulation percentage. The meter has the new high-speed movement and is about critically damped. It reaches full-scale deflection in about 100 milliseconds with almost no overswing, and returns to zero in about the same time. If used directly on voice or music programs this highspeed movement would follow the rapidly changing levels faithfully, but its speed is so great that accurate monitoring would be difficult, and it would be rather tiring to watch it for any length of time, especially for those who are used to the lazy movement of the older volume indicator meters.

"To avoid this, it has been specified that the circuits of the monitor must be arranged so that, when a pulse of modulation between 40 and 90 milli-seconds in duration occurs, it is stored electrically until the meter can reach 90% of its steady-state deflection. It is not desirable that shorter pulses show so prominently on the meter as these short bursts do not contain enough energy to be bothersome in case of over-modulation. The electrical circuit stores the pulse and then discharges rather slowly, the time for the meter to return from full scale to 10% of full scale being specified as between 500 and 800 milli-seconds (it is 700 milliseconds in the Type 731-A Modulation Monitor). The result is a meter action which goes up extremely repidly with modulation peaks and returns relatively slowly.

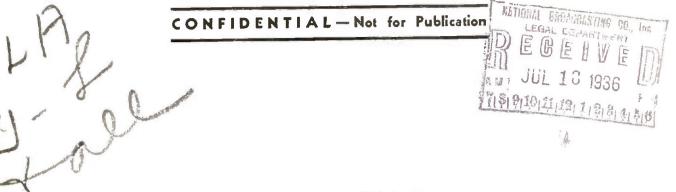
"An additional requirement specifies that the monitor must have an extremely good audio-frequency characteristic(= 0.5 db from 30 to 10,000 cycles). This permits accurate measurements to be made of the over-all frequency response of a transmitter."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



INDEX TO ISSUE OF JULY 17, 1936

Boake Carter Makes Stinging Reply To Libel Suit
Levy Plans To Start NAB Rival In Fall, Report4
Unfettered Radio Held Sumbol Of Democracy5
NAPA Starts Series Of Recording Suits In N.Y.C6
Ruling Demanded On Unauthorized Baseball Broadcasts
FCC Approves Transfer Of KNX; NBC Adâs WEBR
Two New Stations Recommended By FCC Examiners
Purdue Puts FCC In Tough Spot In Television Scrap
Philippines Plan Largest Far East Outlet
Music Trades Revival Credited To Radio

No. 946

# BOAKE CARTER MAKES STINGING REPLY TO LIBEL SUIT

While the entire broadcasting industry awaits the result of a \$100,000 radio libel suit filed by Governor Hoffman, of New Jersey, against Boake Carter, Philco radio commentator, CBS, and WCAU, Philadelphia, the outspoken newspaper man took another fling at the Governor in a recent broadcast period.

If the suit is carried through the courts, it is believed the ruling will establish a precedent for the limits of free speech over the air. Carter significantly pointed out that Hoffman filed suit against him although newspapers in editorials were just as critical of the Governor's interference in the Hauptmann case.

"I feel highly flattered to be picked out from a large majority of the press of the nation, which also - like myself expressed shocked amazement at the three-ringed circus at Trenton", he said, "at the time of Hauptmann's last week of life - and not to mention the majority of the press of the Governor's own State as well as that group of responsible citizens of Princeton, and professors of Princeton University.

"I am told that in New York today that this newest of the bizarre performances is looked upon as a keen publicity stunt promoted by me. To those who so think, I answer with the curtness that their thoughts deserve - that I have not yet reached the point where I feel disposed to use the body of a murdered baby of 20 months as a springboard for a publicity stunt - and much less disposed to use the horrors of the last moments of life on this earth of a man jerked back and forth from the electric chair by the whoms of a Governor, as another springboard for a publicity stunt. The Governor, I am afraid, must take credit for initiating the court action.

"But his method of initiation is interesting and perhaps speaks for itself. The papers for his action were certified in the New Jersey Supreme Court in Trenton, the State Capitol. The papers for service were given to the Essex County, N. J. Sheriff, although the Governor's own county is Middlessex County not Essex. If the Governor feels that he has grounds for so clear-cut an action - then why does he bring his action in the State of New Jersey? Why does he bring his action in a State of which he is the Governor, the chief magistrate? Why does he bring his action in a State where he is the official political leader? Why does he bring his action in a State where he would stand before the jury box in the role of Governor - and I am simply a private citizen of another State and newspaperman? It

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is quite clear he prefers not to bring his action in a neutral State, the State of Pennsylvania - the State in which I work and live and whence came those spoken editorials to which the Governor takes exception.

"Thus - the Governor has laid down a challenge - within the confines of his own sphere of influence - so we pick it up and put this challenge back down on his desk - that if he has so good a case - let him come to the State of Pennsylvania and initiate his action - it is only 27 miles away from the New Jersey State House - let him file his action in a dispassionate - non-partisan place - where we may both stand before the court of justice - not as Governor on the one hand and plain newspaperman on the other but as man to man, individual to individual - and let the stories be told on an equal footing. By filing his present action in the State of New Jersey, the Governor well knows he can obtain no service upon me - and I and no other, was the writer and speaker of those editorials - written in the capacity of honest, decent and truthful journalism to which is accorded the inalienable right under our own constitution to freedom of the press, freedom of speech and the right to question the propriety and criticise the official conduct of every officeholder in the performance of his public acts. Knowing then that he can obtain no service on me does he expect me to walk - like the convenient fly into the web neatly set for it by the spider - into the sphere of his juris-Thus, if he fails to accept the challenge I lay diction? Hardly. before him - to debate his case in another State where we may stand on equal footing, man to man - then the only interpretation on his Jersey action left open to accept, is that the move is a political expedient in face of the Fall elections and that he is afraid to accept the proposal I just made.

"But actually and factually, this is no issue between Carter and Hoffman. A far greater principle is involved - a principle which touches the very foundations of government in the United States and reaches back to the days of the Magna Charta, when the common man overthrew the shackles bound around him by the feudal lords and won for himself his first fruits of the freedom of a democracy. The Bill of Rights was fought for by the English. It became a heritage of the Anglo-Saxons. It was brought to America by the early settlers. It was immortalized in the Declaration of Independence and embodied in the organic law of the land in the first five amendments in the American Constitution. Freedom of speech and the press have been jealously guarded heritages of the American people. The issue here is Hoffman versus the freedom of the press and the freedom of the radio. The essence of honest, truthful journalism is to report as the journalist sees and honestly believes the facts."

"Look how officials have used radio in other nations, killing civil liberties and destroying the very foundations of democratic government. In America the fight to maintain the freedom of the air has been carried on since inception of radio. "Censorship was flatly prohibited in the law, and freedom of speech reaffirmed. Philco itself said it believed in this American principle last February, when it declared, 'The American public is entitled to uncensored expression of opinion that it may use its own judgment and draw its own conclusion. Philco has taken time on the air for daily comment on current events by Boake Carter, but Philco has never exercised nor will exercise any censorship over him whatsoever. The comments and opinions expressed by him on the air are his and his alone, for Philco is convinced that in the exchange of intelligent comment and editorial expression lies a real service to the public. It feels that this confidence has been fully justified and believes that the public is entitled to hear Boake Carter's views courageously and honestly expressed.

"Very well - believing as I have always believed in 17 years of newspaperwork, in unafraid, honest, truthful journalism reporting events as I see them - I have tried to live up to this principle - in the past - and come an army of Hoffmans, I shall continue to do so to the best of my ability in the future."

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LEVY PLANS TO START NAB RIVAL IN FALL, REPORT

Isaac Levy, former Treasurer of the National Association of Broadcasters and co-owner of WCAU, Philadelphia, plans to start his rival organization of broadcasters in the early Fall, according to an unofficial report reaching Washington. Levy resigned from NAB after assailing the handling of copyright negotiations by James W. Baldwin, Managing Director, and the NAB Directors.

One report in <u>Variety</u> was that Mr. Levy has received letters from about 35 broadcasters expressing approval of his action. It said the new organization plans to have a legal representative in Washington and a Managing Director as sole officer. Membership fees will be \$400, or \$500, a year, the report stated.

Meanwhile, Mr. Baldwin, back from the Chicago convention with the overwhelming support of the NAB membership, continued his efforts to get the NAB Copyright Bureau functioning. Not only did the NAB Directors back him to the limit, but it voted him a salary increase of \$2,000 a year to \$13,000.

The three men assailed by Mr. Levy for their role in the Radio Program Foundation - Hostetler, Loucks and Schuette were said to be awaiting receipt of an official transcript of the remarks before deciding what action, if any, to take.

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#### UNFETTERED RADIO HELD SYMBOL OF DEMOCRACY

The untaxed radio receivers scattered over America, taking from the air a variety of programs, all free, are symbols of a new democracy of opportunity in mass information, education and culture, Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, told the Institute of Public Affairs at the University of Virginia, Charlottesville, July 16th.

Frederic A. Willis, Assistant to the President of the Columbia Broadcasting Co., also participated in a discussion on the responsibility of mass communication media in a democracy.

While means of mass communication remain unshackled, as in America, it will be, General Harbord said, "the very cornerstone of democracy, a bulwark against the tyranny that thrives on the suppression of truth.

"Untrammeled books, an untrammeled press, and an untrammeled radio are more fundamentally important than votes", he continued. "Before a vote is worthy of the name the voter must have the opportunity of obtaining information. Men had votes in ancient Rome, but the republic failed. It failed because, among other reasons, it had no mass communication."

General Harbord traced the development of electrical communication since the invention of the telegraph, and told how the Radio Corporation of America is carrying on experiments in television and in use of ultra short wave radio.

Radio's responsibility in a present-day democracy is great, began Mr. Willis. "The responsibility for broadcasting in our democracy is really the responsibility of good American citizenship.

"This includes a duty to encourage free speech, free communication, free interplay of thought (remembering that only in this way can democracy be perpetuated). It includes a duty to give fair play not alone to majorities, but to responsible minorities." \* \* \*. To suppress them would destroy our democracy. It includes a duty to see America as a unity, as well as a land of parts - remembering that the welfare of the whole is vital, if the interests of each part are to be served."

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There is no radio broadcasting in the Bahamas, nor is the establishment of a local station seriously contemplated. Radio users depend principally on stations in the United States and particularly WQAM and WIOD at Miami, which is only about 200 miles distant.

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# NAPA STARTS SERIES OF RECORDING SUITS IN N.Y.C.

Continuing its campaign to compel broadcasting stations to obtain permission of artists before transmitting phonograph recordings, the National Association of Performing Artists this week launched a series of injunction suits in the New York Supreme Court and the Federal District Court in New York City.

The action is similar to that in which the NAPA, through its President, Fred Waring, won an initial court ruling in a suit against WDAS, Philadelphia, last Winter. The NAPA also sponsored an unsuccessful amendment to the Copyright Act intended to give artists protection similar to that now provided the copyright owner.

Paul Whiteman brought suit in the Federal Court against the WBO Broadcasting Company, owner of Station WNEW. In the Supreme Court suits were brought by Lawrence Tibbett, Don Voorhees, Frank Crumit and Walter O'Keefe.

Mr. Tibbett's suit is brought against the Debs Memorial Fund, Inc., as owner of Station WEVD. He says that "he is an actor, singer and performer", and as an "interpretive and creative musical artists he has established a reputation as such by hard and diligent effort and by a great investment of time and energy. "

In the suit by Mr Voorhees, orchestra leader, against the Audio-Scriptions, Inc., the plaintiff said:

"Recently there has grown up in the entertainment industry a practice which is harmful and injurious to the careers of performing artists."

He said the defendant operated a device which recorded the artist's talents on a record or transcription of the broadcast. He alleged that "the defendant has captured one of plaintiff's broadcasts and has reduced the same to physical form for sale to whomever will pay the price.

"These bootleg recordings are modified and altered so as to contain advertising material and announcements of new sponsors, who thus have the use of the talents of myself and other artists without payment of any compensation to them."

In the suit by Mr. O'Keefe against the Teleflash Loudspeaker Corporation, he alleges that his recitation, "The Daring Young Man on the Flying Trapeze", is being used by the defendant, which he says is in the business of conveying by wire and reproducing public performances in cafes, restaurants and elsewhere sports information and musical performances played for recording purposes.

The suit by Mr. Crumit was brought against the Marcus Loew Booking Agency as owner of Station WHN. The plaintiff says he has made a number of recordings of musical compositions intended for home phonographs and not for commercial exploitation, including the song "The Dashing Marin." He says that Station WHN has been using this record for commercial purposes. 6 -

### RULING DEMANDED ON UNAUTHORIZED BASEBALL BROADCASTS

The Federal Communication Commission has been called upon to decide whether the broadcasting of off-the-scene versions of professional baseball games without permission of the baseball clubs is "piracy" or just ingenuity.

A formal complaint against WMCA, New York, alleging that it is "pirating" play-by-play baseball broadcasts of the New York, Boston and Philadelphia American League baseball clubs, was filed with the FCC by these clubs and by the American League of Professional Baseball Clubs this week.

The complaint asks that, unless WMCA ceases the practices complained of, such as "pirating, appropriating, using or disseminating, to any person, news reports or information of all or any part of the baseball games conducted by the complainants, without their express consent and approval", the license of the station be "revoked and terminated."

John M. Littlepage, Washington attorney for WMCA, stated his opinion that the FCC has no jurisdiction in such matters. Moreover, he brought out that there is precedent to confirm that view, since the FCC some months ago disallowed a complaint alleging rebroadcasting of a World Series baseball game on the ground that it did not violate FCC regulations governing rebroadcasts,

WMCA does not actually rebroadcast the games. The WMCA baseball announcers, it is said, tell the listeners that they are broadcasting their "versions" of the games and do not state that the broadcasts are direct from the parks. General Mills, Inc., is the sponsor.

