

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 719 <sup>3</sup>A.

*[Handwritten signatures and initials]*

May 1, 1934.

## CATHOLICS BEHIND RENEWED EDUCATIONAL FACILITIES FIGHT

Senators Robert F. Wagner (Democrat), of New York, and Henry D. Hatfield (Republican) of West Virginia, jointly submitted an amendment intended to be proposed by them to the Communications Commission Bill to have one-fourth of the radio facilities allocated to educational, religious, agricultural, labor and similar non-profit-making associations, is further evidence that the testimony of Rev. J. B. Harney, of New York, Superior General of the Paulist Fathers, before the Senate Committee has started the battle anew.

A Bill along similar lines, backed by the National Education Association and labor organizations, was introduced in the last Congress by Senator Fess (Republican), of Ohio, but it asked that 15% instead of 25% of all facilities be allocated to this special purpose.

In the meantime Father Harney, who operates the Paulist Fathers' station, WLWL in New York City, sharing time with WPG at Atlantic City, had been unsuccessful in securing more time for his station. Whereupon he asked to be heard by the Senate Interstate Commerce Committee considering the Communications Commission Bill.

He told this Committee that while WPG, at Atlantic City, was allowed 110½ hours of broadcasting time a week, WLWL's quota was but 15½ hours a week, or, as Senator Wagner later put it, "only about two hours a day on the air."

Whereupon Father Harney offered to the Committee an amendment, which was similar to an amendment later offered in the House by Representative William F. Brunner, of New York, and Senators Wagner and Hatfield, which would give 25% of all radio facilities to the organizations in question.

The Wagner-Hatfield amendment reads, in part, as follows:

"The Commission shall reserve and allocate only to educational, religious, agricultural, labor, cooperative and similar non-profit making associations one-fourth of all the radio broadcasting facilities within its jurisdiction. The facilities reserved for, or allocated to, educational, religious, agricultural, labor, cooperative and similar non-profit making associations shall be equally desirable as those assigned to profit making persons, firms or corporations.

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"In the distribution of radio facilities to the associations referred to in this section, the Commission shall reserve for and allocate to such associations such radio broadcasting facilities as will reasonably make possible the operation of such stations on a self-sustaining basis, and to that end the licensee may sell such part of the allotted time as will make the station self-supporting."

In the meantime, petitions are pouring into Congress from Catholic organizations all over the United States asking the passage of such an amendment. In addition to this, the Senate has just received a copy of a resolution recently passed at Albany by the New York State Senate which reads, in part:

"Whereas Station WLWL was assigned 15½ broadcasting hours per week and WPG was assigned 110½ broadcasting hours per week; and

"Whereas the license of WPG was renewed despite the fact that, in violation of the rulings of the Commission, it had leased not only all its broadcasting hours, but had surrendered control over the programs and operations of its station to the Columbia Broadcasting System; and

"Whereas there are 30 radio stations in the United States classified as educational, enjoying a total of 817 hours and 40 minutes of broadcasting time each week, or an average of 4 hours per day for each station;

"Whereas the broadcasting time assigned to educational radio stations amounts to but 2½ percent of all broadcasting time; and

"Whereas it is the proud boast of the United States that its people are devoted to the cause of education and to freedom in the exercise of religious beliefs; Now, therefore, be it

"RESOLVED, That the Congress of the United States be, and it is hereby memorialized, to enact with all convenient speed, such measures as may be necessary to increase the broadcasting time of educational and religious associations to one-quarter of all the radio broadcasting facilities; and be it further

"RESOLVED, That Radio Station WLWL owned and operated by the Missionary Society of St. Paul the Apostle, in the city of New York, State of New York, be granted a reasonable extension of its broadcasting time."

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## ATTRIBUTES LARGE POLITICAL VOTE TO RADIO

Col. Thad Brown, of Ohio, speaking at the dedication of the 500,000 watt transmitter of Station WLW, May 2nd, said that radio had revolutionized political campaigns.

"Thousands may now be reached, compared with the hundreds of former days, and it is not presumptuous, in my opinion, to say that the tremendous increase in votes manifest in the last national election was due in large measure to an aroused public opinion by radio", Commissioner Brown declared.

Once more, through WLW, said to be the most powerful transmitter anywhere, the United States assumes world leadership in radio broadcasting.

"To my mind, one of the greatest blessings of radio is the opportunity it gives us to learn 'how the other half lives'", the radio official continued. "No longer are we isolated from other members of civilized society, simply because we do not have the wherewithal to travel, even though there be many intervening miles. Radio bridges time and space. Through it we learn that our economic and social problems are world problems; we get first-hand information on the politics of other nations, and they on ours, which makes for sympathetic understanding. I believe radio will be a potent factor in creating international good-will and peace.

"In the United States, radio is no longer a luxury; it is a necessity to the comfort, happiness and welfare of our people. That is why we hail any and every advancement in the art which will result in better service to the listening public. No longer is the radio considered an instrument of entertainment solely; it has become a dependable means for obtaining information in many fields. The President of the United States uses this media in keeping our citizens informed upon the state of the Union. To the farmer, it is an absolute blessing, bringing him market reports and crop information vital to his vocation; to the housewife, helpful hints to lighten the burden of the day's work and make leisure for other things; to the business man, a means of keeping informed on current events; to the bedridden, a new life."

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## FCC-JUDGE AND PROSECUTOR TOO

"The most serious complaint against the Federal Communications Commission plan continues unchanged. A Commission like the FCC is a combination of administrative and judicial functions", says O. H. Caldwell, former Federal Radio Commissioner. "First, it issues its orders. Then, if it thinks it detects a violation, it hales the supposed offender into its own court, and sits in judgment on the case which it itself prosecutes!"

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SENATE COMMUNICATIONS BILL MAY COME UP ANYTIME

While it is uncertain as to whether or not the legislation will be finally enacted during the remaining month or so before the adjournment of Congress, it is expected that the Communications Commission Bill at least will be considered by the Senate. It is on the calendar and may be called at any time.

It was thought that most of the controversial features had been eliminated from the Senate Bill but the eleventh hour introduction of the Wagner-Hatfield amendment, which would allocate one-fourth of all radio facilities to religious, educational, farm, labor and other non-profit making stations will be bitterly opposed by the commercial broadcasters.

The National Association of Broadcasters, through Henry Bellows, Chairman of the Legislative Committee, and Phil Loucks, Executive Manager, have sounded a general alarm. It seems to be the opinion of broadcasting executives that if the Wagner-Hatfield amendment should be adopted that it would wreck the American system of broadcasting, economically at least.

This would be brought about by the greater opportunity afforded to educational stations to sell time in opposition to established commercial stations.

"In the last analysis, I think such an amendment would be declared unconstitutional", said one broadcaster, "because it would be taking the time-selling privilege from station 'A' in order to give it to station 'B'. At any rate, I am sure such an amendment might be tied up in the courts for years."

It is believed Senators Dill and White, radio leaders in the Senate, will oppose the Wagner-Hatfield amendment and will favor the Interstate Commerce Committee recommendation that the new Commission study the proposal and report back its recommendations for Congress to take action at a later date.

The hearings on the Communications Bill in the House have been tentatively set for Tuesday, May 8, but may have to again be postponed to make way for more urgent legislation.

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## BELIEVE NEW ALLOCATIONS WILL LESSEN INTERFERENCE

The Federal Radio Commission has allocated 4 additional frequencies to the Emergency Service for use by State Police stations, on condition that no interference will be caused to the Maritime Mobile Service. The additional frequencies are 1610 kc., 1626 kc., 1634 kc. and 1642 kc.

At the same time the Commission allocated 6 additional frequencies for shared-use between broadcast pickup stations and experimental visual broadcasting stations. They are 2020 kc., 2060 kc., 2090 kc., 2760 kc., 2790 kc. and 2830 kc.

An allocation of frequencies to state and municipal police radio stations was approved by the Commission on February 13, and was effective May 1. Under this plan only 8 frequencies in the band 1655 kc. to 1715 kc. were made available for State Police stations.

In providing an allocation of frequencies for use by State Police Departments, the Commission found it necessary to anticipate in advance the filing of applications by all of the 48 States, and to allocate the frequencies in such a manner as to permit existing licensees, as well as future applicants, to receive approximately the same benefits. To formulate such a plan on an 8-frequency\*duplicate frequency assignments with insufficient mileage separation to permit simultaneous operation at night without interference. (\*Kindly insert - "basis was found impracticable and inadvisable, since it would be necessary to").

The plan for operation of broadcast-pickup stations is so designed that when it is accomplished both of the major broadcast chains, and at least two unaffiliated stations may transmit broadcast-pickup programs in the same area without creating interference.

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## SUPPLEMENTARY STANDARD FREQUENCY TRANSMISSIONS

The Bureau of Standards announces a series of supplementary experimental radio transmissions to be made on 10,000 kilocycles per second from its standard frequency station WWV, Beltsville, Md., each Thursday during May, from noon to 2 P.M., E.S.T. These transmissions are additional to the regular 5000-kc/s transmissions and will be conducted in a similar manner.

The Bureau desires to receive reports on these supplementary 10,000-kc/s transmissions, particularly from points more than 500 miles from Washington. This should provide standard-frequency service to the western half of the United States, and

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hence reports are particularly desired from persons in that section of the country as to how successfully this frequency is received and used for checking frequency standards.

The data desired are approximate field intensity, fading characteristics, and the suitability of the transmissions for frequency measurements. It is suggested that in reporting on intensities, the following designations be used where field intensity measurement apparatus is not used: (1) hardly perceptible, unreadable; (2) weak, readable now and then; (3) fairly good, readable with difficulty; (4) good, readable; (5) very good, perfectly readable. A statement as to whether fading is present or not is desired, and if so, its characteristics, such as time between peaks of signal intensity. Statements as to type of receiving set and type of antenna used are also desired. The Bureau would also appreciate reports on the use of the transmissions for purposes of frequency measurement or control.

All reports and letters regarding the transmissions should be addressed Bureau of Standards, Washington, D.C.

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#### HONKING FOWLS USED AS WIRELESS CROSSING SIGNALS

Here is a companion story to the one told by the San Francisco commuter who caught his electric train each morning by listening for a bit of static in his set caused by the train at a crossing several miles from his home.

Jesse Baker, of Byron, Calif., trained eleven geese to honk at the approach of the morning passenger train, thereby warning other traffic to stop, look and wait.

Every morning exactly eleven minutes before train time, the geese form in single file, march from the Baker home to the right of way, and wait. When the train whistles for the crossing a mile away, the geese start honking. They keep up the din, audible for blocks, until the train has passed, when they reform in single file and march back to the Baker home.

The Jesse Baker Self-Honking Wireless Crossing Signal System, after a week's trial, has worked perfectly, according to the San Francisco Chronicle. There hasn't been a traffic accident in a week. The geese operate without batteries or wires and their upkeep, according to Baker, is considerably less than any known system of wigwag or automatic signal. Baker is preparing a report to submit to railroads offering to raise self-honking geese for signal purposes.

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::: BUSINESS LETTER NOTES :::  
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The General Electric Co. and the Westinghouse Electric and Manufacturing Co. now only only  $7\frac{1}{2}$  per cent of the outstanding common stock of the Radio Corporation of America, compared with 61 per cent owned when the consent decree that dissolved the relationship between the electrical companies and R.C.A. was entered on Nov. 21, 1932. They have nineteen months in which to dispose of the remainder of their holdings.

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The Houston (Tex.) Chronicle has purchased Station KTRH at Houston. The daily purchased all stock of the radio operating company and assumed control of the station. No changes were made in the station's staff. KTRH is affiliated with Columbia.

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WOR, Newark, which heretofore has availed itself of mimeograph facilities, last week began printing its programs. They are in book form similar to those of Columbia and the type is somewhat the same as used by NBC.

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Station KRLD, Dallas, Tex., outlet of the Columbia Broadcasting System, started operating on a full-time schedule with a power of 10,000 watts Sunday, April 29. Heretofore CBS features have been released over this station only at certain hours because of a divided time schedule.

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Sale of assets of the bankrupt Grigsby-Grunow Co. in Chicago before Edmund D. Adcock, Federal referee, scheduled for Monday was postponed until Thursday morning. A petition for authorization to operate the company for ninety days to build up a stock of refrigerator parts and completed radios was presented by Frank M. McKey, trustee in bankruptcy. Creditors are to have an opportunity to examine and consider the proposal.

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A stay order has been granted Station KSEI, of Pocatello Idaho, by the District of Columbia Court of Appeals. Station KFPY, Spokane, Wash., through intervening, had been assigned by the Radio Commission to 890 kilocycles, the frequency previously assigned KSEI, and the latter station appealed from this decision.

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## ZENITH MAKES BIG FINANCIAL GAIN

The Zenith Radio Corporation reports a net operating profit for the nine months ended January 31, 1934, of \$91,276.79, compared with a net loss of \$392,562.23 for the same period in the preceding year, after all charge-offs including liberal depreciation, but before Federal Profit Taxes, as per the following comparative statement:

	<u>Nine Months ended January 31st</u>	
	<u>1933</u>	<u>1934</u>
Manufacturing Profit		
After Excise Taxes, Royalties, Manufactur- ing Expenses and Maintenance of Plants and Equipment	Deficit \$10,557.23	Profit \$365,738.69
Selling and Administra- tive Expenses	308,196.23	220,970.61
Depreciation	<u>73,808.77</u>	<u>53,491.29</u>
Net Operating Result	Deficit \$392,562.23	Profit \$ 91,276.79

"The company reports that sales of household receivers were somewhat lower during the holiday season than was anticipated due to the uncertain general conditions which developed about that time", according to Hugh Robertson, Treasurer. "The factories have been kept busy, however, since the start of the new year producing sets, under contract, for Hudson, Terraplane and Ford motor cars as well as for its regular trade.

"The company continues to maintain its usual strong liquid position. There are no outstanding loans of any kind and no past due indebtedness. All current obligations are being discounted and substantial cash balances are kept on deposit in banks.

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## MACKAY QUICKLY ANSWERS RCA'S INTERCITY CHALLENGE

There was an immediate response from the Mackay Radio & Telegraph Company when the RCA tied Boston and Washington into its New York to San Francisco wireless link.

"The Mackay Radio and Telegraph Company added Washington, D. C., and Boston, Mass. to its inter-city radio telegraph system. The addition of these two points increases the number of cities

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served by this company to an even dozen, the others being New York, Chicago, New Orleans, San Francisco, Los Angeles, Seattle, Portland, Ore., Tacoma and Oakland and San Diego, Cal.", the Mackay reply set forth.

"This new service is available at any Postal Telegraph office in any of the above cities and Postal Telegraph will also collect and deliver messages at these points for Mackay Radio.

"Rates between all of the points are on the basis already established by Mackay Radio which was not only the pioneer in inter-city radio service on this continent but also was the first company to establish the fast and direct service which permits the telegraphing public to send 15-word messages for the regular wire line rate for 10 words and also increased the initial number of words which may be sent in a night letter from 50 words to 60 words.

"It was further announced at the offices of Mackay Radio that permission has already been secured from the Federal Radio Commission to erect radio stations at Atlanta and Kansas City and service will be extended to these points later in the year. Still other points, it was said, will be joined to the inter-city radio telegraph system as business and traffic conditions warrant.

"The Mackay Radio and Telegraph Company, which pioneered point-to-point radio service between American cities more than twenty years ago on the Pacific Coast and established service between New York and San Francisco in 1929, brought Chicago and New Orleans into radio contact with its Atlantic and Pacific Coast points last December."

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#### SEES NO CAUSE FOR FEAR IN FEDERAL TRADE RADIO STUDY

Commenting upon the sudden interest of the Federal Trade Commission in radio advertising, Broadcasting Magazine has this to say:

"While one naturally looks askance at any sort of investigation, the broadcasting industry really has nothing to fear from the Federal Trade Commission's survey of radio advertising. It is not in the nature of a hostile attack upon radio, but simply a procedure under which the Commission's Special Board of Investigation can examine commercial credits just as it examines printed advertisements in newspapers and magazines.

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"In the past the Commission has not devoted any considerable amount of time to radio advertising, despite the fact that there is unquestionably some program material on the air which borders on the fraudulent and misleading. It has been handicapped because it has been unable to get the precise language used in commercial credits and also because of lack of appropriations.

"With networks, transcription companies and stations supplying to the Commission their commercial announcements in programs advertising commodities sold in interstate commerce, the Commission feels it will be able to check radio advertising in the same way that it reviews publication advertising. It is obvious that in scanning these scripts it will find a few things of a questionable character. The parties will be notified and the advertiser asked to correct the condition. Only when the advertiser or station or both refuse to abide by the Commission's rulings will punitive action be taken through the courts.

"Based on past experiences of the Commission in the few radio cases handled, and on its experience with publication advertisers, we feel that there is little reason for alarm. Few advertisers have been forced to discontinue their advertising altogether, and only a small percentage of the cases handled ever get beyond the stipulation stage, in which the parties agree to cease the objectionable practices."

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#### MARCONI MAKING IMPORTANT TESTS

A revolution in the field of wireless communication is seen as a result of experiments with very short waves now being carried out by Senator Guglielmo Marconi, the London Morning Post reports.

Senator Marconi, who has just celebrated his 60th birthday, is conducting the first regular communication tests over hundreds of miles between stations near Genoa and Leghorn, Italy, employing the new micro-wave lengths. He said the experimenters were obtaining "very fair reception, although not so good as we want."

There was no apparent difference between day and night reception on the new wave lengths, the Italian inventor declared, but there were other variations, the cause of which they had not yet discovered.

He added the new waves greatly extended the range of radio broadcasting and probably would be applicable to television. The Post's interview said, pointing out the advantage of operating the new "band", at which "there will be no interference of any kind."

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## NEW AND RENEWED CBS CONTRACTS

The following are some new and renewal accounts of the Columbia Broadcasting System:

RENEWAL - Union Central Life Insurance Co., Cincinnati, Ohio, started April 15, 1934; Sunday 5 to 5:30 P.M., April 15 to April 22, 1934, EST, Sunday 6 to 6:30 P.M. April 29 to June 3, 1934 EDST, suspends for Summer, Returns Sundays 5 to 5:30 P.M., Sept. 9, 1934 EST; Network - 16 stations; Program - Roses and Drums; Agency - J. Walter Thompson Co., Inc., Chicago.

CONTRACT EXTENDED - Hudnut Sales Company, New York, Contract extended four weeks beyond May 4 to June 1; Friday - 9:30 to 10 P.M. EDST; Network - 23 stations; Program - Marvelous Melodies, Jack Whiting, Jennie Lang, Jack Denny; Agency - Barton, Batten, Durstine & Osborn, Inc., New York.

ADDITIONAL BROADCAST - S. C. Johnson & Son, Racine, Wis., May 6, 1934, Sunday 5:15 to 5:30 P.M. EDST; Network - 22 stations; Program - Tony Wons, Keenan and Phillips; Agency - Needham, Louis and Brorby, Chicago; Product - Johnson's Auto Polish.

NEW - Elizabeth Arden, New York; Product - Cosmetics; Started April 24, 1934; Tuesday 9 to 9:15 P.M. EST; Program - Maury H. B. Paul (Cholly Knickerbocker); Don Bestor's orchestra; Network - 23 stations; Agency - Blaker Advertising Agency, Inc., New York.

NEW - MacFadden Publications, Inc., New York; Starts May 4, 1934; Friday - 8:30 to 9:15 P.M. EDST, rebroadcast 11:50 P.M. to 12:15 A.M. EDST; Network - 35 stations coast-to-coast; Program - The True Story Court of Human Relations; Agency - Erwin, Wasey & Co., Inc., New York.

NEW - Individual Drinking Cup Co., Easton, Pa.; Product Dixie Cups; Monday - 6:45 to 7:15 P.M. EDST; Network - New York, Boston, Albany, Chicago, Washington, Baltimore, Detroit, Philadelphia, Minneapolis, Charlotte; Program - Script act listed as Dixie Circus; Agency - Young & Rubicam, Inc., New York.

REVISED CONTRACT - Continental Baking Corp., New York; Starts May 18, 1934, 9:15 to 9:30 P.M., EDST; Network - 21 stations; Program - Little Jack Little; Agency - Barton, Batten, Durstine & Osborn, Inc., New York.

RENEWAL - Household Finance Corp. of America, Chicago, Ill., Starts May 3, 1934; Tues. and Thurs. - 6:45 to 7 P.M. EDST, WABC only; Program - Anthony Candelori's Salon Orchestra; Theodore Ernwood and Eazo Aito; Agency; Charles Daniel Frey Co., Chicago, Ill.

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## SENATE RATIFIES MADRID TREATY DESPITE AMATEURS' PROTEST

The Senate on May 1 ratified the International Telecommunication Convention, the general radio regulations annexed thereto, and a separate radio protocol, which had been signed by the delegates of the United States to the International Radio Conference at Madrid on December 9, 1932. We are the thirteenth country to ratify the Convention with about fifty-eight yet to be heard from.

Apparently the only objection to the treaty was raised by the American radio amateur operators.

"I may say that but one thing was brought up before the Committee that caused the Committee to hesitate with respect to this treaty, and that was the protest by the amateur broadcasters. They felt they were discriminated against", Senator Pittman, Chairman of the Foreign Relations Committee said. "They were heard, however, in the matter, and those who were inclined to support them very frankly came to the conclusion that under this treaty the amateurs received protection such as they did not have before, and their supporters thereupon withdrew their objection to the treaty. Their protest was based on the ground that at the present time amateur broadcasters, who have accomplished so much for the science, are allowed in most places to send messages to a third person. We have made no objection to that in this country, but in most places in Europe radio broadcasting is owned and controlled by the government, and they do not desire the competition by amateurs in the absence of regulations governing it and in the absence of provision for licensing. On the other hand, without this treaty, which does allocate or set aside so many bands or cycles for the use of the amateur broadcaster, they would have no protection whatever in the use of radio, but might be stopped in any country whose government saw fit to stop them.

"So I feel that the only protest that arose has been absolutely satisfied, so far as the Committee is concerned. I may say that the Committee brought before them a number of experts of the Government who explained this matter in detail and completely. I think that there can be no objection to the treaty."

"The treaty in some respects represents a very great advance over international regulation of communications", Senator White, of Maine, declared. "Until this treaty was negotiated, although wire and radio communication had been coming technically closer and closer together through the years, there had been separate agreements dealing with the two forms of communication - a wire convention, to which the United States had never been a party, and a radio convention to which the United States had been a party, since 1912, I believe. In the pending convention both

forms of communication are dealt with. I may say that the plan of this convention responds to the thought and purpose and to the proposal of the United States Government and of the delegates of the United States at this international gathering.

"The convention is composed, first of all, of provisions which deal only with the general principles relating to communications. It next has an annex embodying general regulations which seek to amplify and make effective the general principles contained in the convention. Then there is a second annex dealing with what in this country our communications companies are disposed to regard as managerial or operating functions. Such authorities are all grouped in this annex to which the United States is not a party, the United States adhering only to the terms of the convention and to the general regulations."

"I had a considerable number of complaints from amateur radio operators and organizations of amateurs interested in radio, but the Senator from Nevada has explained that the hearings entirely satisfied these amateur radio complainants, as I understand", said Senator Dill of Washington.

"I cannot go so far, probably, as to say that it satisfied all of them, but those on the Committee who were looking after their interests and caused the hearing to be had advised them that they thought the treaty afforded to them more protection than they ever previously had", Senator Pittman replied.

"I may say that since the hearings I have had no further complaint, so that I take it that they are satisfied", Senator Dill said.

"I think they are", Senator Pittman said.

"I, too, have had representations from amateurs with respect to this treaty", Senator White interjected. "I recall that in 1927 the amateurs were greatly disturbed at that time as to the provision to be made for them in the then pending radio treaty. The delegates from the United States then did everything possible in behalf of the amateurs of this country. I also feel sure that our delegation did everything possible for them at this Madrid Convention. I am fully persuaded that if it were not for the provisions inserted herein in their behalf, the amateurs of the world and the amateurs of America would have, so far as international correspondence goes, a very much more difficult time than they now face under the terms of this treaty. In other words, I think, as does the Senator from Nevada, that this is a shield and a protection to them in their international interests."

"That shield and that protection, however, come largely from foreign countries rather than from the Government of our own country", said Senator Dill. "I think that the governments of foreign countries have been more unfriendly to amateurs, probably than has our own Government."

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"I think the Senator is quite right, and when I refer to a 'shield and a protection', I mean that the United States has secured from foreign countries concessions in behalf of amateurs which could not be had except under the terms of this treaty", Senator White answered.

"I feel that with the continued development, the enlarged development, in fact, of the use of the short wave the amateurs' claim becomes even more worthy of consideration than when the number of frequencies available were fewer than they now are", Senator Dill concluded. "Personally, I am strongly in favor of the ratification of the treaty."

The Madrid radio treaty is printed in full in the Congressional Record of May 1, covering 35 pages. Copies of the Record may be had upon request from any Senator or Representative.

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#### SUPREME COURT GETS DE FOREST SUIT AGAIN

Once more the Supreme Court of the United States has been called upon to decide who was the first inventor of the radio feed-back circuit and oscillating audion, DeForest or Armstrong. The Second Circuit Court of Appeal in New York recently decided in favor of Armstrong but other courts have backed up DeForest.

The Second Circuit Court of Appeals declared that when the question of priority of invention was previously before the Supreme Court, it was not decided on its merits and that the action of the court did not constitute a finding that DeForest was the first inventor.

The present case arose out of a suit brought by the Radio Corporation of America, the American Telephone and Telegraph Company and the DeForest Radio Company, as owners of the DeForest patents, alleging infringement by the Radio Engineering Laboratories, Inc. of Brooklyn.

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#### ADDITION TO NATIONAL MONITORING STATION FAVORED

The House Committee has favorably reported, without amendment, the bill authorizing an expenditure of \$1200 for an additional 10 acre tract of land for the constant-frequency Monitoring Federal Radio Station at Grand Island, Nebraska. More ground is needed there to erect antennas.

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U. S. MARINE BAND CONCERT PICKED UP IN CAIRO

A letter has been received from Staff-Sergeant E. T. Malloy, of British Army, telling Capt. Taylor Branson, leader of the United States Marine Band that he had heard their concert in Egypt. Sergeant Malloy pointed to the Band's "Dream Hour" program as a good example for the British Broadcasting Company to follow. He listened to the concert in the British Army Barracks in Cairo, which came to him from Washington by short wave through Station W3XAL, Bound Brook, N. J., outlet of the NBC-RCA.

The British sergeant's letter follows:

"For the past few days I have been trying out an American Radio Set, to be exact, a "MIDWEST" 10 tube model G-10, and I have been more than agreeably entertained by what you describe as 'your morning transmissions' which you radiate at 8:30 A.M. Eastern Standard Time, although I received them at 3:30 P.M. Cairo time.

"I have been going to write to you for several days past, but kept putting it off through pressure of duties. However, I feel that after tonight's reception of the U. S. Marine Band and their wonderful 'Dream Hour' program, no words of mine can adequately express the appreciation that must have been felt also by millions of other listeners. It was the goods. I can offer you no better suggestion than that you should send to the BBC in London a few hints on what the average listener in the Empire Short-wave zone really appreciated. I can assure you that after a hard day's trek in the desert one returns to Barracks with a keenly developed sense of appreciation of 'Bach - Fugue in C-Minor' or something or other Opus 3349, or alternatively a talk on Scottish Customs by Professor McSporrán, which seem to form a feature of the London evening programs.???

"I am not only writing to you on my own behalf but in respect of at least five other members of this far-flung colonial empire army, who prefer such items as the Dream Hour, the RKO Cinema Organ (Give the player our kind regards - he's a spanker) and the H. J. Heinz program put over by you last week-end.

"Your transmitter on the 16 meter wave comes in wonderfully well, and so does the announcer's pleasant voice; why he might be an Irishman, his voice has such a lilt.

"Here's wishing you every success, and if you would be so good as to pass the enclosed copy to Messrs. Midwest Radio Corporation, Cincinnati, you would earn the grateful thanks of

Yours very appreciatively,  
Staff-Sergeant E. T. Malloy."

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## BRITAIN CONSIDERS NEW TELEVISION SYSTEMS

Two rival systems of television, the new invention of J. L. Baird, and the 120-line or "higher definition" system sponsored by the Electrical and Musical Industries, Ltd., are to be tried out by an expert committee appointed by the British Post Office with the view of giving the public the best service through the British Broadcasting Corporation's transmitters, a dispatch to the New York Times discloses.

Sir Kingsley Wood, the Postmaster General, stated in the House of Commons that he hoped soon to announce the composition of the committee and the terms of reference.

At present the British Broadcasting Corporation is using Mr. Baird's earlier thirty-line system, but it is argued that both new systems have rendered its installation obsolete.

Another company concerned is the Gaumont British Film Corporation, which recently closely identified itself with the development of transmission of films by television.

L. Sterling, Managing Director of the Electrical and Musical Industries, Ltd., in which there are many American inventors, said: "If the committee works as it should do, Britain will be placed in the forefront of the television industry."

Mr. Baird also welcomed the inquiry, saying, "The time is ripe to form a future policy regarding the science of television."

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## SALARIES UPHELD FOR RCA OFFICERS

A large majority of the stockholders of the Radio Corporation of America at the annual meeting of the company held in New York the early part of this week signified their approval of the salaries paid to officers of the company despite persistent criticism on the part of five of their number. All of the 11,448,396 votes present in person or by proxy at the meeting were cast in favor of directors whose terms came up for renewal this year.

Of 272,683 stockholders, 256,055 of whom own common shares, eighty have expressed criticism of salaries or managerial matters in letters received by the company in response to requests for proxies, General James G. Harbord, Chairman of the Board, said at the meeting.

David Sarnoff, President, who presided at the meeting, read a statement in which he said that "no bonuses have been paid to officers of the Radio Corporation of America for the years

1930, 1931, 1932 and 1933. Similarly, no bonuses have been paid to officers of RCA, subsidiary companies since 1931". As to prior years, he said, supplemental compensation was paid in 1928 in the amount of \$165,815, representing less than 1 per cent of net profit in that year, and \$187,386 was paid in 1929, or 1-1/6 per cent of net profit for that year.

General Harbord said that the salaries of all the officers in 1933 amounted to 4.4 cents a share on the common and preferred stocks of the company.

Mr. Sarnoff announced that net profit for the first quarter of 1934 had amounted to \$1,235,725, comparing with a loss of \$478,164 in the 1933 period, and \$24,448 more than the profit for the final quarter of 1933, normally the most profitable period of the year.

Gross income from all sources amounted to \$19,133,919, comparing with \$13,222,054 in the first quarter last year, a gain of 45 per cent.

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#### ROOSEVELT OPENS 500 KW WLW WITH GOLD KEY

The pressing of the gold key - connected by direct wire to the Crosley Transmitter Plant at Mason, O., - by President Roosevelt in Washington last Thursday night inaugurated a six hour program dedicating WLW, the new 500,000 watt transmitter of the Crosley Radio Corporation, which will be on the air continuously from now on with the most powerful carrier wave ever transmitted through the ether.

Marconi cabled Mr. Crosley from Rome that "You may well be proud of the addition you are bringing to American broadcasting and of your own contribution to the further development of the use of this most powerful and practical means of spreading news, education and enjoyment throughout the civilized world."

Senator C. G. Dill congratulated Mr. Crosley on the opening of the new station saying, "You deserve great credit for pioneering in high class radio broadcasting and I wish you every success."

Another congratulatory message came from Einstein.

Speakers at the ceremonies, in addition to Mr. Crosley, included Thad Brown, Vice Chairman of the Federal Radio Commission, and Harold Lafount, a member of the Commission; Mayor Russell Wilson, of Cincinnati; E. A. Nickolas, of the RCA Victor Co., that built the new transmitting equipment, and John L. Clark, General Manager of WLW, Joseph A. Chambers, Technical Director. David Sarnoff, President of the Radio Corporation of America, spoke in New York, and his address was relayed to Cincinnati.

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## BROADCASTERS BELIEVE EDUCATIONAL AMENDMENT BEATEN

Confidence was expressed by broadcasters that the amendment which Senators Wagner, of New York, and Hatfield, of West Virginia, will offer to the Communications Commission Bill, i.e. the one-fourth of all radio facilities be allocated to educational, religious, agricultural, labor and other non-profit-making organizations, will be beaten by a substantial vote.

"If I were betting", said one broadcaster, "I'd bet 25 to 1 that the Wagner-Hatfield amendment hasn't a chance of passing."

This expression was based upon what was said to be very satisfactory assurances following an S.O.S. sent out to the broadcasters of the country.

On the other hand, those sponsoring the amendment, such as Rev. J. B. Harney, Superior General of the Paulist Fathers, who operate Station WLWL in New York, the Committee on Education by Radio, and certain labor interests are apparently just as confident that it will be passed. A prominent labor leader has bet a leading broadcaster a steak dinner that the amendment will prevail.

Representative Stephen A. Rudd, of New York, who introduced an amendment in the House similar to the Wagner-Hatfield amendment, revealed that a meeting was held in the office of Congressman Connery, of Massachusetts, Chairman of the Committee on Labor, which was attended by Congressman Maloney, of Connecticut, many other Congressmen, and representatives of labor, various religious denominations, and other organizations favoring the legislation. The meeting was addressed by Father Harney.

There is every assurance that the Wagner-Hatfield amendment will be vigorously discussed at the conference called by the National Committee on Education by Radio in Washington Monday (May 7). This group has been very critical of commercial broadcasting and doubtless will not lose the opportunity to hurl a few brickbats at the American radio program system in general.