The FCC first will decide whether it has jurisdiction in this particular case. It is unlikely that there will be any action for several weeks. The FCC may decide to dismiss the case for want of jurisdiction in which event, it is thought, the baseball clubs may take recourse to the courts.

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LOHR BUYS 21-ACRE ESTATE ON HUDSON

Lenox R. Lohr, President of the National Broadcasting Company, has bought Hawthorne, 21-acre estate of Mrs. David L, Luke, in North Broadway, Tarrytown, for an all-year home. The property, fronting on the Hudson River, is the old Robert Hoe estate, noted for its landscaping. The Georgian type brick residence, containing about twenty-five rooms, was built in 1915 by the late David L. Luke.

7/17/36

# FCC APPROVES TRANSFER OF KNX; NBC ADDS WEBR

The Broadcast Division of the Federal Communications Commission on July 17th approved the transfer of Station KNX, Los Angeles, from the Western Broadcasting Co. to the Columbia Broadcasting Division. The deal, which was aired at a special hearing before the FCC, is the largest in broadcasting history, involving \$1,250,000.

The Commission at the same time renewed the KNX license on a permanent basis. The station has been operating under a temporary license for the past year because of alleged violations of rules governing programs.

CBS also plans to lease or buy WLWL, New York, from the Paulist Fathers, following FCC approval of the merger of WOV and WLWL. The Paulist Fathers last week purchased WOV for \$300,000. Reports are current that CBS is planning to build up a second network, to rival NBC's two hook-ups, with WLWL as the new key outlet; CBS officials, however, scoff at the prediction.

On July 15 WEBR, of Buffalo, was added by NBC. Other stations which will be placed on the network as soon as various obstacles are removed are: WEAN, Providence; WICC, Bridgeport; WNBR, Memphis; WTFI, moving from Athens to Atlanta; KGKO, Wichita Falls; KXYZ, Houston, and WDSU, New Orleans.

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MOVIE EXHIBITORS SEEK BAN ON RADIO WORK

Lux, Camel Caravan and Hollywood Hotel weekly broadcasts with picture names in the casts are the targets of exhibitors throughout the country in a determined effort to get motion picture distributors and producers to ban their players from continuing radio work, according to <u>Variety</u>.

"The exhibitors fired a strong broadside at the Lux and Hollywood Hotel programs to the producers here", a Hollywood correspondent reports. "They claim that these programs, which grab off the big star names created by and for the film industry, are sounding a box office knell and that if the producers further encourage and approve their big box office names going on radio then programs they will take reprisal measures by cutting the rentals on pictures which are affected by the broadcasting done with screen talent."

#### TWO NEW STATIONS RECOMMENDED BY FCC EXAMINERS

The granting of construction permits for two new broadcasting stations, one in El Paso and another in Kinston, N. C., was recommended to the Federal Communications Commission this week by Examiners.

The applicants are Dorrance D. Roderick, of El Paso, for 1500 kc. with 100 watts power, unlimited time, and Jonas Weiland, of Kinston, for 1200 kc. with 100 watts night, 250 watts daytime, unlimited time.

Denial of an application by Ted R. Woodard, of Kingsport, Tenn., for a permit to use 1210 kc. with 100 watts, daytime, was also recommended.

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GERMANY SEEKING COUNTRY-WIDE TELEVISION SERVICE

The German Post Office has just ordered two new sightand-sound ultra-short-wave television transmitters, according to <u>World-Radio</u>, British Broadcasting Corporation organ. One of these will be installed on the summit of the Brocken, the highest mountain in Northern Germany. The second is on the summit of the Grosse Feldberg, in the Taunus Mountains, north-west of Frankfurtam-Main. It is hoped to complete the transmitters by next year.

"This announcement shows that the German Post Office is well on the way to the realisation of a television service which will cover the whole of the country", the periodical comments. "It will be remembered that a mobile television unit, containing a 10-KW ultra-short-wave sight-and-sound transmitter was driven up to the Brocken last Summer and kept up there for a considerable period of time. Tests proved that a permanent transmitter there would cover such important centres as Hanover, Magdeburg, and possibly Halle. The second series of tests was then arranged from the Grosse Feldberg, in the Taunus.

"In the official announcement it is stressed that the two new transmitters must be regarded as experimental, for there is as yet no decision regarding the ultimate method of providing a nation-wide television service. It is generally thought that the Teldberg (2,800 ft. above sea level) transmitter will cover Frankfurt-am-Main, Mainz, Wiesbaden, Mannheim, Worms, Heidelberg, and Darmstadt and will reach up as far as Marburg and Giessen in the north and to Coblenz in the west."

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# PURDUE PUTS FCC IN TOUGH SPOT IN TELEVISION SCRAP

Purdue University, of Lafayette, Ind., and the National Television Corporation of New York, placed the Federal Communications Commission this week in an embarrassing position as they contested the FCC order moving all television experiments out of the medium frequencies into the ultra-high waves.

Witnesses warned the Commission that it "dare not become a body for suppression and repression", as they opposed an order issued by the FCC May 13.

Charles Francis Harding, head of the Purdue School of Electrical Engineering, one of the largest in the country, told the Commission that its action might deprive rural United States permanently of the benefits of television, which experts agree has passed into the stage of practical operation.

The FCC withdrew the frequency bands from television experiment on the ground that these frequencies were needed for police and government radios. Commission sub-officials said, however, that the Mackay Company and the Radio Corporation had made application to use these bands.

Purdue University has been conducting what its officials say are successful television operations on these bands for several years.

"It may be many years before the entire country can be covered by short-wave television stations, and it would probably never be economically feasible to provide the more sparsely populated areas with short-wave programs," Mr. Harding testified. "It is important that at least one intermediate wave channel be maintained."

Mr. Harding declared that Purdue had been successfully broadcasting pictures by television for four years and that pictures had been received from distances up to 1,000 miles.

Edward H. Loftin gave similar testimony on behalf of the National Television Corporation after identifying himself as a former naval radio expert who had held high government radio posts and played a large part in the development of transatlantic radio communications.

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## PHILIPPINES PLAN LARGEST FAR EAST OUTLET

KZRM, the largest Philippine broadcasting station, operating with a power of 25 KW at the antennae, proposes to spend approximately P50,000 in improving its facilities, on condition that it receives from the Government a contract guaranteeing continuation of its subsidy by installing the newest type of radiator antennae that will increase the radiated power two and a half times without any additional consumption of electric power and by the installation of the latest High Fidelity Type Short Wave RCA Broadcast Transmitter, according to U. S. Trade Commissioner J. Bartlett Richards, Manila.

The present long wave transmitter and the new shortwave transmitter would normally broadcast the same programs simultaneously, although they could, of course, be used to broadcast separate programs. It is believed that, with the new equipment, KZRM could be heard all over the Far East, including Japan, China and the Dutch East Indies. It is hoped that improved facilities would lead to an increase in the number of listeners, which would in turn increase the revenue and permit improvement of the programs. It is acknowledged that improvement of the programs is of primary importance, if the company is to realize its hope of becoming the best known broadcasting station in the Far East.

In asking for a contract guaranteeing the subsidy for at least five years, KZRM does not have in mind the present subsidy arrangement guaranteeing the monthly deficit up to a maximum of P6,700 a month. They would require a reversion to the old arrangement under which they were paid out of radio license revenues the full amount of the difference between their expenses and their revenue from advertising. That arrangement was never entirely satisfactory to them, as radio license receipts were never sufficient to make up their deficit. They feel, however, that, with a more powerful station and improved programs, more sets will be sold and many present owners of sets will pay their license fees and put their sets into commission again. It is also hoped that delinquencies will be reduced when the collection of radio license fees is placed in the hands of the Bureau of Internal Revenue, as it probably will be within the next two or three months. It is also pointed out that as the station becomes better known throughout the Far East, they will have a more attractive proposition to present to American advertisers and will be able to increase their advertising revenue, thus reducing the amount of deficit payable from license fees.

They do not anticipate that the new equipment would increase their cost of operation very substantially, estimating that, including depreciation on the new equipment as well as additional power cost for the short wave transmitter, their additional cost would not be much over P500 a month. (Their present rate of depreciation is only about  $4\frac{1}{2}$  percent per annum on the cost of the equipment). They would, however, plan to spend more money on programs.

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# MUSIC TRADES REVIVAL CREDITED TO RADIO

Radio is primarily responsible for a 300% increase in piano sales during the past year, according to letters recently received by the National Broadcasting Company from executives in the piano industry. Once considered a dangerous competitor of the instrumental music industries, radio is now credited with being one of the fundamental factors in the recent upturn in that business, and statistics now offered by the music trades provide significant confirmation of repeated claims by broadcasters that radio is the most effective medium yet devised for stimulating music appreciation and promoting general music culture.

"After a careful and dispassionate study of the nearly 300% increase in piano sales during the past twelve months over 1933", W. A. Mennie, secretary of the National Piano Manufacturers' Association, declares, "radio must now be considered one of the major reasons for this increase. Millions of listeners, who might otherwise never have attained an appreciation of music, are manifesting an interest in music culture and endeavoring to become participants themselves. These converts to the musical arts are purchasing musical instruments of every description, and the piano being the basic musical instrument, has benefitted most of all from this stimulation. Radio, with its limitless possibilities, has educated listeners to appreciate music and it has produced a natural desire to create it, thus opening a hitherto nonexistant market."

Other letters were received from Theodore Steinway, president of Steinway and Sons; William A. Alfring, President of the Aeolian-American Corporation and Lucien Wulsin, President of the Baldwin Piano Company.

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CBS AND N.Y. PHILHARMONIC SIGN 5-YEAR CONTRACT

The New York Philharmonic Symphony Society will continue to broadcast exclusively over the nationwide Columbia network for the next six seasons, according to terms of a new contract just negotiated. The new contract, on a five-year basis, will go into effect following the termination of the present agreement in the Spring of 1937.

A potential audience of more than 75,000,000 people will be reached by the concerts, broadcast over the coast-to-coast CBS hookup and the nationwide Canadian network - a total of approximately 115 stations. Periodic surveys conducted for CBS by Dr. Daniel Starch show that 59.4% of all radio homes have heard the Philharmonic broadcasts. Of homes in the highest income group 85.1% have listened, while even of the lowest group 44.7% have tuned in.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

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WASHINGTON, D. C.

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INDEX TO ISSUE OF JULY 21, 1936

Politicians Will Now Pay For Boring Radio Listeners2
Harbord Acclaimed At 2nd Division Memorial
Little Press Opposition To Commercial Television Seen
Census Report On Stations In West South-Central States
Correspondent Raps Sale Of Political Time
NLRB Cites RCA In Camden Labor Row
General Meeting On Cairo Proposals Planned
First South African Radio Receiver Manufactured
KFUO Plans \$3,000 Expenditure For New Equipment
WMCA Advertises By Quoting From Its Critics

No. 946 - A

4

Vr/J

July 21, 1936

## POLITICIANS WILL NOW PAY FOR BORING RADIO LISTENERS

Listeners at least now have the satisfaction of knowing that the political address which replaces a snappy swing orchestra these hot Summer nights is being paid for and right dearly.

Following the formal notification ceremonies at Topeka this week political broadcasters are to be treated as any commercial advertiser of wares. Free time on the air for speeches "in the public interest" are taboo, so far as politics is concerned, until after the November elections.

While accurate figures are not available, indications are that the 1936 campaign will establish a record for use of the radio in efforts to win votes. All this means that many dollars will roll into the pockets of broadcasters, compensating for the numerous free periods granted before and ouring the party conventions.

The Republican and Democratic parties may spend as much as \$1,000,000 each for network, transcription, and spot time on the air before election day, according to one trade estimate. This forecast far exceeds the expenditures for the 1932 campaign, but money is more plentiful and the contest is hotter.

The Democrats spent \$336,508.47 for radio time in 1932, while the Republicans paid \$421,123.33.

Radio costs are higher this year, however, than four years ago. For a coast-to-coast hook-up on the combined major networks, such as is used for a presidential address, the price is approximately \$52,000 an hour.

So far neither of the presidential candidates nor their lieutenants have bought time on the air although Mr. Roosevelt and Mr. Garner were notified that political addresses must be paid for following their acceptance addresses at the Democratic Convention in mid-June at Philadelphia.

President Roosevelt, however, will still be given time on the major networks gratis whenever he speaks non-politically in his capacity as Chief Executive of the United States. Such an occasion was his address upon the dedication of the Shenandoah National Park in Virginia a fortnight ago.

Washington observers expect the campaign to begin in earnest following the Topeka notification ceremony after which Mr.

- 2 -

7/21/36

Landon and Mr. Knox will be in the same class - from the point of view of broadcasters - as Mr. Roosevelt and Mr.Garner or any other political candidates, for that matter.

The policy of charging presidents for political time on the air originated in 1924 when Mr. Coolidge was opposed by John W. Davis. Everett Sanders, later secretary to Mr. Coolidge, but then in charge of the Republican Speakers' Bureau, established what he believed to be the first radio bureau in a national campaign. The networks decided that a President of the United States, running for reelection, should pay for his time just as any other candidate.

Accordingly, President Coolidge was charged \$11,000 for his first network broadcast. Mr. Coolidge thought this charge very high, but it proved reasonable in the light of the \$25,000 to \$30,000 prices paid eight years later by Mr. Roosevelt and Herbert Hoover.

The practice of charging for political time on the air has its critics, who insist that it gives an advantage to the party or candidate with the full war chest.