It now appears that the Communications Commission Bill will come up in the Senate sometime next week, perhaps following the Stock Exchange Bill and before the Tariff Bill.

Hearings on the House Communications Commission have been tentatively scheduled to be resumed by Chairman Rayburn of the Interstate and Foreign Commerce Committee next Tuesday morning. Those to be heard at this session will be representatives of the Interstate Commerce Commission and the War Department. Among the other witnesses will be George Shouse.

Despite all this activity, it is still considered doubtful as to whether or not there is a chance for the bill to be passed before Congress adjourns.

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## N. Y. EXACTS \$500 STUDIO LICENSE

By the ruling of Paul Moss, New York City's License Commissioner, all Metropolitan radio broadcasting studios in which performances are given before audiences, paid or otherwise, must be licensed as theatres. The city's fee is \$500 per theatre yearly, and the Commissioner is asking this amount for each studio operated by the broadcasting companies.

Columbia Broadcasting System was the first to be hit by Commissioner Moss' edict, based on the city ordinance affecting theatre licensing, with the Hudson theatre, former legit and now a radio show-case, being forced last week to apply for a theatre license.

Columbia, however, has not made applications for licenses for the studio it occasionally uses in Carnegie Hall nor the broadcasting studios in its own building on Madison Avenue.

The National Broadcasting Company, with studios in RadioCity in use for the free performances, has also delayed applications for their licensing, waiting for a ruling on the law it has asked from the Corporation Counsel's office. It is understood, however, that even if the ruling is against NBC to the effect that the studios must be licensed, the NBC will attempt a court battle on the legality of licensing broadcasting studios as theatres.

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## HOPE TO HAVE TELEGRAPH CODE MAY 16

Adjourning an all day session held in Washington, Wednesday (May 2), Deputy Administrator Peebles expressed the hope that a satisfactory code for the telegraph communication industry will be available for presentation at a reconvened public hearing to be held on May 16.

Wednesday's hearing marked another attempt to arrive at a satisfactory agreement since the first public hearing on April 2. The fixing of the April 2 date followed months of attempts on the part of the Administrator to obtain a satisfactory revision of the proposed code.

Representatives of the Western Union Company, J. C. Willover and W. W. Stark, appeared at the afternoon session and indicated they stood firm on the testimony presented at the April 2 session. At that hearing the former witness defended

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many of the practices which were attacked by the Postal officials as unfair and did not express any particular alarm over these conditions.

Willever at that time admitted there was possibly some competitive practices which should be considered, but expressed doubt that a code for the telegraph industry alone could properly include them.

Frank W. Wozencraft, Assistant General Attorney of the Radio Corporation of America, reiterated much of his testimony presented at the last session and charged that the proposed code would now be in effect if it were not for the objections offered to it by the Postal group and the International Telephone and Telegraph Company. "We are still ready to support a code of wages and hours", he told the Deputy Administrator.

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#### EXPANSION OF RADIO IN GERMANY CONTINUES

Fostered by the Government, the use of radio receiving sets continued to make progress in Germany during the first quarter of 1934, Assistant Trade Commissioner Rolland Welch points out.

From January 1, to April 1, 1934, a total of 372,148 radio sets were added to the tax rolls, a number which reflects accurately the total sets sold in that period. The total number of radio receivers in Germany on April 1 was recorded as 5,424,755, an increase of 1,116,753 over the figure recorded on the corresponding date of last year.

The majority of the radio receiving sets sold in Germany since the Government opened its campaign during the latter part of 1933 to increase the number of sets in use, have been a special three-tube model retailing for approximately \$20. This special set is not capable of receiving distant stations. During the first quarter of 1934 the German radio manufacturers placed on sale a new standardized loud-speaker. Another new development during the quarter was the introduction of a radio receiving set to be operated with batteries.

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### CORNELL WITHDRAWAL CLEARS WAY FOR 4-STATION OPERATION

The way for the simultaneous operation of WBAL, Baltimore, and KTHS, Hot Springs, and WTIC, Hartford, and KRLD, Dallas, has apparently been cleared by Station WESG, of Ithaca, Cornell University station, applying for another wave.

WESG, which has been blocking the new allocation and had expected to go to court about it, has applied to operate daytime hours until sunset Dallas time on 1090 kilocycles, the clear channel allocated to KMOX, St. Louis. With its application, WESG filed a consent agreement so that it now appears to be a mere formality for the final approval of the Radio Commission and the court action of the Cornell station will be abandoned.

Station WSEG will only have to be moved slightly from its present assignment and thus makes it possible to put the new scheme into action. The case will probably come before the Radio Commission at its meeting next Tuesday.

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### RADIO COMMISSION MOVES TO NEW POST OFFICE BUILDING

The Federal Radio Commission has just moved into its new quarters in the recently completed Post Office Department building at 12th and Pennsylvania Avenue, next door west of the old Post Office building and two blocks east of the Willard Hotel.

The moving began Friday night and was expected to be completed by Monday morning.

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### RADIO REMAINS AN ADVERTISING BUSINESS

The plain truth about radio is that it is, in America at least, a business, an advertising business. And it remains an advertising business whether you can tune in on the Philharmonic Orchestra or on Amos 'n' Andy. - Samuel Chotzinoff in Today.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted

(May 4, 1934)

WEED, Wm. Avera Wynne, Greenville, N. C., C.P. to move transmitter and studio from Greenville to Rocky Mount, N.C.; WSGN, R. B. Broyles Furniture Co., Birmingham, Ala., modification of C.P. extending commencement date to May 1 and completion date to June 19, 1934; WLAP, American Broadcasting Corp. of Ky., Lexington, Ky., license covering move of transmitter and studio from Louisville to Lexington, Ky., and change frequency from 1200 to 1420 kc.; WCHS, WOBU, Inc., Charleston, W. Va., modification of license to change corporate name from WOBU, Inc., to Charleston Broadcasting Corp.; WHET, Troy Broadcasting Co., Dothan, Ala., consent to voluntary assignment of license to Jno. T. Hubbard and Julian C. Smith d/b as Dothan Broadcasting Company.

Set for Hearing

WBRE, Louis G. Baltimore, Wilkes Barre, Pa., application for renewal of license designated for hearing; WMPC, First Methodist Protestant Church, Lapeer, Mich., application for change of frequency from 1500 to 1200 kc., granted by Commission on April 13, set for hearing because of protest of Capital City Broadcasting Co.; WJBK, James F. Hopkins, Detroit, Mich., application to operate full time on 1500 kc. set for hearing. Grant of April 13, 1934, suspended; WIBM, WIBM, Inc., Jackson, Mich., application for full time on 1370 kc., set for hearing; grant of April 13, 1934, suspended.

Miscellaneous

KRGV, KRGV, Inc., Harlingen, Texas, granted application to move transmitter and studio to Weslaco, Texas, formerly designated for hearing; KXA, American Radio Tel. Co., Seattle, Wash., granted regular renewal of license to expire August 1, 1934; formerly set for hearing because KOL, Seattle, applied for its facilities; latter application withdrawn; WWVA, West Virginia Broadcasting Corp., C.P. to make changes in equipment and increase power, heretofore set for hearing, was dismissed at request of applicant; WNBH, New Bedford Broadcasting Co., modification of license to change frequency heretofore set for hearing, was dismissed at request of applicant; C. G. Phillips and Frank Hill, d/b as Boise Broadcasting Station, C.P. to erect new station, heretofore set for hearing, was dismissed at request of applicants; W8FVI, George Bereza, Grand Rapids, Mich., application for amateur station license, heretofore set for hearing, was denied as in case of default.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 721

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May 8, 1934.

## EDUCATORS ADVOCATE NEW DEAL FOR RADIO IN EDUCATION

The keynote of the conference called by the National Committee on Education by Radio in Washington seemed to be "A new deal for radio in education." The present system of supporting radio broadcasts by advertising was criticized by many of the speakers. About 100 educators and others were present at the conference.

Father J. B. Harney, Superior General of the Paulist Fathers, operators of Station WLWL in New York, who was to have spoken at the conference was prevented from attending by illness. Father Harney inspired the Wagner-Hatfield amendment to the Senate Communications Commission Bill which would allocate one-fourth of the present radio facilities to educational, religious, agricultural, farm and other non-profit making institutions.

Dr. George F. Zook, U. S. Commissioner of Education presided at the opening session.

Jerome Davis of the Yale University Divinity School, and Member of the Executive Committee of the American Sociological Society, said, while recognizing the many fine things which radio has brought to America, "it is the unanimous consensus of all impartial experts that the present radio set-up is defective so far as educational and cultural broadcasts are concerned."

He said that Levering Tyson, the Director of the National Advisory Council on Radio in Education, summarizes the unanimous consensus on this matter when he says, in his official report: "If the American radio system continues as it has been going recently with commercialism rampant, nothing can save it." Dr. Davis went on to say that Connecticut State College was not permitted to have a powerful enough station and the interference was so bad in the evening with the commercial stations that their costly programs could not be heard one mile from the station. All evening broadcasts finally had to be discontinued.

"If it is impossible to change our present system as radically as the British set-up would involve, several alternatives are possible", Dr. Davis continued. "It would be possible for the Federal Government to set up a fund to duplicate money advanced by individual states so that each State might, if they desire, have a State-owned station with leased wires to every college in its territory. Commercial or other stations could then tap in to provide wider distribution.

"A less radical alternative would be to have the U. S. Government tax the amount of time devoted to advertising on the radio. Each advertiser might be permitted to state the name of his company and use four additional words to mention his product without charge. Any additional advertising time up to 30 seconds could be charged for at the rate of 25 per cent of the total paid by the advertiser to the radio broadcasting company. If additional time were used, the tax would be proportionately greater. The proceeds of this taxation would go to a National Educational Radio Commission appointed by the President, who would serve without pay. The money would be used not to pay the broadcasting companies, but to pay for educational talent and for the promotion of educational broadcasting in general. At the same time the private broadcasting companies would be required to set aside without charge at least 20 per cent of their time for such educational broadcasts.

"The control now in power is in effect commercial monopoly, not so much because of unfair treatment of educational interests by the Federal Radio Commission, but simply because the educational interests are not organized to carry on the costly warfare waged by the commercial interest. There is no hope for the small college station in a system where the criteria for fairness evolve from commercial competition. What hope is there for educational broadcasting so long as the phrase 'public interest' is interpreted as commercial interest, convenience, and necessity? The radio must be made to become a genuine cultural force in the future as it has not been in the past."

Dr. Thomas E. Benner, Dean, College of Education, University of Illinois, said since radio is the most effective and the most economical means of providing this needed adult education for the rebuilding of the national culture, it is obvious that there should be reserved, for public use under public control, radio channels sufficiently broad and well chosen to make possible the carrying forward of the program.

James A. Moyer, State Director of University Extension, Massachusetts Department of Education, adding that college professors may shine as "brain-trusters" but the part of radio educator has not been their star role, said, "on their doorstep may be laid much of the blame for the failure of educational broadcasting to hold its own with commercial radio entertainment in this country.

"Lack of any sense of showmanship, too much 'academic self-consciousness', too many inferior lecturers and inadequate financial support are the chief reasons why the radio programs of collegiate institutions have reached fewer and fewer loud speakers", Mr. Moyer continued.

"Collegiate institutions lost ground steadily by continuing to put on programs by inferior artists and lecturers which a discriminating public simply would not listen to.

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"The time is at hand for constructive efforts towards the development of new educational programs, planned for the general public by people who know what the public is interested in, and most important, by individuals who know how to 'put it over.'"

"The issue resolves itself into a question of whether or not the American public is going to continue to be hoodwinked by commercial radio interests. Education by radio should be the objective of national planning, not the incidental by-product of private enterprise. Only by adequate public control of radio time will this be brought about."

Dr. Joy Elmer Morgan, Chairman of the National Committee on Radio in Education said freedom of thought on the radio was inconsistent with the idea of making profit.

Referring to children's programs he said, "I can think of no greater sin than what we have done in exposing our children's minds to commercialism.

"As you go along listening to children on the street, it is not the prayers of the churches you hear them repeating or the lovely songs of the nursery and schools but the songs and recitations of the advertising agencies", Dr. Morgan said.

Father M. J. Ahern, of the Jesuit Colleges and High Schools of New England, Weston, Mass., said there was no censorship on the freedom of thought on the part of New England stations.

"The stations in Boston give us everything we ask for without qualification", Father Ahern declared.

As to the children's programs, he said he didn't believe even if an attempt were made to purge everything harmful that the child could be helped much without the supervision of parents. He thought the responsibility lay with the mothers and fathers as to what the children should listen to.

Father Ahern was asked, if educators were given control of early evening programs if the situation could be improved with regard to children.

"I believe it could", the priest replied, "and I believe that the stations would give us the supervision of this time if we ask them for it."

Hector Charlesworth, head of the Canadian Broadcasting Commission, explained the Canadian system.

The Conference began Monday morning and was scheduled to last two days.

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## RADIO NEWS SERVICES GET HAVAS INTERNATIONAL REPORT

The world-wide news report of L'Agence Havas, corresponding to the Associated Press in France and one of the greatest foreign news services, is being sold to two independent organizations furnishing news to radio stations, the Editor & Publisher learned last week.

Camille Lemerancier, manager for North America of the French news agency, when questioned in New York last week, said his agency had signed contracts with the Trans-Radio Press Service and the Radio News Service of America. The latter organization recently successfully petitioned the Federal Radio Commission for short-wave radio facilities for the purpose of transmitting news. Both are competitive in principle to the Press-Radio Bureau established by newspapers, news services and broadcasters to settle the controversy over news broadcasting.

The Trans-Radio Press Service has been receiving the complete Havas report since April 23. The contract with Radio News Service has not yet become operative.

Mr. Lemerancier said both contracts were for short terms. He said there was an agreement with the radio organizations that they do not give Havas credit in any form. Each receives the full Havas reports, comprising, according to Mr. Lemerancier, some 12,000 cabled words a day. The Havas report does not cover events in the United States. The report is received in the United States by short-wave radio from headquarters in Paris. It is received on Press Wireless, Inc., facilities.

Mr. Lemerancier said he had not attempted to sell his service to United States papers as yet, although the agency has been supplying its report to the Canadian Press since the middle of March.

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## JOHNSON TO CRACK DOWN ON COMMUNICATIONS INDUSTRY

A bold plan to "crack down" on the communications industry and impose the first code ever forced on an industry group was announced Monday (May 7) by Gen. Hugh S. Johnson.

The Recovery Administrator made public a proposed telegraph code and called a public hearing for May 16. His action was expected to precipitate a loud outcry from many corporations which maintain leased wires, as well as from three of the communications "big four" - American Telephone & Telegraph Co., Western Union, and Radio Corporation of America.

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Observers regarded as significant provisions in the tentative rules of fair competition calling for control of rates by the Interstate Commerce Commission.

The industry was charged with "abuses inimical to the public interest and contrary to the policy" outlined in the National Industrial Recovery Act.

Postal Telegraph-Cable Co., other member of the "big four", last month petitioned for a code and in public hearings charged Western Union and A. T. & T. with unfair competition. Postal executives protested their company faced extinction unless prevailing conditions were remedied.

A decision on the code proposal will be made by President Roosevelt. Should he ultimately approve it, the companies may seek a Constitutional test in the courts.

The code bears the usual standard stipulation that in its present form it merely reflects the proposal of a code for the industry and that none of the provisions are to be regarded as having received the President's approval or that of the National Recovery Administration. Also that every provision in the Code is subject to change and those concerned are asked to come to the hearing May 16 with these changes in mind.

One of the Code requirements would ban exclusive telegraph contracts with railroads and hotels.

The Code would end unusually low rates for teletypewriter service, would require an equitable division of charges for intercompany business, would prohibit telegraph companies from furnishing free facilities, such as call boxes and would restrain any company from offering service below cost or from entering exclusive agreement.

A 40-hour maximum work week would be established throughout the industry in place of the 48-hour week approved under the substitute President's reemployment agreement.

It was said if the Code went into effect in its present form, the RCA, because it has fewer employees, would be the least affected, and that the Postal would suffer the most.

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## BELLOWS PROTESTS AGAINST RADIO ACT REPEAL

When hearings of the House Committee on Interstate and Foreign Commerce on the Communications Commission Bill were resumed this morning (Tuesday), Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, protested earnestly against any proposal for the repeal of the Radio Act. He urged that Congress confine itself to the intent of President Roosevelt's message to simply transfer to the new Commission the present authority of the Radio Commission and such authority over communications as the Interstate Commerce Commission now has.

"We believe that the intent of the President's message is perfectly clear; that the proposed commission is to take over the present authority of, the authority now lying with, the Radio and Interstate Commerce Commissions for the control of communications and that additional legislation on the subject is expressly advised to be reserved to the next session of Congress, after the Commission has had an opportunity for investigation and study", Mr. Bellows said.

"From our standpoint, the essential feature of the House Bill is that while it necessarily does away with the Federal Radio Commission, it leaves intact the Radio Act of 1927."

"If it is suggested to you that Title III of the Senate bill is really the Radio Act of 1927, with only a few minor changes, we want to urge upon you, from our years of practical experience in radio, that the changes are neither few nor minor; that one of them seems to us to throw into utter confusion the whole legal structure which seven years of work have painstakingly built up; that another establishes a punitive policy chiefly at the expense of the listening public, while a third destroys all hope of reasonable stability in the radio industry. Still another would, in practise, virtually bar all political discussion from the air. But even if the changes proposed were less drastic, we would still contend that this is no time to repeal the Radio Act, that repeal is absolutely unnecessary, that it is contrary to the advice of the President, and that it means the imposition of a serious and needless handicap on the new Commission."

Mr. Bellows then called the attention of the Committee to a few suggested changes in the bill "less in any spirit of criticism than in order to offer to you our practical experience in broadcasting to assist you in the drafting of this tremendously important law."

"There is one point which seems to us of vital importance", Mr. Bellows continued. "This is the confusion which is bound to arise under Section 302 of this Bill because of the failure to adjust the procedure under this section with that provided for in Section 16 of the Radio Act of 1927, as amended. Since the Radio Act will remain in force after the enactment of this new legislation, it is essential that the law should clearly

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set forth what suits may be brought under the provisions of the District Court Jurisdiction Act, as specified in Section 302 of this bill, and what suits fall within the quite different scope of Section 16 of the Radio Act.

"Accordingly, we submit the following amendment to Section 302, and urge its adoption for the purpose of eliminating this dangerous conflict between the two laws:

"(a) Except as hereinafter provided in paragraph (b) hereof, suits to enjoin, set aside, annul, suspend, or otherwise review an order of the Commission under this Act, shall be brought in the several Districts Courts of the United States, and the provisions of the District Court Jurisdiction Act are hereby made applicable to all such suits, and all references in said Act to the Interstate Commerce Commission shall apply to the Commission. The provisions of said Act as to venue of suits to enforce orders of the Interstate Commerce Commission are hereby made applicable to all suits to enforce orders of the Commission made under the provisions of this Act.

"(b) Decisions and orders of the Commission involving radio broadcasting stations or other radio stations which are not common carriers as defined in paragraph (h) of Section 3 hereof, shall be reviewed only by an appeal which may be taken to the Court of Appeals of the District of Columbia in the manner provided by Section 16 of the Radio Act of 1927, as amended by Act approved July 1, 1930."

"We cite these points to indicate the sort of cooperation we shall be delighted to give you in the final drafting of this bill if we can be in any way helpful to you. Our principal reason for appearing before you today (Tuesday) is to express our complete accord with the manner in which, so far as radio broadcasting is concerned, you are undertaking this difficult and complex task, and to assure you of our whole-hearted support in your effort to carry out the purpose and intent of the President's message by establishing this new Commission without destroying or impairing the Radio Act."

The House hearings will probably continue for several days.

Senator Dill is still waiting for a chance to bring the Communications Bill up in the Senate and hopes it may be considered sometime this week.

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NEW MACKAY DIRECT RADIO CIRCUIT TO JAPAN

Mackay Radio, an affiliate of International Telephone & Telegraph Corporation has concluded an agreement with the Japanese Government, signed on behalf of the Minister of Communications by Naotaro Yamamoto, Director General of Telecommunications, and Takeo Iino, Chief of the Foreign Traffic Department of the Department of Communications, which provides for the establishment of a new direct radiotelegraph circuit between the United States and Japan.

Additions to the Mackay Radio station at San Francisco are completed and preparations for the new circuit at the Japanese end are under way, according to Ellery W. Stone, Operating Vice-President of Mackay Radio, who expects the circuit to be ready to open within a few months.

In Japan the transmitting station for the new Mackay Radio service with America is at Oyama, and the receiving station at Fukuoka, both near Tokyo.

Mackay Radio service to China was opened in 1933 as one of the major extensions of a year of widespread expansion for this company which has opened within the past year four new transoceanic circuits in addition to the eight transoceanic circuits which it operated previously. Within the United States it has recently extended its domestic network by adding Washington, Boston, Chicago and New Orleans to New York and the seven principal cities of the Pacific Coast.

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DUBILIER CONCERNED OVER SOVIET'S GAINS

William Dubilier, radio inventor, returned last week on the White Star liner "Majestic" from a two-months trip abroad, during which he spent ten days in Moscow studying conditions in the Soviet factories. In an interview in the New York Times, he said he had left the country with the conviction that some of the Western nations will have to revise their attitude toward Russia immediately if they hope to compete with her in production.

"As a scientist, I am enthusiastic", he said. "As a business man, I would be deeply concerned. Germany and the United States, by lending their engineers, have built an economic Frankenstein with which they will be unable to compete. It is time for other nations to realize what Russia is doing for the working people. It is dangerous to underestimate what they are doing. In ten years other countries will want to copy what she is doing.

"The work in the factories is done by groups which have their own committees, and they will not permit any outside interference. All the names are marked on a slate and a record kept

of the amount of what they do each day, the labor being on the piecework basis. A man who does not come up to 70 per cent of efficiency is fired. Those who go up to 120 per cent are rewarded.

"It would be a fine thing for the United States Government to send all the Communists to Russia and pay their expenses, as they would return wiser men or not at all. There is a wastage of 50 per cent, but it is a part of the education system. Boys and girls continue their education up till 17 and 20, but their latter years are spent in part-employment, so that when they leave school they have a certain amount of technical efficiency.

"They make mistakes and damage efficiency, but they grow out of it and learn", the scientist said. "The youngsters are fired with enthusiasm which I would like to see in the West."

Mr. Dubilier visited Soviet courts and listened to contract and other cases.

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#### EDDIE DOWLING BOBS UP AS SENATORIAL NOMINEE

The following is a special to the New York Times from from Providence, R. I.:

"Eddie Dowling, musical comedy star who humiliated the Democratic leaders of Rhode Island last Fall by obtaining the United States Marshal's job for his brother, William F. Goucher, in the face of opposition from former Senator Gerry and Howard McGrath, Democratic State Chairman, has tossed his hat into the ring for the party's nomination for United States Senator.

"Coupled with revelation of a message from Louis McH. Howe, President Roosevelt's secretary, to a Federal job seeker, advising that Governor Greene and not Mr. Gerry is the man to whom the President listens on appointments in the State, the Dowling bombshell gave credence to reports that the Gerry star is on the wane.

"At the time of the battle over the post of Federal Marshal, Postmaster General Farley was reported to have said that Mr. Dowling could have 'anything he wants.'

"Mr. Dowling, whose real name is Nelson Goucher, has not been a registered voter in Rhode Island for several years but enrolled last October at the town hall in Lincoln, his native home, where his family resides."

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Eddie Dowling was prominently mentioned for a place on the Federal Radio Commission. He was later appointed a Government member of the Broadcasting Industry Code Authority but "ran out" on this job after attending one meeting. He offered to resign but never formally did so.

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5/8/34

SECRECY OF SHORTWAVE MESSAGES MUST BE KEPT

In view of the ever-increasing sales of combination broadcast and shortwave radio receiving sets to the public, the Federal Radio Commission issued a statement calling attention to provisions in the Radio Act regarding the secrecy of certain radio messages and the heavy penalties provided for violations.

Section 27 of the Radio Act of 1927 provides:

"No person receiving or assisting in receiving any radio communication shall divulge or publish the contents, substance, purport, effect, or meaning thereof except through authorized channels of transmission or reception to any person other than the addressee, his agent, or attorney, or to a telephone, telegraph, cable, or radio station employed or authorized to forward such radio communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the radio communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any message and divulge or publish the contents, substance, purport, effect, or meaning of such intercepted message to any person; and no person not being entitled thereto shall receive or assist in receiving any radio communication and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted radio communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the contents, substance, purport, effect or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto: Provided, That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcasted or transmitted by amateurs or others for the use of the general public or relating to ships in distress."

Heavy penalties are provided in Section 33, of the same act, for violations of its provisions.

In order that the public may be fully informed concerning the protection thrown around private radio messages, the Commission suggests that each purchaser of a combination broadcast and shortwave receiver be furnished by the salesman with the excerpts of the Radio Act concerning the secrecy of radio messages and the penalty for violations.

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 ::: BUSINESS LETTER NOTES :::  
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The Seventeenth Annual Meeting of the American Association of Advertising Agencies will be held at the Mayflower Hotel, Washington, D. C., May 22 and 23, at which, as usual, a session will be set aside for the discussion of radio advertising.

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F. P. Guthrie, District Manager of RCA Communications, in Washington, reports the new RCA land radio telegraph service is coming along nicely and that considerable business is being developed between the National Capital, New York, Chicago and San Francisco.

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Printed copies of the supplementary Code of Fair Competition for the Radio Wholesaling Trade are now available at the Government Printing Office in Washington for 5 cents a copy.

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Experiments in treating diseased teeth with a simple short-wave broadcasting set were disclosed at the annual convention of the Pennsylvania State Dental Society by Dr. J. S. Oartel, of Wilkinsburg, Pa.

He said experiments have shown that 30 per cent of the germs in diseased teeth may be killed by placing the tooth between sending and receiving plates. Thus far the experiments have been limited to extracted teeth.

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AMERICAN RADIO SETS DOMINATE BRAZILIAN MARKET

The dominant position of American radio sets in Brazil is revealed in a report from Assistant Trade Commissioner J. Winsor Ives, Rio de Janeiro.

Estimates just completed show that there are at present in operation throughout the country 120,000 receiving sets, of which 70,000 are in the Federal District and 40,000 in Sao Paulo.

It is estimated that about 96,000, or 80 per cent, of these radio sets are of American origin, while the remainder are of Dutch, Swedish, German and local manufacture. During the past year the report points out, there has been a notable increase in import of American sets, and sales of one Swedish set have appreciably increased. Although no specific figures are available, it is believed that the German and Dutch manufacturers lost ground in the Brazilian market during 1933. Less than 1 per cent of the total estimated number of receivers in use are thought to be of domestic manufacture.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 722

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May 11, 1934.

CODE AUTHORITY ASKS JOHNSON TO HOLD OFF FOR YEAR

In a letter addressed to Gen. Hugh S. Johnson by James W. Baldwin, Executive officer of the Code Authority for the Radio Broadcasting Industry, the recommendation is made that no action be taken within a period of one year from the effective date of the Code to change or alter any of the provisions effecting the hours of labor or wages of employees within the Radio Broadcasting Industry.

In support of this Mr. Baldwin writes that a recent survey concerning the technical employees within the Radio Broadcasting Industry discloses:

1. That the employment of broadcast technicians has increased 11.9%.
2. That the weekly hours of labor for broadcast technicians have been reduced 9.8%.
3. That the weekly payrolls for broadcast technicians have increased 21.1%.
4. The true effects of the labor and trade practice provisions contained in the Code of Fair Competition for the Radio Broadcasting Industry cannot be accurately determined within the period of approximately five months, during which our Code has been effective.
5. Commercial programs which furnish the only revenue to sustain the operating of Radio Broadcasting Stations fluctuates materially. It is a general practice of advertisers to curtail radio advertising during the so-called Summer months which in this case include the months of May to September, inclusive.
6. The Radio Broadcasting Industry today employs a greater number of employees than have been employed at any other period within the life of the Industry.
7. Although the Code Authority does not have specific data available, it is confident that the percentages referred to in No. 1 above apply with equal force to all classes of employees within the Industry.
8. Any reduction in the hours of labor or any increase in the wages paid, in the opinion of the Code Authority, will oppress and eliminate small Radio Broadcasting Enterprises and promote monopolies.

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## AMENDMENT WOULD PREVENT BROADCASTING STATION MONOPOLY

Described by him "as a precautionary measure", Senator Dill, of Washington, introduced the following amendment to the Communications Commission Bill:

"In granting applications for licenses or renewals of licenses for frequencies to be used for broadcasting, the Commission shall so distribute such licenses that no one licensee or organization of licensees, whether effected by purchase, lease, chain broadcasting or other method, shall be able to monopolize or exercise dominant control over the broadcasting facilities of any community, city or State, or over the country as a whole, and the Commission shall, so far as possible, by its distribution of licenses, provide for broad diversification and free competition in broadcast programs to be presented to radio listeners."

"The amendment is more for future protection and simply would give the Commission a chance to break up a monopoly of stations in any one community", Senator Dill said. "For example, if you could imagine such a situation as NBC taking over Columbia and there being only two stations in a town this would give the former group a monopoly and that would be prevented by the amendment.

"I look, for instance, for a great rush in the broadcasting of news over the radio. New companies are being formed for this purpose and I believe it is only the beginning. I don't think there should be a monopoly of news broadcast by radio in any one city. No one man or any news crowd should be able to control the news in a city.

"I know of a city where there are two principal stations. One of them is affiliated with a network and the owners of this station, through a separate corporation, is trying to get hold of the other station which would virtually give them a monopoly. It is this sort of thing the amendment would prevent."

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## EDUCATORS TO PRESENT BASIC RADIO PRINCIPLES TO PRESIDENT

Fundamental principles "which should underlie American radio policy" will be presented to President Roosevelt by representatives of the National Committee on Education by Radio. These principles agreed upon at the conclusion of the two day conference held in Washington by the educators are based upon the following report:

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"Your committee is commissioned to prepare a statement of what this conference, consisting of representatives of national groups interested in the cultural, non-commercial values of radio broadcasting, believes to be the important fundamental principles which should underlie American radio policy. Your committee understands its function is not that of the conventional resolutions committee nor yet that of summarizing the reports and recommendations of the special group conferences which have already made their individual reports. If many of the recommendations and ideas from the special groups reappear in this report, it is because they present basic principles.

"Radio broadcasting, an instantaneous, universal means of communication, reaching literate and illiterate, young and old alike, exerts an inevitable educational influence upon American standards, ideals and actions. This influence is either good or bad. It either improves or debases American standards. Radio broadcasting, this great, new agency, should be so guided and controlled as to insure to this nation the greatest possible social values. The social welfare of the nation should be the conscious, decisive, primary objective, not merely a possible by-product incidental to the greatest net returns to advertisers and broadcasters.

"To achieve the greatest general welfare the following principles must be observed:

"Listeners' Choice - The wholesome needs and desires of listeners should govern the character, the content and the relative extent and frequency of programs broadcasted. Variety sufficient to satisfy the tastes of all groups of effective size should be provided. Matter detrimental to the welfare of listener groups should be eliminated regardless of commercial profit. The present operation of commercial stations secures neither a genuine expression of listeners' choice nor an effective fulfillment of that choice.

"Minority Voice - Responsible groups, even the minorities, should not be debarred from broadcasting privileges because of their relative size, for radio is but the amplification and extension of the individual's free speech and discussion.

"Youth Protected - Positive, wholesome broadcasts for youth at home and in schools should be provided. The impressionable, defenseless minds of children and youth must be protected against insidious and harmful, degenerative influences.

"America's Best - The control and support of broadcasting should be such that the best obtainable of culture, of entertainment, of information, of statescraft, shall have place on the air available to all the people.

"Controversial Issues - Discussion of live, controversial issues of general public concern should be encouraged for the safe and efficient functioning of a democracy and should not be denied a hearing because offensive to powerful advertisers or other groups.

"If a universal means of communication is to be used for general social welfare, it must be controlled by the people's agency which is government. A private organization is incapable of exercising adequate control. This need not imply full government ownership or operation nor should it preclude governmental units owning and operating stations. Neither must offensive censorship necessarily follow any more than it does in the post office or the telegraph today. Government must be the umpire.

"If these objectives for a national broadcasting program are to be realized, adequate support must be provided. The individual listeners whose investment in receiving sets is already 90% of the total broadcasting capital are deserving of the best possible programs. The Government should cease incurring expense for the protection of channels for the benefit of private monopoly without insuring commendable programs satisfactory to citizen listeners. If general public welfare is to be promoted by radio communication some specific recommendations immediately present themselves.

"Impartial Studies - Thorough, adequate and impartial studies should be made of the cultural implications of the broadcasting structure to the end that specific recommendations can be made for the control of that medium to conserve the greatest social welfare values. These studies should also include: An appraisal of the actual and potential cultural values of broadcasting; the effective means for the protection of the rights of children, of minority groups, of amateur radio activities, and of the sovereignty of individual states; the public services rendered by broadcasting systems of other nations; international relationships in broadcasting.

"We recommend to the conference the appointment of a committee to wait upon the President of the United States to urge that the recommendations of the conference be put into effect by the President."

The report was signed by Dr. Arthur G. Crane, Chairman, President of the University of Wyoming; Harold B. McCarty, Secretary, WHA, Wisconsin State Station; James Rorty, writer; Armstrong Perry, National Committee on Education by Radio; Walter E. Myer, Civic Education Service, Washington; Dr. Tracy F. Tyler, National Committee on Education by Radio; Rev. Charles A. Robinson, S. J., St. Louis University; Dean W. G. Chambers, Pennsylvania State College; Dr. W. W. Charters, Ohio State University, and Dr. Jerome Davis, Yale University Divinity School.