Raymond Gram Swing, Washington correspondent, in a recent address at the University of Virginia, called it "repugnant to democracy" (see story elsewhere in this release).

The British attitude was reflected in a comment in <u>World-Radio</u>, organ of the British Broadcasting Corporation.

After describing the free broadcasts in party conventions, the publication pointed out that "thenceforth politics presents a commodity-selling aspect, and the politicians, including President Roosevelt himself, will have to pay for their time 'on the air' exactly as they were vendors of soap or automobiles.

"By common consent, political speeches after the candidates are selected fall in the commercial category. Time is no longer given; it must be purchased, and it costs a lot."

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"Does the American public want non-commercial broadcasting?" asks the National Committee on Education by Radio in its current bulletin. "Shortwave station WIXAL, Boston, Massachusetts, is ready to prove not only that many people want it but also that they are willing to pay for it. Since January 1, 1936, the station reports voluntary contributions from hundreds of listeners in thirty States of the United States, and in England, Mexico, Canada, Cuba, Bermuda, and Trinidad."

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# HARBORD ACCLAIMED AT 2ND DIVISION MEMORIAL

High tribute was paid to Maj. Gen. James G. Harbord, who commanded the Second Division when it drove the German army back in the last great thrust toward Paris at the dedication of the Second Division memorial in Washington last Saturday. General Harbord was credited with having done more than anyone else in instigating the erection of this beautiful tribute in stone and bronze in honor of the Division's war dead (The Second Division lost 4,419 killed and had 20,657 wounded during the World War). Because of this General Harbord was chosen as the principal speaker at the dedication.

The Second Division, he said, captured about one-fourth of all prisoners taken by the A.E.F., captured one-fourth of all cannon taken and suffered one-tenth of the total casualties in the American armies.

"It never went backward in the face of an enemy. It failed on no objective. It has been said, but not by one of us, that the Second Division played a greater part in changing the course of the World War after America entered it than any other American division, a greater part than any single division in Europe of any army."

In his address, which was broadcast, General Harbord said the American soldier did not consider himself a crusader for democracy nor was he inspired by the belief this was a war to end wars.

"Their soldier vision revealed to them no league that could guarantee the peace won by their devotion", General Harbord said. "If there was a common sentiment among them aside from the impulse to duty in time of the Nation's danger, it was that their worla, their own people, believed in the sacredness of treaties."

A combination of military precision and expert radio timing was a notable feature of the dedicatory exercises. There were no long-drawn out prayers, no long-winded speakers, and no presiding officer telling the audience what it already knew.

This was no doubt due to the fact that Maj. Frank E. Mason, President of the Second Division Association, presiding officer of the occasion, is Vice-President of the National Broadcasting Company in New York, and knows how these things should be done. Major Mason himself set the good example of brevity and the longest address of the afternoon was that of GeneralHarbord, admirable in every respect, which seemed to have been not more than 20 minutes in length.

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# LITTLE PRESS OPPOSITION TO COMMERCIAL TELEVISION SEEN

Discussing the recent engineering hearings before the Federal Communications Commission, <u>Editor & Publisher</u>, in an editorial in the current issue foresees little opposition to eventual commercialization of television.

"To date, there has been little resistance by newspapers to the thought that television may become a new advertising medium, subject to some of the limitations of aural broadcasting, but presenting some inherent advantages to certain advertisers", it states. "There has been little advocacy of the idea that television might be made available to the public by assessing owners of receiving sets a small license fee, as in Great Britain.

"Strong arguments exist on both sides. Television, like radio and motion pictures, is primarily a medium for entertainment and education. Intrusion of commercial sponsorship will arouse resentment, as it has among intelligent patrons of both radio and movies. Public opinion has brought some improvement in radio's commercial continuity, and it has almost entirely eliminated it from the films. Must this job be done again with television?

"Advocates of the license system point to Britain's radio procedure as ideal, but impartial investigation discounts this judgment. The British Broadcasting Company programs are not superior to American commercially sponsored presentations, despite their freedom from advertising. The BBC does not succeed in keeping the British ether free from commercial messages, broadcast by British firms via continental stations. Nor does the BBC disdain advertising revenues, gathering its share through advertisers' patronage of the magazine it produces from its non-commercial radio material.

"The time to consider all phases of television control is within the next year, before the thing bursts full formed as did radio and sound pictures. Protagonists of commercial sponsorship and government licenses have their opportunity now to put their ideas before the public, and guide the infant marvel by a plan which will guard both public and private rights."

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#### THREE 100-WATT STATIONS RECOMMENDED BY EXAMINERS

The granting of construction permits for establishment of three 100-watt broadcasting stations in California, Texas, and Florida was recommended to the Federal Communications Commission this week by Examiners.

Applicants are: K. K. Kidd and A. C. Kidd, of Taft, Calif., for 1420 kc., daytime only; Navarro Broadcasting Association, Corsicana, Tex., for 1310 kc., daytime; and Earl Weir, St. Petersburg, Fla., for 1370 kc., unlimited time.

CENSUS REPORT ON STATIONS IN WEST SOUTH-CENTRAL STATES

Total receipts of the 65 broadcast stations in the West South-Central States from sale of radio time during the year 1935, amounted to \$3,684,427, William L. Austin, Director of the Bureau of the Census, Department of Commerce, reported July 21st.

The report covers all broadcast stations in the four West South-Central States which sold time during 1935, except one station in Louisiana which failed to submit a schedule. It includes 11 stations in Arkansas, 12 in Louisiana, 12 in Oklahoma, and 30 in Texas.

Slightly more than one-half (55.6 per cent) of the receipts from the sale of time was derived from local advertisers. The remainder was received from national and regional advertisers who purchased time directly from the stations, and from national and regional networks as payment for network commercial programs carried by the stations.

Texas stations, with total time sales of \$2,220,821, accounted for 60 percent of all time sales in the four States. Of this sum \$1,265,791 (or 57 percent) was received from local advertisers. Oklahoma's stations received \$785,098 from the sale of time, but 62.5 percent of this was received from local advertisers.

Revenue as reported by the stations is the net billings for advertising time on the air, including the station's proportion of network billings. It is computed after deducting quantity and time discounts.

The 65 West South-Central stations employed a total of 980 persons (monthly average) with an annual pay roll in 1935 of \$1,312,086, 89 percent of which was paid to full-time employees.

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U.I.R. TO URGE RADIO AS INSTRUMENT OF WORLD PEACE

The International Broadcasting Union, which recently concluded the twelfth of its annual series of Summer meetings at Ouchy, near Lausanne, will continue its efforts to preserve broadcasting as an instrument of peace and good-will among the nations, according to <u>World-Radio</u>, British Broadcasting Corporation organ.

Representatives of twenty-three European national broadcasting organizations took part in these meetings, as well as observers from fourteen European Post Office organizations. The Bureau of the Union Internationale de Telecommunications, the League of Nations, and the two large American networks - the

7/21/36

NBC and the CBS - the Dutch East Indies' Service (NIROM), and the Central Chinese Station of Nanking were also represented.

In the opening address of the Council the President, Mr. Rambert, Administrator-Delegate of the Swiss Broadcasting Society, announced that the number of receiving stations throughout the world had actually reached 57,200,000, and the total number of listeners at least 230 millions. Broadcasting has thus certainly become one of the most powerful (and in some countries the most powerful) means of influencing public opinion and general culture.

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CORRESPONDENT RAPS SALE OF POLITICAL TIME

Raymond Gram Swing, former editor of <u>The Nation</u>, told the Institute of Public Affairs last week at Charlottesville, Va., that radio may destroy American democracy unless its programs are better edited and political broadcasting is separated from commercialism.

The radio presents "public affairs in such a muddle of confusion that listeners are unable to cope with the flood of material", while another danger lies in the "sale of radio time for political purposes", he said.

The present method of handling public affairs, he said, leads listeners to conclude that they are "too difficult to think through."

Sale of radio time for political purposes is a "thorny proglem", Mr. Swing declared. "But the principle that radio companies may derive revenue from selling political time is fundamentally repugnant to democracy, for it limits the radio to political interests which have money to pay for the time, and that at once makes ability to pay the test of time."

He expressed "sympathy" for broadcasting companies, which give their time free of charge three years, but which cannot afford to do so on election year, when so much more time is demanded.

"The truth remains", he added, "that the moment broadcasters sell time for political purposes, they cease to be democratic. If newspapers were to cease publishing political news unless they were subsidized by political parties, they, too, would cease to be democratic institutions."

7/21/36

#### NLRB CITES RCA IN CAMDEN LABOR ROW

The National Labor Relations Board announced July 19th through its Philadelphia office that it had issued a complaint accusing the RCA Manufacturing Company, of Camden, N. J., of fostering and assisting the Employees Committee Union in its plant in violation of "company union" regulations of the National Labor Relations Act.

The NLRB action followed a week-end of rioting in which 101 persons were arrested and held in total bail of \$523,000.

Both the RCA Manufacturing Co. and its parent organization, the Radio Corporation of America, were cited in the complaint, which, the Board said, was "based on charges filed by the United Electrical and Radio Workers of America, which is conducting a strike in the Camden plant."

The hearing of the complaint will be joined with a hearing fixed by the Labor Board for 10 A.M. next Saturday to determine the collective bargaining agency for plant employees.

Most of the 101 arrested are still in jail because neither the Union nor relatives and friends were able to raise the bail fixed by Justice Frank T. Lloyd of the State Supreme Court and Police Judge Lewis Libberman. The bail averaged about \$5,000 a prisoner, although it was \$10,000 in several cases.

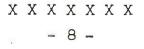
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PRESS WIRE NEWS FOR RADIO ON 18-HOUR SCHEDULE

A new 18-hour daily leased wire news service into broadcasting stations in 15 cities, chiefly eastern, has been started by United Press. Twenty of the 75 or more stations now being served by United Press will get the new service, it was stated, and it probably will be expanded gradually. The service, to start July 27, will bring UP reports specially written for broadcasting and ready to go on the air directly into the stations.

It will also include special radio features. It will run 18 hours a day, with UP absorbing the line costs. Webb Artz will be editor.

Following are the stations scheduled for the service: WEAF, WJZ and WHN, New York; WCAU and KYW, Philadelphia; WBAL, Baltimore; WBAX, Wilkes-Barre; WRC and WJSV, Weshington; KDKA, Pittsburgh; WWVA, Wheeling; WJAY, Cleveland; WSPD, Toledo; WXYZ, Detroit; WGR and WKBW, Buffalo; WHAM, Rochester; WGY, Schenectady; WEEI, Boston; WDRO, Hartford.



# GENERAL MEETING ON CAIRO PROPOSALS PLANNED

A general meeting of the committees preparing for Cairo Radio Conference will be held at 10 A.M., Wednesday, August 5th, in the offices of the Federal Communications Commission, Room 1413, New Post Office Building, 12th and Pennsylvania Ave., N.W., Washington.

An effort will be made at this meeting to complete the preliminary preparatory work on the Cairo proposals. If this can be done, it will not be necessary to hold any further meetings during the Summer.

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N.Y. STATIONS HOLD RECORD MUSIC PUBLIC

New York City radio stations accused of "bootlegging" music through the medium of recorded selections played on the air intimated this week that they assumed the music is public property once a record is purchased, except in cases where public perofrmance is expressly prohibited, according to the <u>New York</u> <u>Times</u>. The suits were filed last week under sponsorship of the National Performing Artists' Association.

A representative of WNEW, against which suit was brought by Paul Whiteman, said:

"We just go ahead and play any record we feel like using, as we have done for years. We utilize records constantly as a source of program material, and most artists are glad to have us do so. We have no arrangement with Whiteman or any other artist for the use of their recordings. Many stations of the country use records as we use them. As to the suit, we have twenty days in which to file a reply, but we do not yet know just what form it will take."

Speaking of WEVD, owned by the Debs Memorial Fund, Inc., Henry Greenfield, the station's general manager, said that recordings of Lawrence Tibbett's songs, particularly "De Glory Road", have been used "only on sustaining or non-commercial programs", and that he had not been aware it was on any "prohibited list" of the singer's repertoire.

In an action filed by Mr. Tibbett against the station, the singer said he made the record solely for use on phonograph machines and reserved for himself all other rights to the song.

A spokesman for Teleflash, Inc., against which Walter O'Keefe filed suit, said his organization had never used an O'Keefe recording of the recitation, "The Daring Young Man on the Flying Trapeze", as was alleged by the performer.

A representative of the Marcus Loew Booking Agency, against which Frank Crumit, radio singer, brought suit for an alleged commercial use of his recordings over WHN, said no action has been taken in the matter.

# FIRST SOUTH AFRICAN RADIO RECEIVER MANUFACTURED

The Viking All-Wave Radio Receiver, the first radio receiver to be built in South Africa, attracted a great deal of attention at the Rand Agricultural Show held at Johannesburg recently. The Mars Manufacturing Co. (Pty.) Ltd., manufacturers of the set, reports that 150 of the sets were sold during the week of the show.

All electrical fittings and parts used in the Viking sets are imported, chiefly from the United States, and are mounted on a frame stamped in South Africa. Cabinet work is done locally of imported laminated wood with American walnut and bird's eye maple veneers. Retail prices including installation and one year's radio permit (L1.15s. per person in Johannesburg and varying through the Union) with 10 percent discount for cash, are as follows:

Nine tube radio-phonograph combinat	ion <b>169.10</b> s
Seven tube radio-phonograph combina	tion 42.10s.
Six tube Table Set	25. Os

The manufacturers claim that the set represents the most modern development in radio that it has been tested in America, and that the report on the tests shows "that the sets are equal or superior in R.F. performance as compared with the finest American sets of a similar size. . . . internal noise level of the tuning unit was the lowest of all." Silent tuning is another feature being stressed.