Before the sessions adjourned the conference turned down a suggestion by Dr. Davis that the President appoint a commission to make a special study of the whole question of radio

control. He proposed that 10 prominent educators be named on the committee and 15 members of the House and Senate.

Although it was the first conference of its kind ever held, the Committee expressed itself as highly pleased with its success and the representative attendance. There were about 100 educators present from all parts of the United States and as a result of the interest shown in the initial conference, it is believed others will follow.

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#### GLOBE WIRELESS MAKES AIRMAIL RADIO'S FREIGHT CARRIER

A new service known as Radiomail, whereby airmail is combined with radio as "the freight carrier of the communication business" has been inaugurated by Globe Wireless, Ltd., of San Francisco. The sender of the message is simply required to pay a small additional fee on a message which upon receipt in the country is sent from the nearest station to its destination by airmail.

As an example, in a message from Manila to Minneapolis, the rate for 24 words from Manila to the Pacific Coast at 13 cents a word is \$3.12. To this is added 8 cents, the charge of airmail from the Pacific Coast to Minneapolis.

"'Radiomail' moves messages by wireless over the long haul, pickup and delivery being effected mainly by means of the Post Office", Jack Kaufman, Executive Vice-President of Globe Wireless said. "It passes to the public the benefit of the efficiency of modern shortwave apparatus with the excellence of modern mail service in all its branches.

"While primarily to be used in conjunction with airmail, all other services rendered by the Post Office are available.

"The new idea in 'Radiomail' service is to make available to our clients the speed of wireless communication over the long trans-oceanic haul. It saves the long delay entailed in waiting for a letter to go across the Pacific, two months thus being saved in one interchange of messages.

"It is not our intention to compete with high priced instantaneous contact. As in the freight hauling business, we will bend every effort to move traffic as quickly as possible but no specific time guarantee of delivery can be made."

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## PAULIST FATHER IN EDUCATIONAL FIGHT TO FINISH

Regardless of whether or not the amendment to the Communications Commission Bill introduced by Senators Wagner, of New York, and Hatfield, of West Virginia, is rejected, Rev. J. B. Harney, Superior General of the Paulist Fathers, owners of Station WLWL, in New York, who inspired the amendment, declared following a dramatic plea before the House Interstate Commerce Committee that he was in the fight to a finish.

The amendment is in three parts, first, that 25% of all broadcasting facilities be reserved for educational, religious and other groups, which Father Harney described as "human welfare organizations - those who have for their object the betterment of human life and not making profit"; second, that these organizations be given facilities as desirable as those for purely commercial stations, and, third, that enough broadcasting hours be allocated to educational institutions to enable them to sell time and to become in a fair way self sustaining.

"It would surprise me very much if the amendment passed the Senate", Father Harney said, "but whether it is successful in the Senate or not, I can assure you we propose to keep up the fight. Have you noticed the petitions coming in to Congress from religious and educational organizations from all over the country? Well, that is only the beginning."

Commenting upon the amendment, Senator Dill, Senate radio leader, said that it was badly drawn.

"If it should be adopted, educational and religious stations would lose their identity - they would simply be commercial stations run by educational people; commercial stations operated by another crowd. As it is, about 2/3 of the commercial stations now are not making any money."

The strength of Father Harney in the House was the fact that about 5 Congressmen were present with him at the hearing. Representative Rudd, of New York, read into the record the names of approximately 25 Congressmen who, he said, were interested in doing what they could in behalf of the priest, and who had hoped to be present.

Father Harney testified before the House Committee that the Radio Commission had handled the educational agencies "most ignominiously." He said there were once 105 educational stations in the United States and today only 30.

"What has become of the other 75 and why?" the priest asked. "Educational and religious institutions have but 3 percent of the broadcasting facilities while those who exploit them for commercial gain have 97 percent. It is a situation which needs prompt attention."

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"Anyone who dared come out in the open and condemn the heart of this amendment would make laughing stock of himself. It is as much in favor of the Protestant and the Jews as it is in favor of the Catholics; it is as much in favor of the Masons as it is of the Knights of Columbus; it is as much in favor of educational institutions as religious organizations; as much in favor of the laboring people as the farmers. No agency which contributes to human welfare would be neglected. Nor are the commercial interests left out. They would still have 75% of all the radio facilities. We are asking Congress to keep one-fourth of the pie while the commercial people are getting fat on the other three-quarters.

"Commercial interests are not supposed to have vested rights but they have such a hold on their broadcasting channels that even the Radio Commission can't take them off, and it is necessary for us to go to Congress to secure effective action."

"If a quarter of the time of WPG, Atlantic City, were devoted to promoting moral principles would that not be just as good as having a religious station?" Representative Wolverton, Republican, of New Jersey, asked.

"No", the priest replied. "It leaves the station the lords and masters of the situation."

"Do you mean to say in such a program as the National Catholic Hour that the speakers are subject to censorship?" Mr. Wolverton asked.

"Father Gillis speaks on the Catholic Hour and has told me of one subject after another which should be brought to the American people but said he couldn't talk on any of those things over the radio," the Paulist replied. "I know more about moral principles than the whole Columbia Broadcasting System, and I don't want to hand my speeches over to them and to William Paley to change this and that."

Father Harney said that WLWL costs about \$40,000 a year to operate and that because they are only on the air about 15 hours a week (as against WPG, with which the station shares time, 110½ hours) their advertising revenue doesn't amount to \$300 a year

The House Committee didn't seem especially friendly to Father Harney. He was frequently interrupted and was abruptly cut off at the closing hour, so that the Committee might hold an executive session. The priest had not finished his testimony but apparently decided to call it a day and returned to New York.

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5/11/34

## WIRE CONTROL BILL ASSAILED BY PHONE HEAD

The telephone business is now adequately regulated and the Rayburn Communications Bill is an attempt to set up a regime of public management over private property, Walter S. Gifford, President of the American Telephone & Telegraph Co. told the House Interstate Commerce Committee on Thursday (May 10).

Mr. Gifford said that he had no objection to a regulation of rates and services, but said he thought the Communications Bill permits Government regimentation of the A. T. & T. and would seriously interfere with private management.

"Federal control will wreck the telephone industry", Gifford told the Committee. "Present decentralized and adaptable operation would be transferred into rigid, centralized bureaucratic operation. This would devitalize the very principles of management which have been responsible for progress of telephony in this country."

He defended his own salary of \$260,000 on which he said he pays \$103,000 income tax, on the ground that there must be adequate reward and incentive for ability in such a large organization.

R. B. White, President of the Western Union, followed Mr. Gifford. Previously G. M-P. Murphy, Chairman of the Cable & Radio Users' Protective Association asserted that R.C.A. Communications, Inc., Commercial Cables Company, Western Union Telegraph Company and the French Cable Company, together control service and have "exercised their powers to raise rates to an extraordinary extent."

The hearings will be resumed Tuesday morning (May 15).

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## SAY HARNEY AMENDMENT WOULD DESTROY BROADCASTING

Following the appearance of Rev. J. B. Harney, Superior General of the Paulist Fathers, the National Association of Broadcasters addressed a statement to the House Interstate Commerce Committee declaring that the Harney amendment would cause the destruction of the American broadcasting system. Copies of the statement are being rushed to broadcasters all over the United States in the hope that they may be of assistance in blocking the proposed amendment.

Both H.A. Bellows, Chairman of the Broadcasters' Legislative Committee and Phil Loucks, Executive Director, have expressed the opinion that the amendment will probably be beaten.

Nevertheless they are evidently taking no chances and have sent an S.O.S. to every member of their organization.

"The proponents of the Harney amendment, in suggesting that a complete new allocation be made in ninety days, evidently have no conception of the enormous task involved", the Broadcasters said, addressing the House Committee. "The mere mechanical mapping out of such a reallocation would require months of intensive work by a corps of experts, and that would be only the beginning. Every existing license is, by the amendment, declared void in ninety days, and this without giving the licensee any right to a hearing, for if the Commission were to hold hearings every day, it would require at least two years to get through the list of the present licensees."

"It was stated before your Committee that no one had dared, or would dare, to oppose the basic principle of this amendment, the principle that a considerable proportion of all broadcasting facilities should be allocated to certain organizations.

"The National Association of Broadcasters, without qualification, does oppose this principle of allocation. It maintains that the sole test of fitness for a broadcasting license is service to the public as a whole, as distinguished from service to any particular class, group or denomination."

"It was alleged before you that the special allocation of broadcasting facilities to particular groups or denominations is necessary to protect the right of free speech.

"The National Association of Broadcasters maintains that the exact opposite is the case, and that such a system of special allocation would, in fact, deprive millions of people of the right either to utter or to hear free speech. In the field of religion alone, it is obvious that an assignment to religious organizations of twenty-five or even fifty per cent of the total facilities would by no means take care of every one. Suppose that religious organizations were assigned ten 'cleared' channels. There are three or four times that many religious denominations or groups of national scope, many of which would inevitably be shut out in the race for broadcasting facilities of their own. Would the Methodist, the Christian Scientist, the Jew, be invited to make free use of the facilities controlled by another denomination, as today they are all invited to use the facilities of the general-service broadcasting stations? There would be freedom of speech only for those groups lucky, rich or influential enough to secure all the available allocations; for the rest there would be no freedom at all."

"These stations which would thus be sacrificed are the pioneers, the stations which, after the first years of experimental development and the harrassing years of the depression, have just begun to look forward with reasonable hope. It is their investment, not alone of capital, but of effort, which this

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amendment would sweep away. The mere knowledge that all licenses were to be cancelled would of itself mean the immediate loss of a large volume of current business, with hundreds of men and women thereby thrown out of work.

"And what of the listening public, with its eighteen million radio-equipped homes? Would the drastic reduction or complete loss of service from the stations to which it now listens be compensated for by the expectation that some day there would be other stations built to take their places? This amendment apparently disregards utterly the rights of the public. In order that one particular church station may secure more time, it would sacrifice the rights of sixty or seventy million radio listeners, who in ninety days, would find every station to which they had been become accustomed to listen either crippled or silenced."

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ADMIRAL McNAMEE NEW MACKAY PRESIDENT

Clarence H. Mackay, President of the Mackay Radio and Telegraph Company will become Chairman of the Board on July 1 next. Rear Admiral Luke McNamee, upon retirement from the Navy on the same date, will become President of the Company.

Admiral McNamee is at present of the Naval War College at Newport, R. I. He graduated from the United States Naval Academy in 1892. He served in the Spanish-American War on the "U.S.S. Princeton" and during the World War on the staffs of Admiral Caperton, Admiral Benson and Admiral Sims. He was a member of the Naval Advisory Staff to the American Commission to Negotiate Peace in Paris, December, 1918 to August, 1919; and Director of Naval Intelligence, 1921-23; he was U. S. Naval Attache, American Embassy, London, 1924-25; Commander of the Destroyer Squadrons, Battle Fleet, 1926-27; and was Director of Fleet Training, Navy Department, 1928-30. In 1931, Admiral McNamee was appointed Vice-Admiral in Command of Battleships, and in 1932 appointed to the full rank of Admiral in Command of the Battle Force where he served until appointed to his present position.

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:::BUSINESS LETTER NOTES:::  
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The rise of \$6,433,109, or 9.5 per cent, in gross earnings of the International Telephone and Telegraph Corporation and subsidiaries in 1933 over 1932 was due principally to an improvement of \$4,654,870 in operating revenues of telephone and radio telephone companies, Sosthenes Behn, President, says in his report. Gross revenues for 1933 were \$73,959,948, and telephone and radio telephone revenues, \$26,759,893.

Net income from the telephone and radio telephone operations of the system was \$4,706,289, compared with \$3,227,923 in 1932.

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Heralded as a successor to "100,000,000 Guinea Pigs" is a book on advertising, "Our Master's Voice" by John Rorty, published by John Day, 386 - 4th Avenue, New York (Price \$2.50).

A chapter devoted to radio advertising is headed, "Rule by Radio."

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The District of Columbia Court of Appeals dismissed at his own request the appeal of Herman Radner, who had been denied a permit to build a new station at Lansing, Mich. Neither would the Court reconsider its action in the cases of KSEI, Pocatello, Idaho, and WLBW, Erie, Pa.

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The National Recovery Administration has indicated that it does not intend through the proposed telegraph code, the public hearing of which is set for next Wednesday, to affect present relationship and rates between the telegraph companies and the press. Those who feel that such relationships would be affected were urged to file protests with the NRA.

The statement invited protests by letter or otherwise, "if it is felt that any provisions in the proposed code interfere with present relationships existing between the telegraph communication companies and the press."

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The Federal Radio Commission has held no meetings since it moved to its new quarters and so there have been no decisions, therefore, available to be carried in the last two issues of the Heinl Radio Business Letter.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 723

## B U L L E T I N

THE COMMUNICATIONS COMMISSION BILL INTRODUCED BY SENATOR DILL, OF WASHINGTON, WAS PASSED BY THE SENATE LATE THIS (TUESDAY) AFTERNOON WITHOUT A RECORD VOTE. THE BILL WAS UNDER DISCUSSION ABOUT FIVE HOURS AND NOW GOES TO THE HOUSE FOR ITS CONSIDERATION.

THE AMENDMENT INTRODUCED BY SENATORS WAGNER, OF NEW YORK, AND HATFIELD, OF WEST VIRGINIA, WAS DEFEATED BY A VOTE OF 42 TO 23. THIS AMENDMENT WAS SUGGESTED BY REV. J. B. HARNEY, SUPERIOR GENERAL OF THE PAULIST FATHERS AND WOULD HAVE GIVEN ONE-QUARTER OF ALL RADIO FACILITIES TO RELIGIOUS, EDUCATIONAL AND OTHER INSTITUTIONS.

THE SPEED WITH WHICH THE COMMUNICATIONS BILL PASSED THE SENATE LEADS TO THE PREDICTION THAT THIS LEGISLATION HAS A GOOD CHANCE OF BECOMING A LAW BEFORE CONGRESS ADJOURNS.

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May 15, 1934.

## NEW RADIO COMMISSION QUARTERS PROVE CONFUSING MAZE

Broadcasters who come to Washington on business to the Federal Radio Commission are apt to be in for a perplexing experience in trying to find the Commissioners' new offices in the huge partially completed Post Office Department Building. Due to the fact that no guiding signs have as yet been placed, and furthermore because the building is a semi-circular affair, with diagonal corridors running in all directions like the streets and avenues from a Washington circle, visitors to the Commission have been floundering around the place hopelessly.

Nor has this difficulty been confined to outsiders because employees of the Radio Commission, who are quite used to such gigantic structures as the new Commerce Building, have found themselves hopelessly lost and several days were required before they go in and out of the building twice the same way.

Friends of Judge E. O. Sykes declare it took him two hours to find his office the first day, an hour the second day, but that now he is getting so he can find it with slight delay providing he always goes in the same entrance. Adding to the confusion of the labyrinth of corridors is the fact that the offices of the Commission are on two floors.

Lynne M. Lamm, a veteran correspondent and one thoroughly familiar with the expanses of the Commerce Building, pronounced the new Post Office Department Building "the darnedest place you ever saw". Mr. Lamm located the Radio Commission quarters with the greatest difficulty his first day there but thought he had solved the problem. The next trip he got lost worse than ever. A man at a desk gave him some directions. Lamm walked and walked and finally came back to the same man.

It seems almost a quarter of a mile from the Pennsylvania Avenue entrance to the Commission offices as one winds around the corridors.

"For God's sake, will someone help me find the hearing room", exclaimed Judge Stephen Stone, of Pittsburgh, here on a radio case, after he had roamed about the place about a half an hour. Really it is possible for a person to walk a mile through the confusing network of passages. Not only are offices of the Post Office Department encountered but it is impossible to tell where the offices of the Post Office end and those of the Internal Revenue Bureau begin. Apparently no one there ever heard of the Radio Commission.

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Employees of the Radio Commission allowed a half an hour for lunch complain that they are not able to go to Pennsylvania Avenue and vicinity and get back in time. The cafeteria in the building is reported to be jammed so that it is almost impossible to be served within the required time.

So congested is the parking space around the building that Frank Wisner in charge of Press Relations, the first day had to park on 22nd Street and go the rest of the way to the Commission quarters at 12th Street by bus. Mr. Wisner and a number of others were originally assigned office space in rooms intended for dead filing, without windows, depending upon artificial light and ventilation. Frank managed to escape to an outside office but the supplies, telephone, and mails and files divisions are still housed in "blind" quarters with the rest of the employees ready to pray for them when the heat comes.

When anyone finds the man he is looking for in the new Radio Commission quarters, he is greeted as a traveler from the outside world. Even workmen who have been employed building the structure for a year or so can't tell you where anything is. This may seem exaggerated but it will be corroborated by broadcasters as they drift into Washington. Even when signs indicating the direction of room numbers are placed, they will not annihilate the magnificent distances.