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FINCH GIVEN PATENT FOR TELEPHONIC PHOTO DEVICE

A new patent (No. 2,047,863), of basic importance in the telephonic transmission of pictures, was issued July 14th to William G. H. Finch, head of the Finch Telecommunications Laboratories, Inc., New York, according to <u>Editor & Publisher</u>. Mr. Finch, holder of 10 patents covering radio and wire transmission of news and pictures said that his process is the only one which can practicably utilize the telephone for news picture transmission without violating the FCC rules prohibiting physical connection with telephone lines.

His system, according to the patent description, contemplates a novel method of inductively indusing picture signals into the telephone line at the transmitter by a novel portable member which may be applied to any telephone subscriber station call box.

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#### - 10 -

#### KFUO PLANS \$3,000 EXPENDITURE FOR NEW EQUIPMENT

Station KFUO, the unique religious outlet operated by the Concordia Seminary at St. Louis, plans to spend \$3,000 in 1936 for new equipment to bring the station up to the standard required by the Federal Communications Commission, the annual report issued by Herman H. Hohenstein, Director, discloses.

"Our equipment, purchased in 1927, is holding out well", he said.

However, the station plans to buy a high voltage rectifier, monitoring equipment, and to make changes in its transmitter.

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#### CBS JUNE BILLINGS 40.9% ABOVE LAST YEAR

Time sales on the Columbia network for June - highest June in CBS history - totalled \$1,502,768, an increase of 40.9% over the same month's billings in 1935. This marks the sixth successive month that CBS revenue has increased the gap between this and last year's figures.

These increases have been as follows: January over January, 7.5%; February over February, 15.4%; March over March, 18.7%; April over April, 20.8%; May over May, 35.9%. The total for the first six months of 1936 represents a 21.3% increase over the corresponding period of 1935.

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COURT RESERVES DECISION IN TUBE SUIT

Federal Judge Francis G. Caffey reserved decision last Friday on an application for an injunction by the National Union Radio Tube Company seeking to restrain the Radio Corporation of America, the General Electric Company and the Westinghouse Electric and Manufacturing Company from cancelling a license agreement under which the plaintiff manufacturers millions of tubes a year.

The tube company declared that the defendants had threatened to abrogate the contract because it had failed to pay \$50,000 royalties under patent licenses held by the electrical companies. Benjamin A. Javits, counsel for the National Union company, arguad that his client's claims against the defendants exceeded the sum of the royalties and accused R.C.A. of price-fixing and of giving preferential treatment to other licensees. Opposing the suit, John T. Cahill, counsel for RCA, described the plaintiff's charges as "vicious and astounding." He told the court that RCA had generously helped the tube company through its financial difficulty by loans and otherwise and declared that the filing of the injunction action comes a month before a considerable debt of the National Union to RCA becomes due. He also questioned the plaintiff's good faith.

Others who argued against the suit were Bruce Bromley, for Westinghouse, who said the license agreement called for terminstion within thirty days if royalties were not paid; and Stephen H. Philbin for General Electric, who said the application did not give a cause in against General Electric and Westinghouse.

The tube company has a \$15,000,000 triple damage suit under the anti trust laws pending against the defendants, also in Federal Court.

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#### WMCA ADVERTISES BY QUOTING FROM ITS CRITICS

A novel advertising brochure has been issued by WMCA, New York, presenting a picture of the broadcasting station as seen by its critics. Prefaced by a humorous skit presumably from the pan of Donald Flamm, President, the WMCA brochure promises that it does not contain photos of executives, staff members, or equipment, biographies of executives, or photos of blues singers or dancers.

Showmanship ratings by <u>Variety</u>, program criticisms by newspaper and magazine commentators, WMCA coverage as seen by the radio engineer, the station's commercial record as seen by the advertisers, and finally "as seen by other stations" constitute the major sections of the brochure.

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NBC HAS NEW SYSTEM ON SPEEDING NEWS FLASHES

A new speed-up system for broadcasting news bulletins within seconds after they have been received has been installed in the Radio City studios of the National Broadcasting Company and went into operation July 20th.

The office of the supervisor of announcers has been converted into a broadcasting studio, with microphones, automatic volume control panel and other technical facilities built onto the supervisor's desk. The second a bulletin of transcendent importance is received, the announcer on duty can push a button which automatically connects his desk microphone to the networks and without any delay, read the important news over the air.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

U. H

CONFIDENTIAL -- Not for Publication

INDEX TO ISSUE OF JULY 24, 1936

Landon's Radio Voice Is O.K
Shake-Up In Capital Stations Looms After WOL Grant
FCC Outlines Scope Of Broadcast Band Hearing4
NBC-RED Network Passes CBS In June Ad Report
Census Bureau Completes Survey Of Broadcast Business
Carter And Hoffman Continue Debate Over Libel Suit10
Brooklyn Case Hearing Again Postponed By Commissionll RCA Given Time To Oppose Rehearing In Oslo Casell
Radio Exports From 1926-1935 Listed In U. S. Report

No. 947

m

## LANDON'S RADIO VOICE IS O.K.

The acceptance speech of Governor Landon dispelled dire prophecies as to whether or not he would be able to make the grade as a radio speaker. It was a foregone conclusion that he would not be in a class with President Roosevelt who is conceded to be a past-master at the art and who has had years of practice. One of the first opinions heard was from a critical Washington listener who said, "Landon is not as bad on the radio as I had been led to believe."

As a matter of fairness, the Republican candidate deserved a decidedly higher rating even at the start and unless this writer misses his guess will become more and more popular over the air as the campaign progresses and as he gets into the swing of the thing.

George W. Harris, the famous photographer of notables, once said that a plain picture of a man wore better than that of one animated and smiling.

"You like the latter at first but after you look at it a few times you get tired of the smiles", Mr. Harris added.

This is probably just as true of a voice over the radio. Landon's was as plain as an old shoe. Yet it was clear and natural, easy to understand, and aided by his simple language and by newspaper pictures and movies, really seemed to bring the man himself into your presence.

Not so fortunate was Representative Bertrand Snell, of New York, Chairman of the Notification Committee. Of raucous voice, he made an old-time introductory speech which would probably have laid them in the aisles in 1888 but which was creaky and out-of-date for a 1936 radio presentation. Snell talked so long and used up so much valuable time that when he finally got around to introducing Governor Landon a terrific electrical rainstorm had broken in eastern parts of the country, and in Washington, D.C., where perhaps interest was the keenest as to how the new candidate would get over, the thunder and lightning becoming so terrifying, that many had to turn off their radios without hearing the principal speaker of the evening.

Another weak spot at the notification, in the opinion of this writer, was the excitable NBC-Red Network announcer. He sounded as if he were trying for the questionable laurels of the Joe Louis-Schmelling fight commentators. There was no need for him to tell the listeners how hard the audience was cheering or what tune the band was playing. They could hear it as well as he could. The less said by an announcer, on an occasion such as this the better. It was a program already overburdened with talk.

While Chairman Hamilton didn't by any means measure up to his convention radio effort, he was at least brief. Aside from Governor Landon being 8 minutes late, which is a long-time in radio, if indeed that was his fault, the Governor easily measured up as the star in a great broadcast and really looms as a foe worthy of President Roosevelt's ethereal steel.

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#### SHAKE-UP IN CAPITAL STATIONS LOOMS AFTER WOL GRANT

A realignment of at least two of the four broadcasting stations in Washington, D. C., may occur as the result of action taken this week by the Federal Communications Commission granting an application to WOL for a change in location and frequency.

Over-riding its Examiner's recommendation, the FCC voted to allow WOL to move its transmitter from 1111 H Street, N.W., to nearby Maryland and to change its frequency from 1310 to 1230 kc. and to increase its power from 100 watts to 1 KW, unlimited time. The change is effective October 13th. Studios will be expanded but retained in Washington.

Three Washington publishers are now seeking radio outlets in the National Capital, and a fourth is believed ready to step in if forced to by competition.

The transfer of WOL to Maryland and to a new wavelength makes available more facilities for Capital applicants. Scripps-Howard, the newspaper chain which publishes the <u>Daily News</u>, has applied for WOL's present facilities, but it faces a formidable rival in William Dolph, an executive of WOL, who is also handling radio assignments for the Democratic National Committee. He also has applied for the wave to be abandoned by WOL.

The facilities of WMAL, now affiliated with the National Broadcasting Company, are being sought by Eugene Meyer, wealthy publisher of the <u>Washington Post</u>, and William Randolph Hearst, publisher of the <u>Washington Herald</u> and <u>Times</u>. Hearst recently lost a court fight, however, to force the heirs of M. A. Leese to sell WMAL to him.

The <u>Evening Star</u> is believed to have the inside track should any deal for WMAL be made. However, Mr. Meyer has applied also for an auxiliary wavelength in case he should be turned down on the request for WMAL's facilities.

As the repeal of the Davis Amendment has done away with the old quota system, it would not be surprising if Washington were allowed a fifth broadcasting outlet.

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#### - 3 -

## FCC OUTLINES SCOPE OF BROADCAST BAND HEARING

All general phases of operation in the broadcast band, 550-1600 kc., will be open for discussion at the informal hearing before the Broadcast Division of the Federal Communications Commission beginning October 5th, a prospectus disclosed this week.

The purpose of the hearing, it was explained, is to determine "what principles should guide the Commission in matters relating or affecting the allocation of frequencies and the prevention of interference in the band 550-1600 kc. and, in particular, what changes, if any should be made in the Commission's existing regulations or in the standards heretofore applied by it and its engineering department in order to give effect to those principles."

John B. Reynolds, acting FCC Secretary, also revealed that the almost-forgotten clear channel survey conducted by the Engineer Division some months ago has been completed and that the results will be made available prior to the hearing.

Individual applications, individual assignments, and requests for allocation of broadcast facilities to particular groups or organizations will not be considered at the October hearing.

"The Broadcast Division of the Commission desires to obtain the most complete information available with respect to this broad subject of allocation, not only in its engineering but also in its corollary social and economic phases, to the end that such regulations and standards as it may retain or adopt will make possible such use of the band 550-1600 kc. as will provide maximum service (both transmission and reception) in the public interest", the prospectus stated. "The improvements in and the increased knowledge of, the engineering aspects of broadcasting since the inauguration of the present allocation system in 1928 will be taken into consideration; also the amendment of June 5, 1936, to the Communications Act of 1934, repealing Sec. 302 and modifyingSec.307(b). "Specifically, the Broadcast Division will consider pro-

"Specifically, the Broadcast Division will consider proposals and evidence for or against such proposals, as to the principles that should guide it with respect to its regulations and standards on such subjects as the following:

# "I. <u>Classification</u> of broadcast stations

- Desirability of establishing new classes, or of subdividing, modifying or abolishing any existing class.
- 2. Proper definition of each class with respect to purpose and character of service.
- 3. Number of frequencies to be allocated to each class.
- Suitability of various bands of frequencies (e.g., propagation characteristics and noise levels) in the range 550-1600 kc. for the service to be rendered by each class.

- 5. Extent to which freedom from interference is to be secured to each class and extent to which duplicated use, night or day, of frequencies allocated to each class is to be permitted, including
  - (a) number of stations to be permitted to operate simultaneously in frequencies of each class;
  - (b) mileage-frequency separation tables as a method for determining permissible duplications;
  - (c) advisability of establishing subclassifications of any of the principal classes;
  - (d) use of frequencies allocated to one class by stations of another class;
  - (e) possibility of duplicated use of a frequency by two 50 KW stations separated by a substantial distance;
  - (f) consideration of hour of sunset as the dividing line between daytime and nighttime permissible duplications, and location at which sunset or other hour should be taken as such dividing line;
  - (g) application of directional antennas; and
  - (h) application of synchronization.
- 6. Maximum and minimum power requirements with respect to each class, including
  - (a) increases in power above 50 KW on any class of frequency;
  - (b) horizontal increases in power on frequencies on which nighttime duplicated operation is permitted, and
  - (c) differentiation in maximum power at day and at night.

# "II. <u>Standards to be applied in determining coverage and the</u> presence or absence of objectionable interference

- Propagation characteristics of the various frequencies in the range 550-1600 kc., including comparison of east-west and north-south transmission, effect of intervening mountain ranges and seasonal variations.
- 2. Prevailing attenuation in various parts of the country.
- 3. Proper ratio of desired to undesired signal.
- 4. Signal intensity necessary to render satisfactory service in various types of community (e.g., urban, residential, rural, etc.).
- 5. Relative electrical noise levels, natural and man-made, in the range 550-1600 kc. and in various types of communities.
- 6. Frequency separation, including
  - (a) the prescribed 10 kc. separation between frequencies used by broadcast stations;
  - (b) the customary 50 kc. separation between frequencies used by broadcast stations in the same community;

- 6. (c) mileage- frequency separation tables as a method for determining minimum geographical separation between stations using frequencies separated by from 10 to 40 kc.;
  - (d) permissible disparity in power between stations on adjacent frequencies;
  - (e) practicable standards of receiver selectivity, and
  - (f) practicable standards of receiver fidelity.
- 7. Proper definition of blanketing signal.
- 8. Legitimate assumptions with respect to Heaviside layer and sunspot cycle.
- "III. Geographical distribution of broadcast facilities
  - 1. Weight to be given to such factors as area, population and economic support.
  - 2. Desirability of establishing a system for evaluating facilities (e.g., a quota system) in order to comply with Sec. 307(b) of the Communications Act of 1934, as amended, and "to provide a fair, efficient, and equitable distribution of radio service" among the several States and communities.
  - 3. Feasibility of allowing adherence to sound engineering principles automatically to effect the distribution required by Sec. 307 (b).
- "IV. Standards and methods of measurement with respect to
  - 1. Power
  - 2. Tolerance
  - 3. Field intensity
  - 4. Determination of service
  - 5. Determination of interference.
  - "V. <u>Apparatus performance requirements to be imposed on broad-</u> cast stations
    - 1. Frequency stability
    - 2. Antenna efficiency
    - 3. Modulation
    - 4. Suppression of harmonics
    - 5. Fidelity of transmission
    - 6. Transmitter location
- "VI. Effect of any proposals regarding the foregoing subjects
  - 1. Socially and economically, upon the public and the industry.
  - 2. Internationally, upon use of the band 550-1600 kc. by other countries in North and Central America.
  - 3. Upon possible future use of frequencies in the band 6000-30,000 kc. and in the band above 30,000 kc. for broadcasting.