Those intending to visit the Commission might paste the following room numbers in their hats:

Judge E. O. Sykes - 6205 (sixth floor); Commissioner Thad Brown - 6211; Commissioner Harold Lafount - 6215; Commissione James Hanley - 6233; Herbert Pettey, Secretary of the Commission - 7115 (7th floor); Dr. C. B. Jolliffe, Chief Engineer - 7233; George B. Porter, General Counsel - 7242; W. D. Terrell, Chief Radio Inspector - 7338; William P. Massey, Chief of License Division - 7213; Frank Wisner in charge of Information and Press Service - 7215.

The telephone number of the Radio Commission remains the same - District 1645.

A tip to visiting broadcasters is to stop off at the 3rd floor and see the new office of the Postmaster General, now practically completed but as yet unoccupied. The lavishness of the office of Secretary of Commerce Roper was criticized but Farley's office promises to be far more ornate.

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## CHARGES WHITE HOUSE INFLUENCES RADIO CONTROL

The influencing of decisions of the Federal Radio Commission is charged to the White House by Arthur Sears Henning, Washington correspondent of the Chicago Tribune.

"Of all the instances of White House dictation to the Radio Commission, probably the most notorious is that of the Shreveport-New Orleans case", Mr. Henning writes. "In this instance the White House summoned the Acting Chairman of the Commission (Col. Thad H. Brown) and procured his promise to reverse the Commission's decision.

"If the White House does not hesitate to use its tremendous power to shape the decisions of the quasi-judicial Radio Commission, contend opponents of the pending Communications Bill, it may be expected to dominate the quasi-judicial Commission which this legislation proposed to set up to control the telegraph and telephone systems and radio.

"In the manner in which the White House dictated the decision of the Shreveport-New Orleans case, the White House would cause the Communications Commission to prohibit transmission to newspapers by wire or wireless systems of dispatches critical of the Administration. Thus would a censorship of the press be achieved."

According to Mr. Henning, the Commission in executive session voted full time to Station WWL, operated by Loyola Catholic University at New Orleans, which would have meant the deletion of Old Man Henderson's station KWKH, at Shreveport, who, when realizing he was to be put off the air, had assigned the station to a new corporation. WWL was backed by Senator Huey Long so, the writer declares, the KWKH interests enlisted the aid of Senator Robinson of Arkansas, Democratic leader.

Whereupon, Henning relates, Senator Robinson called the White House with the result that Lous M. Howe, President Roosevelt's secretary, telephoned Herbert L. Pettey, Secretary of the Commission. Also Howe summoned Col. Thad Brown, Acting Chairman, to the White House.

"Mr. Howe painted a distressful picture of what would happen if Shreveport were taken off the air", Mr. Henning continues. "The New Orleans station, which Mr. Howe said was under the thumb of Huey Long, would pour forth a stream of propaganda designed to injure Senator Robinson, whom Long bitterly hates.

"Acting Chairman Brown is said to have assured Mr. Howe that he for one would be willing to change his vote to accommodate the White House but he pointed out that the decision had been unanimous and that it would be necessary to change three votes. Later Mr. Brown and two other members of the Commission changed their votes, the application of the New Orleans station for full time was denied and the Shreveport station was left on the air."

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The influencing of decisions of the Radio Commission by the political lawyers is so notorious as to have loosed a flood of gossip the Chicago Tribune writer alleges, adding:

"Although the Radio Commission is supposedly a quasi-judicial body, many applicants for privileges, whether legitimate or illegitimate, have found themselves butting their heads against a stone wall until they hired one of the lawyers reputed to have the 'inside track' at the Commission. Tips on the lawyers to be employed for the most favorable results are procurable at the Commission itself."

"A Communications Commission as proposed in the pending bill with its power of life and death over wire and wireless systems and the telegraphic news of the press, would be a bonanza for the political lawyers, if one may judge from their operations in and about the Radio Commission."

"They have garnered rich pickings at the Radio Commission, pickings that are small change, however, compared with the fees which might logically be exacted if the infinitely greater investment in the telegraph and telephone systems and the press for protection of rights threatened by governmental regulation, experimentation, censorship, and persecution were involved."

Arthur Mullen, floor manager for Roosevelt at Chicago, and Robert Jackson were referred to as having large Radio Commission practices.

"Both were forced off the Democratic National Committee by the President's declaration that he considered it improper for national Committeemen to be accepting retainers from clients on the assumption that the Committeemen had access to the back door of the Administration", Mr. Henning went on. "Commissioner James H. Hanley owes his appointment to the Radio Commission to Mullen, with whom he was associated in law practice. Elmer Pratt, former Chief Examiner of the Commission, now a radio specialist, handles all the radio business for the clients of Mr. Mullen."

Following this the writer tells of a case of a station in Peoria, WMBD, having lost the first round of a fight with a station at Quincy, Ill., hiring Pratt.

"The appearance of Mr. Pratt in the case generally was supposed to indicate that the powerful Mr. Mullen had been retained", Mr. Henning concluded. "After the second hearing of the case, Mr. Mullen's appointee, Commissioner Hanley, changed his vote and swung the decision in favor of Peoria."

The Henning articles appeared in the Chicago Tribune on May 7 and 9.

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## MARCH BROADCAST ADVERTISING PICKS UP

Broadcast advertising in March showed marked gains over the preceding month, official reports of the National Association of Broadcasters show, and presented the most encouraging picture exhibited by the industry since the peak period of 1931-32. Gross sales of time amounted to \$7,020,744, a gain of 11.8% over February. National network volume was 32.7% greater than in March 1933, practically equalled April 1932 time sales and was materially exceeded only by March of that year. Non-network volume rose 28.2% as compared with the previous month and was higher than any time since the Statistical Service was established.

Stations of more than five kilowatts in power experienced important gains in non-network volume, as did those in the 100 watt class. Marked increases in business occurred in the New England-Middle Atlantic Area, all sections of the country showing gains as compared with the previous month. Live talent volume rose appreciably, national spot business of this type increasing 48% during the month. Electrical transcription and spot announcement volume also rose materially.

Practically all industrial groups using radio advertising showed important increases during the month. Clothing advertising rose 43.1% as compared with February, due principally to local sponsorship. Marked gains were recorded in national network and national spot food advertising.

## TOTAL BROADCAST ADVERTISING VOLUME

<u>Class of Business</u>	<u>1934 Gross Receipts</u>	
	<u>February</u>	<u>March</u>
National networks	\$3,585,270.00	\$4,000,698.00
Regional networks	54,932.00	66,516.00
Individual stations	<u>2,303,618.00</u>	<u>2,953,530.00</u>
Total	\$5,943,820.00	\$7,020,744.00

National network time sales during March rose 11.5% as compared with February, being exceeded materially by but one month, namely, March, 1932. Marked gains were experienced in the non-network field, advertising volume of this type mounting to 10.9% above the peak month of November, 1933. The current month's non-network volume was 28.2% greater than in February. Regional network time sales increased 21.1% as compared with the previous month, but still were considerably short of the December high point.

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## CINCINNATI NEXT N.A.B. CONVENTION CITY

The 1934 convention of the National Association of Broadcasters will be held in Cincinnati early in the Fall, the Board of Directors of the organization decided at its meeting Monday. The tentative date of September 10th was selected but because six other conventions are meeting in Cincinnati at that time, Phil Loucks, Managing Director, said the date would probably be changed to September 3 or September 17.

Credit for getting the convention to Cincinnati was given to Joe Chambers of Station WLW, and a big attraction of the meeting will be a close-up of the new 500 KW Crosley transmitter.

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## CODE AUTHORITY FOR RADIO WHOLESALERS NAMED

Announcement was made last Saturday (May 12) by the National Recovery Administration of its recognition of the following as the duly chosen members of the Divisional Code Authority for the radio wholesaling trade:

Benjamin Cross, New York, N. Y.; David M. Trilling, Philadelphia, Pa.; Francis E. Stern, Hartford, Conn.; Harold J. Wrape, St. Louis, Mo.; James E. Aitken, Toledo, Ohio; H. G. Erstrom, Chicago, Ill.; A. C. Marquardt, Boston, Mass.; A. Meyers, Los Angeles, Calif.; and Lawrence Lucker, Minneapolis, Minn.

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## ADVISORY COPYRIGHT COMMITTEE APPOINTED

Directors of the National Association of Broadcasters have appointed an Advisory Committee in copyright matters. The members of this Committee are A. J. "Hollywood" McCosker, President of the NAB, and Director of Station WOR, Newark; Isaac Levy, of WCAU, Philadelphia; "Scoop" Russell, of NBC, Washington; Walter J. Damm, of WTMJ, Milwaukee; Joseph Hostetler, Newton D. Baker's law partner, and Phil Loucks, of the NAB.

The entire radio copyright situation has been placed in their hands.

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:BUSINESS LETTER NOTES:  
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President Roosevelt has written to Robert Underwood Johnson, Secretary of the American Academy of Arts and Letters approving the ratification of the Rome Copyright Treaty now being considered by the Senate.

"Needless to say", the President wrote, "I fully concur in your sentiments and assure you that it would be most pleasing to me if, early in my administration, I should be empowered to make the United States a party to this convention."

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Charles Thomas, general manager of the London (Ont.) Free Press was elected President of the Canadian Newspaper Radio Association, a newly formed organization of newspaper owners of radio stations. Other officers named were Howard P. Robinson, St. John (N.B.) Telegraph-Journal, Vice-President; Philip H. Morris, London Free Press, Secretary-Treasurer.

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There was an increase of 5.7 per cent in radio factory employees in March, 1934.

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Collections of the 5 per cent tax on radios and phonographs for March, 1934, were \$268,136.45, an increase of 79 per cent over March, 1933.

The collections on mechanical refrigerators during March, 1934, totaled \$295,307.92, as against \$125,340.70 in March, 1933.

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Donald Mackenzie, 35 years old, Eastern representative of several radio manufacturing companies, died in Brooklyn last Saturday. Mr. Mackenzie was a son of the late Augustus Mackenzie, an insurance broker, who left an estate of more than \$1,000,000. His second wife, Mrs. Ethel Mackenzie, was cut off in the will, and to the children of her marriage, Donald and Dorothy Mackenzie, he left \$1,000 each. Mrs. Mackenzie has filed objections to the will.

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Word comes that Paul W. Morency, of Station WTIC, is convalescing. For the information of those who want to write to Paul, his address is 1 Kingswood Road, West Hartford, Conn.

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Emily Holt, a New York attorney representing the Actors' Equity Association, has been appointed a labor representative on the Broadcasting Industry Code Authority. She has suggested numerous changes in the questionnaire to be sent to all radio stations about radio talent. It will be sent out within the next two weeks.

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It is believed by the National Association of Broadcasters that stations generally will cooperate with the special board of investigation of the Federal Trade Commission by complying with its request for copies of advertising announcements and thereby make unnecessary the work of monitoring stations. The survey is not a campaign against radio, it is explained, the Trade Commission simply decided to include radio in its routine investigation of all advertising in the future.

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#### TELEGRAPH CODE MEETING WEDNESDAY PROMISES FIREWORKS

Although Gen. Hugh Johnson denies that he intends to crack down in imposing his Telegraph Code, there is plenty of assurance that the Code hearing set for Wednesday afternoon (May 16) will be a spirited one. The Western Union openly charges the Postal with having inspired the Code regulations and the two sides are lining up for the fray.

R. B. White, President of the Western Union, testifying before the House Interstate Commerce Committee assailed the National Recovery Administration's move to regulate the telegraph industry by code, a step favored by his competitor. He urged that a new Commission be created to have exclusive jurisdiction over communication systems, alleging that Postal Telegraph had provided a basis for the proposed code.

Opposing the House (Rayburn) Communications Bill, Sosthenes Behn, President of the International Telephone & Telegraph Company, however, added:

"The companies which I represent are in favor of the enactment of legislation providing for the transfer to a new Commission of the existing powers of Government over communications and a mandate to that new Commission to make a complete study of the problems involved upon which to base recommendations to the next session of Congress for additional legislation."

General Johnson said that the proposed code will not affect newspaper leased wires.

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## SHANGHAI CONTEMPLATES PUBLIC RECEIVING SETS

Radio is making consistent progress in Shanghai, according to Assistant Commercial Attache A. Bland Calder. Broadcasting conditions in the Shanghai area, he points out, are much improved over what they were a year ago; there is very little interference and transmitting stations can keep to their own wave lengths satisfactorily. Advertising by radio is steadily increasing and rates are rising.

The demand for radio receiving sets in Shanghai, Calder states, is chiefly for the small or midget types, with diminishing sales of the console models. American radios predominate, with Gemran distributors now putting on a more intensive advertising campaign to promote sales.

Plans are under consideration to install a small broadcasting station at or near the Civic Center of Shanghai, China's most populous city, with receiving sets in public places for the enlightenment and entertainment of the laboring and farming classes now embraced within the city limits of Greater Shanghai. Efforts are being made to register all receiving sets in Shanghai for the purpose of determining the number of sets in use, their location, type, and certain other details so that policies may be developed as to location of broadcasting stations, type of broadcasting equipment and like matters. So far, however, only 3000 receiving set owners have registered, although there are probably no less than 50,000 sets in use in Shanghai and the immediate vicinity.

Imports of radio sets and parts into China during the two months January and February of the current year were valued at 287,936 gold units as compared with 221,391 gold units in the corresponding period of 1933.

The approximate average value of the Customs gold unit in terms of U. S. currency for the first two months of 1934 was 65.8 cents as compared with 40 cents in the corresponding period of 1933 before the devaluation of the U. S. dollar.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(May 11, 1934)

KRKD, Fireside Broadcasting Co., Los Angeles, Cal., consent to voluntary assignment of license to Radio Broadcasters, Inc.; WLBF, WLBF Broadcasting Co., Kansas City, Mo., C.P. to install new transmitter; WJDX, Lamar Life Insurance Co., Jackson, Miss., extension of special temporary authority to operate with 250 watts power for period beginning May 11 and ending not later than May 15, 1934; KPCB, Queen City Broadcasting Co., Seattle, Wash., special experimental authority to change frequency from 650 to 710 kc.; WKBO, Keystone Broadcasting Corp., Harrisburg, Pa., C.P. to move transmitter and studio locally, and make changes in equipment; KBTM, Beard's Temple of Music, Jonesboro, Ark., modification of C.P. to extend completion date from May 2 to July 15, 1934; KSOO, Sioux Falls Broadcast Assn., Inc., Sioux Falls, South Dakota, license covering move of transmitter locally and making changes in equipment 1110 kc., 2½ KW, limited time; KGHL, Northwestern Auto Supply Co., Inc., Billings, Mont., special experimental authority to make changes in equipment and change frequency from 950 to 780 kc.; WAAT, Bremer Broadcasting Corp., Jersey City, N. J., temporary license to operate on 940 kc., 500 watts, daytime, pending outcome of hearing on application for renewal of license.

Also, WPJ, Press Wireless, Inc., Hicksville, N. Y., modification of license to delete Buenos Aires as primary point and substitute Madrid, Spain; Borough of Deal, N. J., C.P. 30100, 33100, 37100, 40100, 86000-400000, 401000 kc. and above; 20 watts, to communication on experimental basis in police service; Same, Mobile - 2 C.P.s same as above, except power 4.5 watts; City of Modesto, Cal., C.P. 30100, 33100, 37100, 40100 kc. 15 watts; W9XAU, City of Chicago, Dept. of Police, license, frequencies 30100, 33100, 40100 kc., 15 watts; W3XU, City of Philadelphia, Dept. of Public Safety, Mobile, renewal of experimental special experimental license 2474 kc., 25 watts; City of Bethlehem, Pa. C.P. 30100, 33100, 37100, 40100, 86000-400000, 40100 kc. and above, 25 watts; Same, Mobile - two C.P.s same as above, except 4.5 watts.

Also, D. Reginald Tibbetts, Portable & Mobile, Berkeley, Cal., C.P. 31600, 36600, 38600, 41000 kc., 1 KW; Ronald G. Martin, Portable & Mobile, San Francisco, C.P. 34600, 35600, 37100, 37600, 38600, 40100, 40600, 41000, 86000-400000, 401000 kc. and above, 15 watts; W10XBV, W10XBU, Lehigh Valley Railroad Co., Portable-Mobile, modification of C.P. extending commencement date to May 1 and completion date to August 1, 1934; WQEH, RCA Communications, Inc., Boston, Mass., modification of C.P. extending completion date from May 16 to August 16, 1934; WQEI, RCA Communications, Inc. Chicago, Ill., modification of C.P. to change proposed transmitter location from Chicago to St. John, Ind., change frequency 5100 to 5180, and extend completion date to August 16; and to operate station with licensed operator at control point in lieu of transmitter location.

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Also, National Broadcasting Co., Inc., New York, license to use transmitter licensed to W2XF, frequencies 1614, 2398, 3492., 4797.5, 6425, 8655, 12862.5, 17310, 23100, 25700, 26000, 27100, 30100, 31100, 31600, 33100, 34600, 35600, 37100, 37600, 38600, 40100, 40600, 41000, 86000-400000, 401000 kc. and above, 5 KW power; Same, Chicago - license to use transmitter licensed to W9XAP, same frequencies as above, power 2.5 KW; W10XDF, William G. H. Finch, Portable & Mobile, license, 31600, 35600, 38600, 41000, 86000-400000, 401000 kc. and above, 250 watts; W3XAQ, City of Camden, N. J., Police Dept., license, 30100, 33100, 37100, 40100 kc., 25 watts; WBXAU, City of Huntington, W. Va., license, 30100, 33100, 37100, 40100 kc., 15 watts; W5XH, W5XJ, New, license 31600, 35600, 38600, 41000 kc., 15 watts; W3XY, Bell Telephone Laboratories, Inc., Mendham Township, N. J., modification of license to add frequency 2110 kc.; City of High Point, N. C., Police Dept., C.P. 30100, 33100, 37100, 40100 kc., 15 watts.

#### Miscellaneous

WMPC, First Methodist Protestant Church, Lapeer, Mich., reaffirmed original grant to operate specified hours on 1200 kc., since Capital City Broadcasting Co., Lansing Mich., has withdrawn protest; WIBM, WIBM, Inc., Jackson, Mich., full time on 1370 kc. since Capital City Broadcasting Co. has withdrawn protest - granted; WJBK, James F. Hopkins, Inc., Detroit, Mich., granted full time on 1500 kc., Capital City Broadcasting Co. has withdrawn protest.

#### Notice To All Broadcasting Stations

The Commission authorized the following letter to be sent to all radio broadcasting stations over the signature of Secretary Herbert L. Pettey:

"Your attention is specifically invited to Rule 16 of the Commission's Rules and Regulations:

"Unless otherwise directed by the Commission, each application for renewal of license shall be filed at least 60 days prior to the expiration date of the license sought to be renewed."

"Because of the limited personnel of the Commission, in the future, licensees of Radio Broadcast Stations will not be notified of expiration dates of licenses. In cases where stations also have special authorizations and an extension of the same is desired, request for such extension shall be filed with the Commission at least ten days prior to the expiration date.

"Appropriate action will be taken in each case when these rules are not complied with."

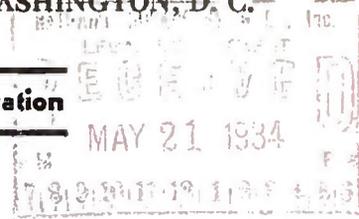
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



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No. 724

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## POLITICS SEEN IN SELECTION OF NEW COMMISSIONERS

Whatever chance those technically qualified to serve may have to be appointed to the Communications Commission, it seems certain the new Commission will have on it bigger and better politicians. This will prove true not only of the commissioner-ships but for the rich political plums in the subordinate positions such as the secretary (which seems assured to Herbert L. Pettey, present Radio Commission secretary and Farley's fair-haired boy), the directors of divisions, and so on.

One theory advanced is that all the present Commissioners will be transferred to the new Commission and their places filled by others as their terms expire. Another is that Judge Sykes, Democrat, and Commissioner Lafount, Republican, will be retained. Commissioner Hanley, who secured his appointment through Arthur Mullen, Roosevelt's floor manager at Chicago, recently pried loose from the Democratic National Committee, is said to believe they will not try to put the skids under him.

In making his only radio appointment, the President sprang a complete surprise in selecting a man whose name had never been mentioned - Representative Prall, of New York. Some think the President is likely to spring more dark horses and that many new faces are apt to be seen on the Commission.

If Prall is appointed to the new Commission, he couldn't, according to the law, begin serving until January 1st, until his present term in Congress expires. Neither could Senator Dill, who is up for re-election and who has repeatedly denied that he would serve on the Commission. Their coming in January would be pretty late as the Commission is required to submit its recommendations to Congress by February 1st.

Dr. W. M. W. Splawn, economist and counsel for the House Interstate Commerce Committee, who in his report recently tried to put a bomb under the A. T. & T., is talked of as Chairman of the new Commission. Also Judge Ewin L. Davis, of the Federal Trade Commission, who, as a member of Congress, helped frame the Radio Act. He was the author of the Davis Amendment giving equal radio facilities to all parts of the country. Judge Davis, too, had much to do with shaping Secretary Roper's report upon which President Roosevelt's message calling for a Communications Commission was based.

Judge Davis is close to Roper personally, he having offered Davis an Assistant Secretaryship of Commerce which he expected at the time would have under it the Communications Commission. Gen. Charles McK. Saltzman, former Chairman of the

Radio Commission, likewise who had a part in framing the Roper radio report, has been mentioned as a likely candidate. General Saltzman, through having been head of the Army Signal Corps, knows telephone, cable and telegraph as well as radio.

The same is true of Capt. S. C. Hooper, Chief of Naval Communications, whose name has likewise been heard. Captain Hooper knows communications from the ground up, having been a telegraph operator before entering the Naval Academy. Hooper, a Californian, while having a thorough knowledge in telegraph, telephone and cable communication, is frequently referred to as the Navy's best man in radio.

The latest name to be mentioned for a Commissionership is that of Oswald F. Schuette, who has charge of copyright matters for the National Broadcasters' Association. Mr. Schuette has been identified with radio for some time, coming into the picture in a fight against the so-called "radio trust". Mr. Schuette is a former Washington correspondent and was President of the National Press Club.

These are some of the men technically qualified, but judging by past experience, it is believed politics will play the major part in the appointment and it is believed the politically deserving may fare better than the technically deserving.

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#### FEDERAL TRADE COMMISSION TO SCRUTINIZE RADIO ADVERTISING

As had been foretold in these columns, radio advertising is to be subjected to the scrutiny of the Federal Trade Commission. "This means simply that the Federal Government will extend to radio advertising the same principle that for many years has been applied to newspaper, periodical, and other forms of advertising, under Section 5 of the Federal Trade Commission Act, which gives the Commission jurisdiction over unfair methods of competition in interstate commerce", the Commission said in its formal announcement. "This the courts have uniformly held to embrace false and misleading advertising. The Federal Trade Commission has handled thousands of such cases.

"Anticipating a fine spirit of cooperation from the radio industry, as already manifested by some of the leading executives, the Commission is approaching the radio field in a spirit of friendly cooperation. Consequently, instead of adopting a plan of monitoring broadcasting programs, the Commission is asking for copies of advertising announcements to be furnished by the networks and broadcasting stations. Pursuant to that plan, the Commission has addressed letters to the broadcasting stations requesting them, beginning July 1 next, to mail weekly copy of commercial continuities, which will be checked to determine whether or not any of them are in violation of the Federal Trade Commission Act.

"Whenever statements occur in commercial announcements which appear to be false and misleading, or otherwise constitute an unfair method of competition in commerce, notices will be sent both to the advertiser and the radio station broadcasting the advertising, with the view of effecting a stipulation under which the advertiser and the broadcaster agree to cease and desist from the practices complained of. Execution of such a stipulation would end the case. However, should such compliance not be effected, the case would then proceed through a public hearing, with argument before the Commission, decision by the Commission, and perhaps appeal to the Courts."

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#### EDUCATIONAL AMENDMENT SUPPORT PROVES WEAK

A surprise in connection with the passage of the Communications Commission Bill in the Senate was the weak support given the Wagner-Hatfield amendment. This amendment was based upon the proposition of Rev. J. B. Harney, Superior General of the Paulist Fathers and provided that one-fourth of all radio facilities be allocated to educational, religious and other non-profit making institutions. It was defeated by a vote of 42 to 23.

The Senators voting in favor of it were:

Ashurst (D.), Arizona; Borah (R.), Idaho; Copeland (D.), New York; Cutting (R.), New Mexico; Duffy, (D.), Wisconsin; Erickson, (D.), Montana; Frazier (R.), North Dakota; Hatfield (R.), West Virginia; Hebert (R.), Rhode Island; LaFollette (R.), Wisconsin; Lewis (D.), Illinois; Lonergan (D.), Connecticut; McCarran (D.), Nevada; Metcalf (R.), Rhode Island; Norris (R.), Nebraska; Nye (R.), North Dakota; Patterson (R.), Missouri; Schall (R.), Minnesota; Shipstead (Farmer-Labor), Minnesota; Townsend (R.), Delaware; Wagner (D.), New York; Walsh (D.), Massachusetts and Wheeler (D.), Montana.

Addressing the Senate, Senator Fess, of Ohio (R.), who offered a similar amendment a year or so ago, excepting that it provided 15% instead of 25%, said:

"I do not like the kind of legislation that the amendment carries, and yet at the same time it seems to me that it is quite essential that something of this sort should be done.

"Ever since the radio has been an agency of communication, there has been complaint about the slight attention given to matters of an educational character, cultural, as well as religious. I very much dislike to write into the law any compulsion. It is rather antagonistic to my way of thinking of things; and yet I believe everyone must be impressed with the pollution of the air for commercial purposes until it is actually nauseating. The practice is to turn off the radio about as quickly as one gets to it, because so much of the matter broadcast

is offensive. Whether or not the extent to which we are going here is justifiable is still a question in my mind.

"The Senator (from New York) probably will recall that some time ago I offered an amendment to the Radio Act allocating not less than 15 percent of the time for educational purposes. I never could get any reaction in favor of it. As soon as it was offered, the stations began a propaganda against it; just why I do not know; and the same thing would be true here.

"Whether or not this is the way to place a greater emphasis on the things that are really worth while than merely matters of trade and barter is still a matter of doubt in my mind. I like the suggestion that the Commission shall be authorized to make a study of the subject, but I rather feel invlined to vote for this amendment."

However, when it came to voting, Senator Fess voted against the Wagner-Hatfield Amendment. Discussing the amendment, Senator Couzens (R.), of Michigan, also voted against it and perhaps one of his reasons for doing so may have influenced Senator Fess.

"May I point out that section (g) of this amendment does not require any one of these stations to broadcast any religious or educational programs at all", Senator Couzens said. "After having once gotten a license under the provisions of this amendment, the whole time allotted to the station can be used for commercial purposes. That is permissible under the provisions of the last few lines on page 2 of the amendment.

"I could hardly support a proposition of that kind", Senator Fess replied.

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#### INCREASING NUMBER OF RADIO LISTENERS IN DENMARK

That radio is becoming increasingly popular in Denmark is pointed out by Assistant Trade Commissioner Paul H. Pearson, Copenhagen. On April 1, 1934, the report shows, there were 522,573 licensed radio listeners in the country as against 492,260 on the corresponding day of 1933. In addition there were 25,108 listeners exempted from the tax as against 21,167 in 1933. Finally, there were about 4,000 who have been granted a respite, approximately the same number as last year. Thus, there are now 551,681 registered radio listeners in Denmark compared with 517,427 a year ago, a gain of 34,000 listeners against an increase of 30,000 for the preceding year.

It is the reported opinion of the State Radio Council, according to Pearson, that the total number of listeners will continue to rise and should eventually reach 750,000.

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## TELEGRAPH INDUSTRY IN SPECTACULAR CODE FIGHT

All sorts of fireworks developed at the telegraphic communications Code hearing, the highlight of which perhaps was the threat by counsel for the Western Union to appeal to the courts against the imposition of a Telegraph Code. An open fight developed between the Western Union and the Postal, the latter being charged with having inspired the Government to bring the telegraph industry under the NRA.

The hearings extended over Wednesday, Thursday and Friday, the second day's session lasting almost until midnight.

Unyielding opposition by A. T. & T., which followed a similar stand by Western Union and the Radio Corporation of America, renewed speculation over whether Gen. Hugh S. Johnson, Recovery Administrator, would execute threats, later modified, to inflict a code on the communications business.

The last comment by the recovery chieftain was that he wished to avoid imposing an agreement and expected to achieve his purpose through negotiation.

There seemed to be a feeling that this might result in a limitation of hours of work and minimum wages, in which the different factions seemed to be fairly well in agreement, but without some of the other provisions over which there has been so much controversy.

C. P. Cooper, International Telephone & Telegraph Vice President, complained there would be little opportunity to avoid raising utility charges should the NRA be granted supervision over rates.

Both Mr. Cooper and Col. Manton Davis, of RCA, pointed to the fact their companies already are regulated as to rates and trade practices by the Interstate Commerce Commission, and to the probability Congress shortly will enact a law setting up a Federal Communications Commission with jurisdiction over all types of communication.

Colonel Davis said it had been his understanding that no attempt would be made in the Code to regulate international communications, and reminded that foreign nations had as much right to regulate international radio circuits as has the United States. He declared the RCA had always stood ready and would "sign on the dotted line" whenever the other communications concerns could agree on a Code. He said his company would "have trouble complying" with the proposed 40-hour work week and \$15 minimum wage, but "will accept it as long as it applies equally to our competitors."

Referring to the impending enactment of the Federal Communications Bill, Colonel Davis said: "It seems impossible to me that the Government would provide two methods of regulation and

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two regulatory bodies, each of which would have authority to determine the reasonableness of rates."

Mr. Cooper, for I. T. & T., said his company likewise was willing to accept the labor provisions of the proposed Code, but did not believe that the power to regulate trade practices and rates rested with the NRA. He declared the "inevitable result" of the Code would be to raise rates and this would be against the public interest and adversely affect employees rather than help them. Since signing the PRA, he said, the companies controlled by I. T. & T. had increased wages to the extent of \$30,000,000 per year.

Arguing that Congress had no intention of bringing the telegraph companies under the NRA, Francis R. Stark, counsel for the Western Union, said that if a Code were imposed, his organization would have no alternative but to wage "a legal contest along all fronts.

"I do not believe that there is any fear, should this proposed Code or anything like it be imposed, that it would be enforced by any court", he added. "I have too much respect for the fellows of my craft to suppose for a moment that your own legal advisers will give you any encouragement to believe that it would be upheld in a legal test. It does not seem conceivable to me that you would invoke the test."

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#### N.A.B. CONVENTION CHANGED TO SEPTEMBER 16

The date of the National Association of Broadcasters' convention at Cincinnati has now been definitely set for Sunday, September 16, Monday, the 17th, Tuesday, the 18th, and Wednesday, the 19th. Sunday will be occupied more or less by registration and there will be no regular sessions on that day. A program of recreation, including golf, will be provided.

The National Association of Broadcasters' engineering section will meet in Philadelphia May 28th in connection with the Institute of Radio Engineers' convention. The Commercial Committee of the NAB will have a joint meeting in connection with the Radio Committee of the Advertising Federation of America in New York, June 19-20.

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## HOUSE COMMITTEE TOILS TO COMPLETE COMMUNICATIONS REPORT

Having completed its public hearings last Wednesday, the House Committee on Interstate Commerce is meeting daily in executive session. One rumor was that Chairman Sam Rayburn, of Texas, would accept the Dill Bill passed by the Senate, but it is expected that the House will report its own Bill. One guess was that the Rayburn Committee might require as much as a week more for its deliberations but another opinion ventured was that so fast is the Communications situation moving that the Bill may be up for a House vote by that time.

In view of the fact that the House is framing its own Bill, Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters has addressed a letter to each member of the Committee suggesting to them amendments which the broadcasters favored and which the Senate didn't adopt. Special stress was laid upon the political, suspension of licenses and duration of licenses sections. Mr. Bellows also proposed that the "station monopoly" amendment in the Dill Bill specify "by control of two or more stations". The amendment now reads that:

"No one licensee nor organization of licensees, whether effected by purchase, lease, chain broadcasting, or other method, shall be able to monopolize or exercise dominant control over the broadcasting facilities of any community, city, or State, or over the country as a whole."

David Sarnoff, President of the RCA, the last witness to be heard by the House Interstate Commerce Committee, said that he had always believed in the necessity for effective regulation of communications by a single governmental agency.

"Foreign nations give much thought to the control and effective planning of their international communication services". Mr. Sarnoff said. "The creation of a single Federal regulatory body in this country will mark a most constructive step in the communications history of the United States. We therefore hope that the Communications Act of 1934 will become a law, and that under that law, the Federal Communications Commission will be promptly established."

The Senate Bill has now been referred to the House for its consideration.

An amendment forced into the Bill by Senators Walsh, Couzens, O'Mahoney and King provided that Civil Service laws and the Classification Act could be waived only in the selection of a communications chief engineer and general counsel at \$9,000 each, and a secretary at \$7,500.

Assistants to the five Commissioners, Assistant Chief Engineers, experts and special counsel, however, would come under those laws.

Under the Bill it was proposed to waive the laws regarding all these officials, with \$9,000 salary for the Chief Engineer and General Counsel, and \$7,500 for experts, but no salary was specified in the case of the secretary or others affected by the amendment.

Senators sponsoring the amendment complained of high salaries paid to officers of new agencies and disregard of the Civil Service and Classification laws. Senator Walsh pointed out that Government officers in regular establishments were discriminated against, and served notice that he would not approve any new venture until the full salary list contemplated could be revealed to the Senate.