"This outline is not to be taken as excluding evidence and proposals bearing on allocation matters not specifically enumerated, provided such evidence and proposals otherwise come within the limitations set forth in this notice.

"Cross-examination of witnesses will be limited to questions by Commissioners and members of the Commission's legal and technical staffs.

"Persons or organizations desiring to appear and testify should notify the Commission of such intention on or before September 15. In such notification the number of witnesses who will appear and the time estimated to be occupied by each should be stated. This information is necessary in order more efficiently to organize the hearing. Proposals seeking amendment of existing regulations should be accompanied by written drafts of the amendments desired, to be submitted at the time such proposals are made during the hearing."

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NBC-RED NETWORK PASSES CBS IN JUNE AD REPORT

For the first time in several months the NBC-Red (WEAF) network for June reported slightly more gross revenue from the sale of time than did the Columbia Broadcasting System.

The two networks were close, however, with the CBS figure at \$1,502,768 and the NBC-Red at \$1,505,520.

Nevertheless, CBS was 40.8 per cent above its record for June, 1935, whereas NBC for its two networks was 1.5 per cent below the corresponding month of last year. The NBC-Blue (WJZ) return was \$843,323.

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## COMMERCE DEPARTMENT ISSUES REPORT ON RADIO SET COUNT

The Electrical Division of the Bureau of Foreign and Domestic Commerce has just released in its Radio Markets Supplement series the complete tabulation of the Joint Committee on Radio Research of the number of families owning radio receiving sets over the United States by States and counties.

Copies of the report may be obtained from the Department of Commerce at 25 cents.

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#### - 7 -

## CENSUS BUREAU COMPLETES SURVEY OF BROADCAST BUSINESS

Uncontestable proof that the broadcasting business, just an infant a little more than a decade ago, has become one of the leaders in American industry was furnished by the U.S. Census Bureau this week in a summary of its sectional survey.

Major findings of the report were that:

Total net revenue of broadcast stations and networks for 1935 amounted to \$86,492,653. Five States accounted for 42 per cent of this station revenue with New York in the lead. An average of 14,561 persons were employed directly by radio stations and networks with an annual payroll of \$26,911,392. Unofficial estimates on expenditures for performers by advertisers and agencies amount to an additional \$50,000,000.

The Census Bureau report is a part of the current Census of Business. It includes 8 national and regional networks and 561 stations, and covers all broadcast stations and networks which sold time during 1935, except 3 small stations which failed to submit schedules of their 1935 operations.

Revenue from the sale of radio time was divided as follows: national and regional networks, \$39,737,867; national and regional spot advertising (non-network), \$13,805,200; local advertising, \$26,074,476. Thus, almost one-half (49.9 percent) of all radio time sales, when measured in terms of revenue, were made through radio networks. Of this, \$27,216,035, or 68.5 percent was available to them to cover cost of programs, wire, and other network facilities. The balance was paid to broadcast stations for the use of station facilities in broadcasting network programs.

Broadcast stations sold \$39,879,676 worth of time and received \$12,521,832 from networks as payment for carrying network commercial programs. They received \$26,074,476 from local advertisers and \$13,805,200 from national and regional advertisers who "spotted" their advertising, i.e., purchased time directly from individual stations. Such "spot" advertising accounted for 24.6 percent of station revenue, in contrast to 46.3 percent from local advertisers and 22.2 percent from networks.

Revenue from sources other than the sale of time amounted to \$6,875,110. Of this sum \$2,983,245 was received by networks and \$3,891,865 by broadcast stations. This revenue was derived largely from the sale of regular network and station talent, program-building for advertisers, and line charges for carrying programs to a number of stations.

It is significant to note the high percentage of revenue received by stations located in the larger cities. The 91 stations located in 12 of the 13 cities of more than 500,000 population shown in this report received \$20,584,297 from the sale of time. Thus these stations, numbering 16.3 percent of all stations, accounted for almost 40 percent of total station business.

Five States accounted for 42 percent of total station revenue. New York led with 10.6 percent, followed closely by California with 8.9 percent; Ohio with 8.5 percent; Illinois with 7.4 percent, and Pennsylvania with 6.6 percent. In local advertising, however, New York and California were almost identical, these two States accounting for one-fifth of total local advertising revenue.

The networks and stations together employed an average of 14,561 persons with an annual payroll in 1935 of \$26,911,392. Only 5 of the 8 networks reported separate employment, the other 3 allocating their personnel to affiliated stations. The 5 networks making separate reports for personnel employed 2,001 persons with an annual payroll of \$5,420,279.

The 561 broadcast stations employed 12,560 persons with an annual payroll of \$21,491,113. About 92 percent of this sum was paid to full-time and 8 percent to part-time employees.

Station talent, consisting of artists and announcers, totaled 5,864, or nearly one-half (44.6 percent) of total station employees. Of these, however, 2,309 were employed on a part-time basis, and they accounted for 81 percent of all part-time employees. Artists alone accounted for 76.1 percent of all part-time employees. Station talent, including both full-time and part-time artists and announcers, received 37.4 percent of the total payroll for the week. Artists employed directly by advertisers are not included in station or network personnel.

Technicians engaged in the operation and maintenance of broadcast stations made up the second largest functional group in numbers and payroll. They accounted for 18.4 percent of all employees and received 19.8 percent of the total payroll for the week. Other functional groups reported by the stations include office and clerical workers, supervisors, and executives. Salesmen, continuity writers, and persons performing a variety of functions, have been grouped together as "other" employees.

The average weekly pay of full-time station employees in different functional groups ranged from \$24 for office and clerical workers, to \$96 for executives. Supervisors received an average of \$62 per week, station artists \$41 per week, and station technicians \$35 per week. The average weekly income of "other" employees is relatively high because of the inclusion of salesmen in this group.

The analysis for the representative week does not include network personnel. In general, the average weekly salary is higher for persons employed by networks than for those employed by stations. The average full-time station employee was paid \$38, and the average network employee was paid \$53 per week. Network technicians received \$60, artists \$91, and office and clerical workers \$39.

- 9 -

Eight organizations were classified as national or regional networks, and network data given in this report apply to these eight companies. Other organizations frequently listed as radio networks but which serve only as informal sales organizations were not classified as networks.

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#### CARTER AND HOFFMAN CONTINUE DEBATE OVER LIBEL SUIT

Boake Carter, Philco-sponsored news commentator over WCAU, Philadelphia, and the CBS network, made another attack on Governor Hoffman, of New Jersey, last week after the Governor had issued a statement to the press explaining why he filed the \$100,000 slander suit.

Besides insisting that the suit must be tried in the residence of the plaintiff, Middlessex County, N. J., rather than in Pennsylvania, as suggested by Mr. Carter, Governor Hoffman was quoted as follows on freedom of speech over the air:

The Governor said Carter cried "sanctuary" in the name of the freedom of the press, but Mr. Carter is not a newspaper. If that point be waived, it is still true that he is not an editorial, but an advertisement. No reputable newspaper would permit an advertiser to seek to sell merchandise in its advertising columns through personal attacks upon the integrity or reputation of individuals. I do not think the radio should permit that either.

"The right of criticism is free to every American. The right to abuse is free to no one. I do not think that the right of free speech includes the privilege of commercializing slander by using it as an article to sell merchandise at profit.

"In the case of newspapers, the right of freedom of the press carries with it the responsibility to be answerable for public stations; the radio commentator is not free from that responsibility."

On the same evening Mr. Carter replied to the press statement during his radio period. He said, in part:

"After five days of silence, New Jersey's Governor Hoffman announced how he believes news should be disseminated over the radio in the United States, inferentially struck at the nation's press itself - but not once in his rambling statement gave one hint, or indication that he is prepared to take action against me directly for what I said regarding his official acts in connection with the Hauptmann case. Briefly and in a nutshell, Governor Hoffman, in his statement to the press, declared that in his estimation, I am not a newspaper - but an advertisement and because I am an advertisement, I have no right to criticize him or anyone else. By the same queer logic, it must appear then that the Governor must also hold that the nation's press because it accepts advertisements, should not hold him to account for his official acts - or anyone else for that matter. Which would therefore indicate that we were right last Thursday when we observed that the main issue is one of Hoffman versus freedom of the radio and freedom of the press.

"I might point out once again to the Governor to look abroad to those nations where no advertising is permitted where radio is owned by the bureaucrats and political parties and where radio is used to beat down any sign and all signs of any democratic form of government. It has been the glory of America that the radio has had advertisers who have been willing to spend money to bring the best programs on the air, provide the greatest of artists and pay to get coverage of the greatest news events of our day."

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## BROOKLYN CASE HEARING AGAIN POSTPONED BY COMMISSION

Already postponed several times, the so-called Brooklyn case rehearing was delayed again this week as the Federal Communications Commission voted to move up the date from September 9 to October 26.

The case involves Stations WLTH, WEVD, WBBC, WVFW and the Brooklyn Daily Eagle.

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RCA GIVEN TIME TO OPPOSE REHEARING IN OSLO CASE

R.C.A. Communications, Inc., of New York, this week was granted permission to file a statement not later than September 1st with the Federal Communications Commission in opposition to the application of Mackay Radio & Telegraph Co., Inc., for a rehearing in the Oslo case.

The FCC recently rejected the Mackay application to establish a radio communication point at Oslo in competition with RCA.

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Polish authorities, who are chiefly women in the radio division, want residents to listen to radio throughout the Summer. A contest has been inaugurated to attract attention and prizes will be given, including cash, a trip to the United States, or an automobile.

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## RADIO EXPORTS FROM 1926-1935 LISTED IN U.S. REPORT

A tabulation of United States exports of radio sets from 1926-1935 inclusive, has just been prepared and released by the Electrical Division of the Bureau of Foreign and Domestic Commerce.

The analysis sets forth both the number of sets and their value as exported to each country for each year. Copies may be obtained at 25 cents from the Commerce Department.

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## RCA PLANT STRIKE ENDS IN AGREEMENT

The four-week-old strike at the RCA Manufacturing Company's plant at Camden, N. J., marked by repeated rioting and several hundred arrests, was ended late Tuesday when strikers voted unanimously to accept a five-point agreement approved earlier in the day by the RCA management.

As a result of the agreement the strike was called off immediately and a "consent election" will be conducted next Tuesday by the National Labor Relations Board in order to determine which Union inside the plant is to be recognized as the sole collective bargaining agency for the workers.

Other terms of the agreement, in brief, are as follows:

RCA will continue to recognize Local 103, Union of Electfical and Radio Workers, as a collective bargaining agency for its members employed in the Camden plant.

The company will maintain the policy of paying as high wages under as favorable hours and working conditions as prevail in Camden-Philadelphia manufacturing establishments engaged in similar classes of work.

The company agrees that all employees absent for strike or other reasons who desire re-employment shall be re-employed as rapidly as work for them becomes available and without discrimination as regards their union affiliations.

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# HEINL RADIO BUSINESS LETTER

# 2400 CALIFORNIA STREET

WASHINGTON, D. C.

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CONFIDENTIAL -- Not for Publication

INDEX TO ISSUE OF JULY 28, 1936.

Cairo Group Urges Wider Broadcast Band To 1600 Kc 2
Lohr Picks Assistant, Washington Hears
Radio Again Plays Role In Spanish Revolution
Sponsored News Commentators Rapped As G.O.P. Hires Hard6
FCC Pacifies Purdue And NTC On Television
SEC Bares Crosley And Radio City Holdings
Industry Notes
FCC Deletes Rule Re Extra First Class Operator
Schenck Bargains For British Television Rights

No. 948

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July 28, 1936.

CAIRO GROUP URGES WIDER BROADCAST BAND TO 1600 KC.

Broadening of the aural broadcast band by extension from 1500 to 1600 kc. will be recommended by the Committee on Allocation to the general meeting of committees preparing for the Cairo International Radio Conference on August 5th.

The Committee on Allocation adopted, in part, the recommendation of James W. Baldwin, Managing Director of the National Association of Broadcasters, in indorsing the move. The 1500-1600 kc. channel is now used for aural broadcasting but on an experimental scale.

Despite the prolonged engineering hearing held in June on ultra-high frequencies, the Committee decided to recommend to the general meeting that the United States make no proposals with respect to any changes in the present allocation table for the frequencies above 30,000 kc.

Leaving a loophole, however, for subsequent action, the Allocation Committee's recommendation stated:

"If any recommendations are to be made concerning specific reallocation of the ultra high frequency bands for inclusion in the Cairo General Radio Regulations, such proposals be not formally submitted to other nations through the Berne Bureau before the Book of Proposals of other nations has been received from Berne and, in any event, not prior to October 1, 1937."

Other proposals of the Committee are:

"The United States should make no proposals at this time with respect to broadcasting between 6000 and 30,000 kc. However, in order that the United States Government may have full data to guide it in ascertaining the proper position to take at Cairo, the Federal Communications Commission should act as a centralizing agency and cooperate with the various government departments and commercial companies in making an analysis of international high frequency broadcasting, including such items as existing use of channels, operation and regulation.

"That efforts be continued toward the eventual elimination of spark sets."

The Committee rejected the request of Mr. Baldwin that it recommend that the following frequencies below 550 kc. be made available for aural and facsimile broadcasting: 180 to 210 kc.,

- 2 -

and 520 to 540 kc., both inclusive. The NAB Managing Director called attention to his testimony before the FCC hearing but to no avail. He was given permission to file a minority report.

During his testimony before the FCC, Mr. Balawin said that such extension below 550 kc. would be in agreement with the policy of other nations of the world and would "enable broadcasters to greatly improve the service in rural areas."

Mr. Baldwin also made a motion to increase the high frequency bands allocated to international broadcasting in accordance with a table he presented, but he subsequently withdrew the proposal and substituted a motion that the FCC be requested to cooperate with the commercial companies and other governmental agencies in making a study of the problem for recommendation to the Cairo delegation.

Gerald C. Gross, FCC engineer, in making the motion that for the present the United States make no proposals with regard to the frequencies above 30,000 kc., pointed out that although a great deal of experimental work is being carried on in these bands "no final conclusions can yet be drawn."

"It is understood that a cooperative effort will be made by the industry and the government departments", he explained, "to be centralized by the Federal Communications Commission, on the useful characteristics and interfering ranges of these ultrahigh frequencies."

K. B. Warner, of the American Radio Relay League, made a plea for the widening of the bands assigned to the radio amateurs, pioneers in the ultra-high frequencies, but his request was rejected.

Alluding to testimony at the FCC hearing, Mr. Warner said, "We believe we established for all time that the national policy of providing properly for radio amateurs has paid national dividends of inestimable value."

Mr. Warner said he had no detailed plan to present, however, relative to the shifting of frequency assignments for all stations now occupying the channels involved and that he considered that reallocation outside the League's province.

Dr. C. B. Jolliffe, former FCC Chief Engineer, and now with the Radio Corporation of America, pointed out that the fixed services have very high standards of engineering practice and that he desired more information as to where the existing station assignments in the bands 4000-4500 kc. and 7300-7500 kc. would be moved in view of the congestion now existing in other bands.

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#### LOHR PICKS ASSISTANT, WASHINGTON HEARS

Maj. Lenox Lohr, President of the National Broadcasting Company, has selected a retired Army officer, Col. C. W. Fitch, now Assistant Director of the <u>PWA Housing Division</u>, to be his assistant, effective about <u>August 15th</u>, according to a reliable authority in Washington.

While no confirmation of the appointment could be obtained at NBC Public Relations offices in New York, it was learned in the Capital that all arrangements have been made for Colonel Fitch's transfer.

Colonel Fitch was associated with Major Lohr in the Chicago World Fair administration and is a friend of many years' standing.

The move, following several dismissals at NBC headquarters, was seen in broadcasting circles as a strengthening of Major Lohr's hand in the control of the NBC network.

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#### THREE NEW STATIONS RECOMMENDED BY FCC EXAMINERS

With the quote system scrapped by Congressional action, Examiners of the Federal Communications Commission have become very generous in recommending the allocation of new broadcasting frequencies.

Within the last week they have recommended the granting of three applications, bringing almost to a score the favorable reports filed since the Davis Amendment was repealed.

The latest applicants favored are: Wilton Harvey Pollard, Huntsville, Ala., for 1200 kc., 100 watts, unlimited time; Fred A. Baxter, Superior, Wis., 1200 kc., 100 watts, unlimited time; Marysville-Yuba City Publishers, Inc., Marysville, Cal., 1140 kc., 250 watts, daytime only.

Better facilities also were recommended for KRLC, Lewiston, Idaho, a shift from 1420 to 1390 kc., with an increase in power from 100 to 250 watts, unlimited time, and to WJBO, Baton Rouge, La., from 1420 to 1120 kc., and increase in power from 100 to 500 watts, with specified hours.

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## RADIO AGAIN PLAYS ROLE IN SPANISH REVOLUTION

Just as history repeats itself, radio again served a highly important role in the latest Spanish revolution as it did during the previous uprising.

The first definite contact made by the State Department with Ambassador Claude G. Bowers was via radio telephone after fears had been expressed that the American envoy might have come to harm. Mr. Bowers was not in Madrid when the Fascist revolt started but in San Sebastian, where he has a Summer villa.

After several days of anxiety and unconfirmed rumors, Assistant Secretary of State, seated at his office in Washington, was relieved to hear Bowers' voice over a radiotelephone.

A State Department announcement, after describing the Ambassador's report on conditions in Spain, added:

"The Ambassador explained that he was unable to cross the (French) border to submit telegraphic reports, since all traffic, even in diplomatic cars, was closed, and that he was depending entirely on radio."

It was not the first experience of Ambassador Bowers with the radio as a means of direct communication during similar circumstances. During the previous uprising he had established diplomatic precedents by calling Secretary of State Hull directly on the radio telephone, instead of risking the loss of either message or life by sending a messenger to a telegraph office.

So impressed was Secretary Hull by the direct contact, during which he could hear gunfire on the streets of Madrid, that he had special equipment installed in his office with extra headphones so that his aides could listen in on important diplomatic conversations.

Although Ambassador Bowers could not be reached last week for several days by the State Department, Secretary Hull talked via radio telephone with Eric G. Wendelin, Third Secretary of the Embassy at Madrid, and so obtained first-hand reports of the danger confronting Americans in Spain.

Among the interested non-government observers of the status of communications to and from Spain during the rebellion was Col. Sosthenes Behn, President of the International Telephone and Telegraph Corporation, which owns a controlling interest in the Spanish National Telephone Company.

On July 28th, the I. T. & T. announced in New York that radio telegraph and cable communications with Spain had reached normal proportions again.

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## SPONSORED NEWS COMMENTATORS RAPPED AS G.O.P. HIRES HARD

Coincident, though without connection, with the announcement by the Republican National Committee that William Hard, noted newspaper correspondent and commentator, had been hired to do a daily radio program, <u>Editor & Publisher</u>, in an editorial warned broadcasters of the effect that sponsored news broadcasts may have ultimately on their credibility.

The Republican National headquarters, in announcing the employment of Mr. Hard, said:

"No strings have been placed upon him, and indeed no instructions have been given him. The program is on the NBC-Blue network daily at 8:15 p.m. EST.

Commenting on the report that the Republican National Committee intended engaging noted radio news commentators, Editor & Publisher said:

"Presumably the Democratic National Committee will also marshal a squad of soothsayers to comb the news for omens auspicious to their cause. The commentators will be paid, their time on the air will be bought from the networks and stations, in addition to facilities for less eminent or eloquent spokesmen for the candidates. The Republican advertising expert "hopes' that some newspaper space can also be purchased.

"It is the old set-up with new trimmings. The dear public, which believes that radio news commentators perform the purely editorial function of interpreting the day's news in the light of yesterday and tomorrow, won't receive any engraved notice of the changed status. The same voice tones, suave or truculent, will glide from dateline to dateline, deftly slipping their politics between the layers of the news cake. If the listener holds on to the finish, he may learn that the program was sponsored not by Samson's Unbustable Shoelaces, but by one of the national committees. All that the sponsors hope is that he got a whiff of their little story. A couple of nights will do.

"Newspaper political columnists protested strongly and with justice against the Democratic charge that they were under sponsorship, or even approval, of the Republican organization. Their opinions were their own, and the fact that several of them were hostile to the Democrats did not warrant the slightest implication that they were, or hoped to be, in the pay of the G.O.P. If that were an establishable fact, they knew their field as newspaper writers was greatly narrowed.

"Are radio news commentators on another plane? If so, that fact ought to be made utterly clear, for the majority of radio listeners and newspaper readers believe that columnists and commentators are expressing their own opinions. If the radio commentator is to be a honky-tonk phonograph, playing whatever tune the customer's nickel calls for, let that be known.

"If their views on politics are purchaseable, why should they be regarded as impartial and reliable on other topics? Who, it will be asked, is paying for a viewpoint on the Danzig controversy, the A. F. of L. schism, divergent views on banking, utility and security regulation, social security, O.A.R.P. or the million other perplexities of the 1936 picture?

"No matter how learned and unbiased their future expressions on any controversy, news, commentators who become propagandists for any political party should, and will, be suspected as 'ex-parte' advocates.

"The radio news interpreters have created a following by the sound of their voices, as much as by the philosophies they expound. Their appeal is made unconsciously through intonation, diction, mannerism, humor, irony, indignation, and ability to sustain a story. The nature of their task does not permit a departure from their normal paths into propaganda to be instantly recognized by the listener. It can't be labeled 'advertising' to be noted at a glance as on the printed page and valued accordingly. It is a subtle perversion of the news and editorial function that radio assumes to perform, and it would justify the distrust that has been often expressed of radio's strength as a medium of public information. To protect their goodwill with intelligent listeners, the rulers of broadcasting should head this scheme off before it starts. There is no health in it."

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FCC PACIFIES PURDUE AND NTC ON TELEVISION

Through a shifting of radio channels, the Federal Communications Commission has pacified two objectors to the recent order reallocating the experimental television channels.

Under the Commission's action, Purdue University may broadcast television on a frequency from 2,000 to 2,100 kilocycles, instead of its former 2,750 to 2,850 channel.

The National Television Corporation of New York may use the 2,000 to 2,100 band for field tests until September 15th, when a final decision on its application for permanent operation will be made.

Both Purdue and the NTC had protested against the pro-

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## SEC BARES CROSLEY AND RADIO CITY HOLDINGS

Holdings of 280,000 shares of Crosley Radio Corp. common stock, by two members of the family were revealed last week by the Securities and Exchange Commission, coincidental with disclosure that Rockefeller Center is largest inside stockowner in Radio Corp. of America.

Crosley's report, reflecting financial interests of officers and directors at the end of 1935, showed Powel Crosley, Jr., one of owners of more than 10% of the company's securities, holding 152,699 shares of common and Gwendolyn A. Crosley having 130,910 in her name. In addition, Lewis M. Crosley had 4,094 shares.

Other insiders in company which owns WLW, Cincinnati's 500 KW transmitter, held as follows: J. Augustus Barnard, New York, 1,000; James Heekin, Cincinnati, 218; Louise K. Kellogg, Cincinnati, 154; and Charles Sawyer, 1,104.

Investment of 15 officers and directors of RCA did not total much over one-quarter of the amount listed in name of Rockefeller Center, which was shown to be beneficial owner of more than 10% of the corporation. By virtue of the Center's investment, Midtown Development and John D. Rockefeller, Jr., also appeared as insiders with an interest in the concern. Other common holdings were:

Newton D. Baker, 10; Cornelius N. Bliss, 2,833; Arthur E. Braun, 19,532; Manton Davis, 50; George S. DeSousa, 100; Edward W. Harden, 1,000; David Sarnoff, 2,000; Otto S. Schairer, 47; James R. Sheffield, 1,190.

The Center accounted for 100,000 shares of 7% cumulative preferred A with remainder distributed as follows: Newton D. Baker, 10; Arthur E. Braun, 6,300; Bertram Cutler, 200; Lewis MacConnach, 50; Edward J. Nally, 10; Sheffield, James R., 400; and H. A. Sullivan, 50. The \$5 cumulative B was held as follows: J. G. Harbord, 1,030; Lewis MacConnach, 54, Otto S. Schairer, 20, H. A. Sullivan 27.

ROLE OF RADIO REPORTER AT OLYMPICS MADE EASY

The job of reporting via radio the gigantic Olympic Games is being made as easy as possible by the German Broadcasting Company, which is in charge of the greatest international broadcasting event yet attempted.

With the world listening in, the horde of announcers and sports authorities will be accorded every convenience at Berlin so that no time will be lost in transmission of the reports.

Explaining what it has done for the radio reporter, the German Broadcasting Company stated:

- 8 -

"To press and film the Olympic Games are not unknown territory. Los Angeles and Amsterdam - to name only the two last afforded for both in organization and content a rich field of practical experience. Radio on the other hand underwent its baptism of fire - it was the first time in human history that an Olympiad was broadcast to the world - at Garmisch-Partenkirchen. On that occasion 37 reporters from 17 countries daily transmitted accounts of the Olympic Winter Games over the ether to all parts of the world. On the basis of the manifold experience gained at Garmisch-Partenkirchen, German Radio is facing the Summer Games, the requirements for which will far surpass those made by the Winter Games, thoroughly equipped both from the organizing and the technical point of view.

"What does that mean for the broadcaster who comes from other countries to report the games? Already before he sets out on his journey to Berlin he gets from his Olympic Committee an Olympia-Passport placing him for the first time on equal terms with the press representatives entitling him to special advantages in point of reduced fares, customs examination, etc., ensuring him access gratis at all times to every Olympic sports ground and place of contest, and securing him the use of the microphone provided for his service and - something for which no provision was made at Garmisch - his own special seating accomodation that will enable him - even when he is not actually broadcasting - to enjoy a full view of the contests concerning which he will have later to compose a report.

"Every broadcaster will find ready for him on his arrival at Berlin dwelling accommodation for the procuring of which the German National Broadcasting Company has made itself responsible, according to preference either in a hotel or in comfortable private quarters (with telephone, bath, etc.) This accommodation which is intended to serve him as a home throughout the Summer Games in which he can feel completely and comfortably at his ease after his hard work, is all situated in the immediate vicinity of Broadcasting House and the chief arenas of contest.

"Everything practicable has been done to render as easy as possible the work of these radio colleagues from abroad. From the time the Games open right up to the end of their stay at Berlin, there will be allocated so-called 'Radio Assistants', Germans able to speak the language of the one they are to help who will be constantly at their disposal and, be it in their preparations for the transmissions, or during the transmissions themselves - will in short be able to clear from their path all difficulties that owing to their unfamiliarity with the locality and other peculiarities of their foreign surroundings they may be likely to encounter.

"As far as is practicable reporters will be driven by car to the different points of contest, some of which are at considerable distances from each other. The car time-table will be fixed daily according to requirements.

"After the actual radio work of the day is over, too, the German National Broadcasting Company will be happy to assist its foreign reporter-colleagues further by furnishing any information wished for as to "What's on" and "What to See" in the national capital, and should they so desire, provide competent persons who will deem it a pleasure to afford them guidance and advice."

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INDUSTRY NOTES

The Columbia Broadcasting System has issued a brochure labelled "Two Reports on Leadership" in which it asserts: (1) "The Columbia Broadcasting System carried a greater dollar volume of advertising in the first six months of 1936 than any network carried in any other six months' period of radio history"; and (2) "By directed, audited measure Columbia has more listeners than any other network - in the 10 largest cities of the U.S., in the 13 cities where the three basic networks meet in direct local competition, in the 26 cities of the CBS basic network, in all the cities of the complete Columbia network."

## The Federal Trade Commission has issued a complaint against Giacome LaGuardia, trading as Herba Medicinal Laboratory, 537 Broadway, New York City, charging him with misrepresenting the therapeutic value of the herb medicines he compounds and sells in interstate commerce. The respondent advertised by radio broadcasts and otherwise.

Also FTC has issued complaint against Hogan Advertising Co., trading as the Sendel Co., Kansas City, Mo., alleging unfair methods of competition in the sale of "Sendol", offered as a remedy for colds, headaches and painds. The respondent company sponsored representations and testimonials in newspapers, magazines, advertising literature, and radio broadcasts.

Also, Allegedly misrepresenting "Nacor" and "Nacor Kaps", as an effective remedy or cure for astham, the Nacor Medicine Co., a radio advertiser, Indianapolis, Ind., is respondent in a FTC complaint charing unfair competition in connection with the sale of such medicine.

Radio market reports on Hong Kong and Syria have been issued by the Electrical Division, Bureau of Foreign and Domestic Commerce, and are available at 25 cents each.

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A report from Paris states that the Eighth International Radio Show (Radio, Photographic, Cinematographic, Phonographic Show) will be held at Lyons, France, from September 12 to 20, 1936. Details regarding the exhibition may be obtained from the organizers, the Professional Syndicate of Radio-electric Industries, Lyons.

The National Broadcasting Company has added another 100watt station in the drive to strength its basic blue (WJZ) network. The outlet is WABY, Albany, N. Y., and makes the second transmitter of this wattage in the State that NBC has taken into the fold within two weeks. The other station is WEBR, Buffalo.

7/28/36

The eleventh contract for exclusive broadcasting privileges to Pacific Coast Conference football games has been signed by Harold Deal, advertising manager, Associated Oil Company. The contract covers 1936 grid contests. The oil company spent approximately \$225,000 for sports broadcasts last year.

The Mutual Broadcasting System's total billings for June, 1936, for basic and supplementary stations was \$104,509.92.

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Ota Gygi has resigned as Vice-President of the Affiliated Broadcasting Company, and T. E. Quisenberry was elected to the vacancy at a meeting of the Board of Directors last Thursday. Mr. Gygi will remain in the service of the Company.

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FCC DELETES RULE RE EXTRA FIRST CLASS OPERATOR

The Telegraph Division of the Federal Communications Commission last week deleted Rule 421 and paragraph (1) of Rule 439 prescribing the qualifications and renewal requirements, respectively, for the commercial extra first class radio operator license, and amended paragraph (2) of Rule 439 by striking the word 'other' at the beginning of the first lineand substituting therefore the words 'All operators'. The Commission further ordered that existing licenses of this class will remain valid until expiration and when submitted for renewal will be considered as radio telegraph operator first class licenses bearing radiotelephone operator first class endorsements.

The commercial extra first class operator license and the radiotelegraph first class operator license bearing radiotelephone first class licenses endorsement are identical, with respect to the class of stations that may be operated by holders of these licenses. However, the requirements for renewal of the commercial extra first class operator licenses have been less stringent than those prescribed for the radio-telegraph and radiotelephone licenses. Therefore, the deletion of the rules in question will eliminate this inequality.

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## SCHENCK BARGAINS FOR BRITISH TELEVISION RIGHTS

Basic television rights obtained by Britain's biggest film exhibiting organization were said by a well-informed British source last week to be the main issue in negotiations launched in New York between American and British interests, according to the Associated Press.

Joseph Schenck, Chairman of the Board of Twentieth Century-Fox an American concern, and Isadore Ostrer, President of the Gaumont-British Pictures Corporation, Ltd., are principals in a deal which Schenck has admitted is in process of negotiation.

Ostrer's organization, in which Twentieth Century-Fox already has a 49 percent interest is reported to have obtained a monopoly on the best television equipment in England and to have made a deal under which Radio Corporation of America will pay royalties for use of receiving sets here.

Since Ostrer's arrival from Hollywood, the only word that either he or Schenck have uttered for publication is a statement by the American that "negotiations are progressing smoothly."

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COURT DENIES WRIT FOR 20 RCA STRIKERS

Justice Frank T. Lloyd, sitting in the Supreme Court at Camden, N. J., July 25, denied applications for writs of habeas corpus made by twenty strikers and sympathizers, including Powers Hapgood, an organizer for the Committee for Industrial Organization, arrested in connection with RCA-Victor strike disorders. The court also denied applications for reduction in bail in all except three cases.

Meanwhile A. J. Isserman, counsel for the United Electrical and Radio Workers of America and the United Defense Committee, advised the American Civil Liberties Union that he would bring suit against the Camden police for false arrest on behalf of every one arrested unlawfully in the strike, which was terminated under a settlement agreement several days ago.

At the same time National Labor Relations Board representatives at a hearing proposed that a referendum should be conducted among the plant's employees on the payroll as of June 12 to permit them to determine their choice of a collective bargaining agency.

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# HEINL RADIO BUSINESS LETTER

## 2400 CALIFORNIA STREET

WASHINGTON, D. C.

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CONFIDENTIAL -- Not for Publication

INDEX TO ISSUE OF JULY 31, 1936.

FCC Postpones New Rules, Explains October 5 Hearing2
FCC Secretaryship Political Plum For Campaigning
Dutch Company Reports On Television5
6210 Kc. Available For Itinerant Aircraft
Pioneer Radio Expert Retires From Navy?
Spanish Radio Stations Conduct Propaganda War
Briefs9
Television, Radio To Aid School of Tomorrow
U. S. Gets Trade Inquiry For Auto Radios
Radio Gains In Argentina Exchange Plan

No. 949

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FCC POSTPONES NEW RULES, EXPLAINS OCTOBER 5 HEARING

The Federal Communications Commission this week postponed the whole question of reallocations in the ultra-high frequencies, together with the effective date of new rules governing relay, international, visual, high frequency, experimental, and rebroadcasting until September 15th.

Simultaneously the FCC issued a memorandum answering inquiries with respect to "ultimate consequences" of the broadcast band hearing scheduled to begin October 5th.

The postponement of the effective dates of the rules governing the special services from August 1, the FCC explained, was ordered so that full consideration may be given suggestions submitted by licensees.

The only outspoken objectors to the proposed new rules, however, have been Purdue University and the National Television Corporation, of New York, both of whom complained against the provision that would shift their television experiments from present medium waves to the ultra-high frequencies.

Discussing the October 5th hearing the FCC said:

"In order that the industry may thoroughly understand the situation, it is believed they should be informed that the evidence given at the October 5th hearing will form a basis for such changes which may be shown to be desirable in the existing regulations of the Commission with respect to broadcasting allocations, engineering requirements or standards.

"With respect to the foregoing, the industry may recall that the Commission has approved the following procedure as a basis for attacking the solution of the problems confronting the public, the Commission and the industry:

"1. In new allocations or in reallocations of radio frequencies to services or to stations within services, proceed on the basis of 'evolution, experimentation and voluntary action' rather than by radical and enforced costly changes. Modifications which do not involve large expenditures or are necessary requirements to keep abreast of the technical art should be accomplished.

- "2. Encourage communication development along specific lines as may be indicated from time to time from accumulated data and from evidence secured from such informal engineering meetings as may be necessary to facilitate progress in detail.
- \*3. Direct Engineering and other interested Departments to prepare modification of existing regulations pertaining to frequencies for various classes of broadcast stations between 550 and 1600 kc in such a manner that they are sufficiently flexible to permit the adaptation of new technical developments and allocation principles which, upon proper showing at hearings, indicate that a needed improvement in service will result.

"At the June 15th hearing, at which was considered the broader aspects of the allocation of the entire spectrum to various services, the Commission pursued the policy of cooperation with the industry in solving the basic radio problems confronting the nation. There is no contemplated change in policy in this respect on the part of the Commission with reference to the October 5th broadcast hearing.

"As is well known in the industry, the existing practical allocations depart somewhat from the empirical standards which became the basis of the regulations in 1928, and which have not been changed since that date. It is believed that at least one of the outcomes of the October 5th hearing will be to modify the regulations so that they will conform to the actual practice of today.

"As is also well known to the industry, there are many proponents for high power stations, as well as many who oppose such increases in power. There are also many who desire horizontal power increases for regional stations, and there are certain uneconomic situations which exist, such as those experienced by stations sharing time. In addition, the repeal of the Davis Amendment has removed certain limitations upon the engineering solution of the radio problem.

"Some of the schools of thought affect the entire allocation system, and some of the proposals will have advantages as well as disadvantages. Therefore, it is felt that prior to any basic decision on the part of the Commission to change or not to change its regulations, the entire industry should have an opportunity to come before the Commission in an informal public discussion of the existing broadcasting problems, as well as to determine the merits of any proposals for changes in the principles of allocation.

"It is felt that the hearing on October 5th will afford the Commission and the industry the opportunity to cooperation in an open manner toward a logical solution of the existing broadcast problems confronting the nation."

#### FCC SECRETARYSHIP POLITICAL PLUM FOR CAMPAIGNING

All talk of new candidates and the date of appointment of a new secretary for the Federal Communications Commission has died down in Washington, and reports are that the job is being held open as a reward for energetic political activity during the presidential campaign.

Like many other well-paying Federal posts throughout the Government, the FCC secretaryship is expected to be filled around election time by a deserving Democrat who has worked hard for the New Deal.

The \$7,500 job was vacated by Herbert L. Pettey on May lst, and since that time John B. Reynolds, Assistant Secretary, has been acting secretary. Incidentally, should the Republicans win in November, Mr. Reynolds probably would get the post.

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#### CBS RECORD HINTS AT BIG FALL TRADE FOR BROADCASTERS

Although the Summer still has a few weeks to run, broadcasters are already preparing for Fall and Winter operations just like milady who in August starts buying a Fall wardrobe.

All indications are that new records will be established in Fall business for broadcasters despite the uncertainty that customarily precedes a presidential election.

The Columbia Broadcasting System this week revealed the trend in announcing that within a week it had signed seven new sponsors, representing the largest amount of new business ever acquired within an equal amount of time. The seven new advertisers are taking  $7\frac{3}{4}$  hours. They bring the total of CBS Fall accounts to 22.

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#### SOVIET ENGINEERS BUILD FIRST AUTO RADIO

Engineers at the Orjonikidze Works have constructed the first Soviet automobile radio receiving set, which is now being tested. The set, which is to be installed in the automobile "SIS-101" is a 5 valve super-heterodyne. It is built in a metal case and is worked from the chauffeur's cabin. The valves are fed from the automobile accumulators. A special transformer makes it possible to change the power of the current from 6 to 250 volts.

While running, the automobile, through its set, will be able to pick up both Soviet and foreign stations.

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#### DUTCH COMPANY REPORTS ON TELEVISION

The Philips Company at Eindhoven, Holland, has just published details of its experimental high-definition television equipment employing a screen of 405 lines with interlaced scanning, according to <u>World-Radio</u>, organ of the British Broadcasting Corporation.

The report stresses the likelihood that a television receiving set will be, at least for a long time to come, a piece of relatively expensive apparatus, and in view of this, ordinary sound broadcasting and its very much simpler receiving sets will not become obsolete because of the advent of television.

Some months ago the Philips Company arranged demonstrations of high-definition television, using 180 lines. This number proved not sufficient for the transmission of scenes where several persons are visible. The larger the picture and the greater the amount of detail it contains, the more apparent are the deficiencies of the 180-line screen. If, for instance, the head of a person occupies one-twentieth of the height of the picture - a common circumstance when a group of persons is being televised - only nine picture lines are available to provide recognisable detail.

For practical reasons, it is not possible indefinitely to increase the number of lines per picture. At the present moment and with apparatus at present available, it is, however, possible to transmit as many as 405 lines and to employ the socalled interlaced method of scanning to avoid the unpleasant effects of flicker.

The Philips Company has concentrated on the development of the iconoscope camera, which has a great advantage over mechanical means of scanning in that the tiny condensers formed by the mosaic elements and the back plate have a retentive capacity. After each discharge a certain amount of time is given to each cell to charge up again. This makes the iconoscope very much more sensitive than any means employing a Nipkow disc, in which light is admitted only for the brief time in which the scanning ray passes.

Philips claim that the sensitivity of its conoscope is approximately equal to that of ordinary cinematograph film.

The Eindhoven transmitter serves exclusively for experimental purposes and that it has therefore only a small aerial power. It operates on a wavelength of 7 metres and there is a second transmitter for the accompanying sound. The aerial power is roughly 500 watts. The receiving sets used employ a cathoderay tube after a superhet. receiver. The sound receiver has been so designed that it can also be used on ordinary broadcast wavelengths. A special advantage of the philips receiver is a novel system of synchronisation which keeps the picture perfectly steady. The firm claims that this effect is due to the result of special research at Eindhoven in connection with relaxation oscillations. X X X X X X X X X X

## 6210 KC. AVAILABLE FOR ITINERANT AIRCRAFT

The Federal Communications Commission this week made available the frequency of 6210 kilocycles for use by itinerant aircraft on a day only basis primarily for the purpose of communicating with stations of the Department of Commerce under circumstances in which the use of the frequencies 3105 and 3120 kilocycles is impracticable. In connection with this allocation it was pointed out that the Department of Commerce does not maintain a listening watch on this frequency and communication can only be established by previous arrangements.

The Federal Communications Commission also stated that provision of facilities for communication on 6210 kc. is not to be considered as a substitute for provisions for communication on 3105 kc. This allocation is not to be construed in any manner as relieving any stations from guarding 3105 kc. where now required or any aircraft from providing facilities for communication on 3105 kilocycles where now required.

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#### U. S. TO BROADCAST "TONE" FOR MUSICIANS

At the request of a number of musical organizations, the U. S. Bureau of Standards has arranged a test radio broadcast of the musician's standard "A" tone of 440 cycles per second. The broadcast is intended for reception by musicians' musical instrument manufacturers, piano tuners, and others having need for an accurate standard of pitch. The standard A pitch will be broadcast simultaneously on frequencies of 5,000, 10,000 and 15,000 kilocycles per second. The older broadcast radio receivers will not receive these frequencies, but most of the more recent sets and the "short-wave" or "all-wave" receivers will. The standard pitch will be broadcast continuously day and night for 2 weeks August 29 to September 12 inclusive, except from noon to 3:30 p.m., EST, on Tuesdays, Wednesdays, and Fridays, using a low-power transmitting set.

Depending upon the results of the 2 weeks' test, the Bureau may later arrange for regular broadcasting of the standard pitch. Persons desiring this service are requested to listen in during these tests and to write the Bureau, reporting on the reception and expressing their ideas on the usefulness of such broadcasts. More specific information about the test broadcasts may be obtained by writing to the Radio Section of the National Bureau of Standards, Washington, D. C.

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- 6 -

## PIONEER RADIO EXPERT RETIRES FROM NAVY

The Navy lost one of its pioneer electricians and radio communications experts this week when 62-year old John W. Scanlin, of Washington, D. C., retired after almost 45 years of service.

One of the first men in the Navy to gain a chief electrician's rating, Mr. Scanlin was in charge of its naval radio station at Arlington, Va., when it was constructed in 1912. He installed the first permanent electrical system on a battleship, the first arc apparatus to be used by the Navy and set up the equipment that enabled the Army to maintain communication with United States ships at Vera Cruz during the Mexican punitive expedition in 1916.

Born in South Ardmore, Pa., on July 29, 1874, Mr. Scanlin enlisted in the Navy in 1891. When the Spanish-American War broke out and the then unprecedented extent of United States Navy maneuvers demanded improved systems of communication, Mr. Scanlin was one of the men chosen as chief electrician - the first in the history of the Navy.

It was not until 1903 that the office of Naval Communications was established. Mr. Scanlin was brought in from the fleet to serve in the newly organized office. For a year he journeyed between Washington and Annapolis testing the various types of apparatus that were submitted by American and European manufacturers. When these tests were completed Mr. Scanlin was chosen to make the first permanent installation on a battleship.

He continued as one of the Navy's pioneers in the radio field, being in charge of the testing of the equipment. In 1911, he was assigned to the Bureau of Engineering for duty in the Naval Laboratory of the Bureau of Standards. The following year he became electrician in charge of the Naval Radio Station being built in Arlington.

Mr. Scanlin carried on all the tests at the station until regular schedules were established. At the time the Arlington radio station was the only high-powered station in the country

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A favorable report on the application of the Tulare-Kings Counties Radio Associates, Visalia, Cal., for a construction permit to build and operate a station on 1190 kc., with 250 watts, daytime, was filed with the Federal Communications Commission this week by Examiner R. H. Hyde.

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## SPANISH RADIO STATIONS CONDUCT PROPAGANDA WAR

In the absence of definite news from the various battlefronts, a bloodless radio propaganda war is being conducted in Spain, according to a correspondent of the <u>New York Times</u>. From Madrid the government is broadcasting **its** news reports by long wave and these are being relayed from Barcelona, Valencia and other long-wave stations to sectors of the country where forces loyal to the government are in control.

"The Madrid government also has at its disposal the powerful and widely circulated press in the capital and Barelona to disseminate information on what is happening in Spain", he wrote.

"On the other hand, the rebel military forces in Seville, Cordoba, Cadiz, Spanish Morocco and the Canary Islands, as well as in the Northern Spanish towns of Burgos, Valladolid and Saragossa are transmitting on short-wave amateur stations the most extravagant claims of successes everywhere.

"The United States Embassy has been drawn into this radio war. One rebel broadcasting station announced several days ago that the Embassy was communicating to Washington by telephone via Paris 'the only reliable information about what is happening in Spain.' Later the same station falsely announced:

"'The United States Embassy had advised Washington that Madrid has food only enough to last two days and that the water supply may be cut off at any moment. Anarchy reigns in the capital and urgent steps must be taken to evacuate American citizens.'

"These false announcements were promptly denied by Embassy officials in communications to Washington sent by telephone through the United States Embassy in Paris."

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### AUSTRIA REQUIRES LICENSE ON AUTO RADIO IMPORTS

Firms importing automobiles with built-in radio apparatus in Austria must pay a license fee of 50 schillings to Siemens and Halske A.G., the firm which holds the manufacturing license for radio apparatus in Austria, according to a Consular report to the Department of Commerce. Upon payment of this fee, Siemens & Halske will furnish a license plate for the set. The deliberate infringement on this patent right will be heavily fined. Besides the license fee, the owner of an auto radio has to pay a monthly subscription of two schillings to the Austrian Broadcasting Company "RAVAG".

#### BRIEFS

Statistics compiled by the Radio Manufacturers' Association of Canada reveal that total dealer sales of radio receiving sets in May 9,908 units valued at \$768,478, increased 22 per cent in Number and 12 percent in value over April. In comparison with the same month of last year, a 53 percent increase in number and a 47 percent increase in value are shown.

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The Federal Trade Commission announces that General Mills, Inc., Minneapolis, selling a cereal designated "Wheaties", has been ordered to cease advertising that the whole wheat from which "Wheaties" is made contains almost twice the body-building protein of corn. The respondent corporation admits, the FTC said, that in radio broadcasts advertising "Wheaties", certain characters impersonated and referred to are fictitious persons. In this connection the respondent corporation stipulates that it will stop representing that any of the proceeds from the sale of "Wheaties" is used to defray the costs of an operation or medical attention for a fictitious person named in a broadcast, or that any such operation or medical attention is dependent upon the sale of "Wheaties".

The Federal Communications this week issued mimeographed copies of the text of the report adopted by the I.C C. Standing Committee on International Telegraph Service at its meeting May 29 in Paris and approved June 26 by the I.C.C. Council. It will be considered at the meeting of the International Telegraph Consulting Committee in Warsaw in October.

It is reported that at Grove Park, Denmark Hill, England, three 100 ft. radio masts are being erected by the Post Office for the new Scotland Yard radio station, which will enable communication to be maintained with the police over a distance of 40 to 50 miles from London and will, in addition, play a part in the Home Office scheme for regional police stations.

An indication of how the radio industry has grown is afforded by the sharp rise in the amount of electric current consumed by radios. Last year, 1,537,000,000 kilowatt hours were consumed. In 1929, the amount was 342,000,000 kilowatt hours less than a fourth as much. In 1926, consumption totalled only 9,000 kilowatt hours.

- 9 -

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The first practical radio telephone commercial service in the world was the circuit established between Catalina Island and Los Angeles, Frank Andrews, commentator on KFI, Los Angeles, recalls. It was opened to the Public July 16, 1920. This started radio telephone service round the world, and today over 31,000,000 telephones throughout the world, including your own home phone, are linked in a network so you can place a call to Batavia, Java, 8600 miles across the Pacific, Cape Town, Africa, London, Manila, Tokyo and many other points in all parts of the world.

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The total number of registered radio listeners in Germany on May 1, 1936, was 7,599,252, or 15,411 listeners more than a month ago. Of these, 579,153 did not have to pay the monthly radio fee.

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TELEVISION, RADIO TO AID SCHOOL OF TOMORROW

Marionettes and puppets, radios and phonographs, television and talking pictures, musicals and dramas, vacations and shorter class periods - all will play a major role in the school of tomorrow.

Such was the picture painted last week by Dr. William H. Bristow, General Secretary of the National Congress of Parents and Teachers, in an address on "Visual Education", given before the Maryland Parent-Teacher Congress, in session at College Park, Maryland.

"Both children and adults are more interested in the realistic and concrete than in the abstract and symbolic", he said. "Visual-sensory aids are vital to successful teaching and learning because they furnish this concrete element necessary to effective understanding."

Dr. Bristow said the visual-sensory aids would increase initial learning, effect economy of time in learning, increase permanence of learning and aid in teaching difficult principles.

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- 10 -

## U. S. GETS TRADE INQUIRY FOR AUTO RADIOS

A British firm has requested assistance in contacting an American manufacturer of automobile radio sets. The inquiry indicates that the firm - which is described as "important" is fully cognizant of the patent situation, and confident that there will be no interference. The name and address of this firm will be furnished American companies specifying No. 46968. A Sales Information Report may be obtained from the Commercial Intelligence Division (Bureau of Foreign and Domestic Commerce), for 25 cents.

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## CBS PLACES FELLOWS IN CHARGE OF WEEI

The Columbia Broadcasting System this week announced the appointment of Harold E. Fellows as President and General Manager of the WEEI Broadcasting Corporation, subsidiary through which CBS will operate WEEI, Boston, beginning August 16th. Mr. Fellows has been Commercial Manager of WEEI since 1932, and has been directly associated with the advertising business for the past 20 years. He organized for the Harry M. Frost Company the first complete agency-radio activity in Boston, and subsequently organized the radio department of the Greenleaf Company.

Mr. Fellows will, within the general limitations of CBS policies, have complete authority in the operation of Station WEEI. The Edison Electric Illuminating Company of Boston is leasor of the station to the Columbia network.

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HANSON TO STUDY RADIO IN EUROPE FOR NBS

O. B. Hanson, Chief Engineer of the National Broadcasting Company, sailed for Europe last week to study the operating technique and engineering systems of the major broadcasting companies in Germany, Holland and England.

The Chief NBC Engineer plans to spend five weeks touring Europe, observing the changes in European systems of broadcasting since his last visit, five years ago. Hanson has been planning a trip to the continent for several years but his extensive work in planning NBC Radio City studios, the NBC studios in Chicago and the new NBC studios in Hollywood has postponed his sailing several times. He has been Chief Engineer of NBC since its inception in 1926.

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## RADIO GAINS IN ARGENTINA EXCHANGE PLAN

Radio receiving tubes and certain radio material and accessories are among the items to benefit by a recent announcement from the Argentine Ministry of Finance, which amplifies the present regulations in granting favorable exchange to an additional. list of American merchandise, according to the Commerce Department.

The above American products were formerly denied "prior import permits", which made it necessary for such imports to be financed by the less favorable "free" exchange rate. In the latter case there existed an accompanying surcharge, which increased the difference between "official" and "free" exchange to 20 percent, thereby raising the cost considerably. Under the new regulations, radio tubes and material will, whenever possible be accorded "prior import permits", thus enabling them to be imported at the more favorable "official" exchange rate.

The new concessions will apply to ordinary radio receiving tubes and to miscellaneous radio material and accessories, excluding such items as loud speakers, and complete receiving It is anticipated that such a development will result in sets. increased imports, and that the United States will maintain and probably increase its already dominant position in the market. In 1934, for instance, imports of radio reception tubes amounted to 1,628,558 units, of which 1,409,987 were of American origin. For the same year, imports of miscellaneous radio material was valued at 2,721,198 pesos, of which the American share was 1,919,952 pesos. Imports for 1935 included 1,492,126 receiving tubes valued at 2,712,954 pesos, and miscellaneous radio material valued at 2,571,936 pesos. Information as to country of origin is not yet available.

There is a well established radio manufacturing industry in Argentina, but it still depends to a great extent on foreign sources for tubes and certain other material.

PUBLIC OFFICIALS DOUBLE TIME ON NBC

More than twice as many Federal officials, both Republican and Democratic, spoke over National Broadcasting Company networks during the month of June, 1936, than in the corresponding month a year ago, according to program figures released July 29th at Radio City, New York. This increase was paralleled in the field of special events which claimed a total of 6.1 per cent of all NBC program time. In this particular field, the increase, which has been in evidence since the first of the year which, according to NBC officials, was dictated by a corresponding growth in listener interest in such programs.

NBC officials pointed out that the increase in broadcasts by Federal officials doubtless was due to the quickened public interest in politics during a presidential campaign year. In addition, program statistics show 25 hours and 13 minutes of radio time was given to the Republican National Convention, with the Democratic conclave using 34 hours and 16 minutes. X X X X X X X X X - 12 -- 12 -