The Senate accepted an amendment by Senator Clark to exempt from Federal control and regulation small independent intrastate telephone companies not owned by interstate companies.

An amendment by Senator King, also approved, removed the Bill's stipulation for a 100-watt power qualification where the Commission granted licenses to additional stations needed for adequate broadcasting.

While the Rayburn Bill, pending in the House Committee, says that three divisions must be set up, the Senate Bill stipulates two divisions, one to control radio, the other to supervise telegraph systems and telephones.

The Senate Bill calls for a 5-man Commission, while the House Bill at present stipulates 7 members. It is believed that the House may recede on this and agree to five.

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#### DECLARES COLUMBIA HAS WHITE HOUSE INSIDE TRACK

During debate on the Communications Bill, Senator Hatfield, of West Virginia, read into the record the following article by Arthur Sears Henning of the Chicago Tribune:

"The significant and often amusing scramble of the great radio broadcasting chains for the 'inside track' at the White House and the Radio Commission prophetically illuminates the predicament in which the telegraph and telephone systems, the news agencies, and the newspapers will find themselves if Congress places them under the control of the proposed Government Commission.

"With the White House dictating decisions of the Radio Commission and 'cracking down' on radio interests in disfavor, it has become a matter of vital importance for them to 'stand in' with the powers that be.

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"During the Hoover administration it was the National Broadcasting Co with 15 broadcasting stations, itself a subsidiary of the Radio Corporation of America with several thousand licenses at stake, that enjoyed preferential favor at the White House.

"For the last year, under the Roosevelt Administration, the Columbia Broadcasting System, with eight broadcasting licenses at stake, has been closer to the throne than its rival has been. Columbia has had little difficulty in getting anything it wanted from the White House and the Commission, while NBC has encountered a lot of rough going.

"With all communications under control of a Government Commission, the wire services, the news-gathering agencies, and the newspapers undoubtedly would be scrambling in like manner for White House favor to promote their interests and avert official 'cracking down'. The newspapers particularly would be at the mercy of the power of the White House to direct a censorship of telegraphic news dispatches.

"The Columbia Broadcasting System, having been less fortunate than NBC under the Hoover regime, set out to change its luck when the Roosevelt Administration came into power. It placed in charge of its Washington headquarters Henry A. Bellows, Vice President of the System. Mr. Bellows is a Democrat, a former member of the Radio Commission, and a friend of President Roosevelt, their friendship dating from their youth at Harvard, where Mr. Roosevelt was in the class of 1904, and Mr. Bellows in the class of 1906.

"Mr. Bellows, who is a man of great ability and of the highest character, says he never has presumed upon the friendship to get favors from the White House. He never has gone higher than a secretary to the President to get what he wanted. \* \* \* \* \*

"The word soon went forth that Columbia had the inside track at the White House and it later appeared that equally close relations had been established between the Washington staff of the broadcasting system and officers of the Radio Committee.

"At this juncture the National Broadcasting Co. began to betray signs of anxiety. It was bruited about that NBC was in disfavor because its President Merlin Hally Aylesworth, not only was a dyed-in-the-wool Republican but had asserted during the 1932 campaign that if Roosevelt was elected he would leave the country. Of course this placed Mr. Aylesworth poles asunder from Mr. Bellows, who was an F.R.B.C. (for Roosevelt before Chicago).

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"The Washington representative of NBC in a personal interview sought to convince the President that Mr. Aylesworth never uttered the damning statement attributed to him. Mr. Roosevelt told the emissary he was sure Mr. Aylesworth never said it, but the President gave the assurance to the accompaniment of a hilarity that did not altogether allay anxiety. Presently, however, NBC made a move calculated to curry favor at the White House. It replaced its Washington news commentator, William Hard, close friend of former President Hoover, with the brother-in-law of one of the President's secretaries.

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#### COMMISSION SERVES NOTICE ON PUBLISHER

The Radio Commission Friday adopted the following resolution:

"WHEREAS on May 12, 1934, the New York Herald Tribune, Ogden Mills Reid, President and Editor, in its editorial column, published the following:

"'The radio, controlled by the Administration through its licensing power, was made the spokesman of the New Deal and largely restricted to government propaganda,' and

"WHEREAS the Federal Radio Commission, pursuant to the provisions of the Radio Act of 1927, is the 'licensing power' and

"WHEREAS the Federal Radio Commission, consistent with the prohibition contained in Section 29 of the Radio Act of 1927, as follows:

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

has never 'controlled' or 'restricted' radio programs to 'government propaganda', or attempted in any way so to do;

"NOW, THEREFORE, BE IT RESOLVED that Mr. Ogden Mills Reid, the President and Editor of the New York Herald Tribune, be and is hereby, requested to furnish the Commission any facts or other material, including the names of parties furnishing the same which would support, or tend to support, the statements made in the editorial column of said newspaper."

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted

May 15 - WQDM, A. J. St. Antoine & E. J. Regan, St. Albans, Vt., C.P. to move transmitter and studio locally; WKZO, WKZO, Inc., Kalamazoo, Mich., C.P. to move transmitter to Kalamazoo Twp., Mich.; make changes in equipment increase power from 1 KW day only to 1 KW day, 250 watts night, and increase hours of operation from daytime to unlimited (Commissioner Lafount voted to set application for hearing); KFBL, Leese Brothers, Everett, Wash., consent to voluntary assignment of license to Lee E. Mudgett; WMEX, The Northern Corp., Chelsea, Mass., modification of C.P. to extend completion date to July 20; WHAD, Marquette University, Milwaukee, Wis.; consent to voluntary assignment of license to American Radio News Corp.; WHDL, Tupper Lake Broadcasting Co., Inc., Tupper Lake, N. Y., modification of C.P. extending commencement date to May 15 and completion date to June 30, 1934.

May 18 - WCAL, St. Olaf College, Northfield, Minn., C.P. to change equipment and increase day power from 1 KW to 2½ KW; KQW, Pacific Agr. Foundation Ltd., San Jose, Cal., C.P. to move transmitter and studio locally in San Jose; KMED, Mrs. W. J. Virgin, Medford, Ore., C.P. to install new equipment and increase daytime power from 100 to 250 w.; KLRA, Ark. Broadcasting Co., Little Rock, Ark., C.P. to install new equipment and increase daytime power from 1 KW to 2½ KW; KARK, Ark. Radio & Equipment Co., Little Rock, Ark., modification of license to increase daytime power from 250 to 500 watts; WHN, Marcus Loew Booking Agency, New York, modification of license to make changes in equipment and increase power from 250 to 1 KW; WATR, Harold Thomas, Waterbury, Conn., modification of C.P. to change transmitter and studio locally in Waterbury, Conn.

Also, WPTF, WPTF Radio Co., Raleigh, N. C., modification of C.P. to extend completion date to Aug. 17, 1934; WDNC, Durham Radio Corp., Durham, N. C., license covering move of station from Wilmington to Durham, changes in equipment and change in frequency from 1370 to 1500 kc., 100 watts, unlimited; KVL, KVL, Inc., Seattle Wash., license 1370 kc., 100 watts, S-KFBL, covering local move of transmitter and studio; KGY, KGY, Inc., Olympia, Wash., special experimental authority for additional specified hours during the period of existing license; WNEL, Juan Piza, San Juan, P. R., modification of C.P. to change authorized location of transmitter locally in San Juan, and extend completion date to 90 days after this date; WNBH, d/b as New Bedford Broadcasting Co., New Bedford, Mass., consent to voluntary assignment of license to E. Anthony & sons, Inc.

Miscellaneous - Action on WKZO, taken above under date of May 15, reconsidered and designated application for hearing.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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## RADIO ENGINEERS ALL READY FOR PHILADELPHIA CONVENTION

Those who will attend the National Convention of the Institute of Radio Engineers in Philadelphia next week have a busy time ahead of them. The program follows:

MONDAY MORNING, May 28 - 10:00 A.M. - 12 Noon: Addresses by C. M. Jansky, Jr., President of the Institute; W. F. Diehl, Chairman of the Convention Committee; Harold Pender, Dean of the Moore School of Electrical Engineering, University of Pennsylvania; and W. R. G. Baker, Vice-President and General Manager, RCA Victor Company, Inc.

"A Lapel Microphone of the Velocity Type", by H. F. Olson and R. W. Carlisle, RCA Victor Company, Inc., Camden, N. J.; "Westinghouse KYW in Philadelphia", by R. N. Harmon, Westinghouse Electric and Manufacturing Company, Chicopee Falls, Mass.; "Nonlinear Theory of Maintained Electrical Oscillations", by B. Van der Pol, Philips' Incandescent Lamp Works, Eindhoven, Holland.

MONDAY AFTERNOON - Technical Session (1st section) - "The WLW 500 Kilowatt Broadcast Transmitter", by J. A. Chambers, Crosley Radio Corp., Cincinnati, Ohio, G. W. Fyler, General Electric Co., Schenectady, N. Y.; J. A. Hutcheson, Westinghouse Electric & Manufacturing Co., Chicopee Falls, Mass., and L. F. Jones, RCA Victor Company, Inc., Camden, N. J.

"Comparative Analysis of Water-Cooled Tubes as Class-B Audio Amplifiers", by I. E. Mourontseff and H. N. Kozanowski, Westinghouse Electric & Manufacturing Co., East Pittsburgh, Pa.; "Some Engineering and Economic Aspects of Radio Broadcast Coverage", by G. D. Gillett and Marcy Eager, Consulting Engineers, Washington, D. C.

Technical Session (2nd Section) - "Some Chemical Aspects of Vacuum Tube Production", by R. E. Palmateer, Hygrade Sylvania Corporation, Emporium, Pa.; "Contact Potential", by R. M. Bowie, Hygrade Sylvania Corporation, Emporium, Pa.; "Hot-Cathode Mercury Rectifier Tubes for High Power Broadcast Transmitters", by H. C. Steiner, General Electric Company, Schenectady, N. Y.

TUESDAY MORNING, May 29 - (1st section) - "Theory of Electron Gun for Cathode-Ray Tubes", by I. G. Maloff and D. W. Epstein, RCA Victor Company, Inc., Camden, N. J.; "Cathode Ray Oscillograph Tubes and Their Applications", by W. H. Painter, and P. A. Richards, RCA Radiotron Company, Inc., Harrison, N. J.; "The 'Sound Prism'", by Knox McIlwain and O. H. Schuck, University of Pennsylvania, Philadelphia, Pa.

## TUESDAY MORNING - Technical Session (2nd Section) -

"A Mechanical Demonstration of the Properties of Wave Filters", by G. E. Lane, Bell Telephone Laboratories, Inc., New York; "Control of Radiating Properties of Antennas", by C. A. Nickle, R. B. Dome, and W. W. Brown, General Electric Company, Schenectady, N. Y.; "Measurement of Harmonic Power Output of a Radio Transmitter", by P. M. Honnell and E. B. Ferrell, Bell Telephone Laboratories, New York City; "Frequency Standards and Frequency Measuring Equipment", by J. K. Clapp, General Radio Co., Cambridge, Mass.; "North Atlantic Ship-Shore Radiotelephone Transmission During 1932-1933", by C. N. Anderson, Bell Telephone Laboratories, Inc., New York City.

Luncheon will be served at the RCA Victor plant, Camden, N. J., through the courtesy of the RCA Victor Company.

## TUESDAY AFTERNOON - "An Experimental Television System" -

Introduction - E. W. Engstrom; Transmitter - R. D. Kell, A. V. Bedford, M. A. Trainer; Relay Circuit - C. J. Young; Receivers, R. S. Holmes, W. L. Carlson, W. A. Tolson, RCA Victor Company, Inc., Camden, N. J.

## TUESDAY NIGHT - Informal Banquet.

## WEDNESDAY MORNING, May 30 - Technical Session (1st

section) - "The Design and Testing of Multi-Range Receivers", by D. E. Harnett and N. P. Case, Hazeltine Corporation, New York; "High-Fidelity Receivers with Expanding Selectors", by H. A. Wheeler and J. K. Johnson, Hazeltine Corporation, New York; "Acoustic Testing of High-Fidelity Receivers", by H. A. Wheeler and V. E. Whitman, Hazeltine Corp., New York; "A Common Source of Error in Measurements of Receiver Selectivity", by E. N. Dingley, Jr., Bureau of Engineering, Navy Department, Washington, D. C.

Technical Session (2nd Section) - "Recent Studies of the Ionosphere", by S. S. Kirby and E. B. Judson, Bureau of Standards, Washington, D. C.; "An Analysis of Continuous Records of Field Intensity at Broadcast Frequencies" by S. S. Kirby, K. A. Norton, and G. H. Lester, Bureau of Standards, Washington, D. C.; "Modern Methods of Investigating Ionization in the Atmosphere", by G. L. Locher, Bartol Research Foundation, Swarthmore, Pa.; "Seasonal Variation in the Ionosphere", by J. P. Schafer and W. M. Goodall, Bell Telephone Laboratories, New York.

WEDNESDAY AFTERNOON - "Development of Transmitters for Frequencies Above 300 Megacycles", by N. E. Lindenblad, R.C.A. Communications, Inc., New York City; "An Electronic Oscillator With Plane Electrodes", by B. J. Thompson and P. D. Zottu, RCA Radiotron Company, Inc., Harrison, N. J.; "Transmission and Reception of Centimeter Waves", by I. Wolff, E. G. Linder, and R. A. Braden, RCA Victor Company, Inc., Camden, N. J.

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## KLUGH AGAIN ON JOB AS BANQUET IMPRESSARIO

Arrangements for the banquet in honor of the 10th anniversary of the Radio Manufacturers' Association at Chicago, Wednesday, June 13th, are rapidly taking shape under the master hand of Paul B. Klugh, who will also act as toastmaster. The entire radio industry, including the Radio Wholesalers' Association, who are meeting jointly with the RMA in Chicago at the same time, are invited. This goes also for the ladies.

It is just possible a special radio broadcast may be arranged in honor of the banquet.

Bond Geddes, Executive Vice President of the RMA is in charge of the general convention arrangements and as usual will be at the Stevens Hotel in Chicago.

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## U. S. DOMINATES MEXICAN RADIO MARKET

A marked increase in sales of radio equipment in Mexico reflected the improved economic position of that country in 1933, according to Assistant Commercial Attache R. G. Glover.

American manufacturers dominate the Mexican market, the report shows, supplying practically its total requirements. So far as it is known, there is only one European manufacturer actively represented in the country. This firm has advertised extensively and has exerted considerable effort to develop the market, but their activity has not resulted in increased sales.

Official statistics show that radio equipment imports during the calendar year 1933 were valued at 2,521,254 pesos, as compared with 1,476,337 pesos in 1932 and 1,508,253 pesos in 1931. While the general economic improvement of the country as a whole, the report states, was the principal factor influencing the improvement in sales, the stabilization of the peso to the dollar in July also played an important part. Another stimulating factor was that a few of the large American manufacturers during the early part of the year brought out several popular - priced 4, 5 and 6 - tube sets which were well received throughout the country. It is believed in the trade that approximately 75 per cent of total sales volume in 1933 was in these types.

Prior to 1933, the report points out, distributors in Mexico concentrated their efforts on the larger cities. Last year, however, they began to give more attention to developing sales in the small towns and as a result it is estimated that the largest percentage of sales increase occurred in the areas outside of the principal commercial centers.

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## HOUSE TEMPORARILY LAYS ASIDE COMMUNICATIONS BILL

The House Committee on Interstate and Foreign Commerce has for the time being, laid aside the House (Rayburn) Communications Bill. It will exert its energies toward consideration of the Railway Labor Bill and possibly take up the Communications Bill the latter part of the week.

There seems to be no fear that this temporary delay will jeopardize the ultimate passage of a Communications Bill. It was said that Representative Rayburn anticipates no difficulty in getting the bill up for consideration by the House as soon as his committee reports on it.

Far from accepting the Senate (Dill) Bill, the House Committee has been redrafting its own bill and going over it in a thorough and painstaking manner. Executive sessions have been going on for about a week now and the Committee has reached Section 214 which is on Page 26, or a little less than half-way through the Bill which numbers 67 pages.

It is believed that the House Committee will follow the course of the Senate Committee and recommend that the suggestion of Father Harney to allocate one-quarter of all channels to religious and educational bodies be studied by the new Commission.

A report in Washington was to the effect that the educational group, far from being discouraged by the vote 42 to 23 in the Senate, felt very much encouraged that as many as 23 Senators should have favored their cause.

A militant group is now said to be girding itself for further battle and one of its first moves will be to secure a college grant, go to Europe, study European government owned systems, and recommend the adoption of such a system to the new Communications Commission.

The fact that the House is framing its own Bill doubtless means that there will be many provisions to reconcile between the House and Senate Bills in conference. Nevertheless, as said above, the assurance is confidently given that a Communications Commission will be created before Congress adjourns. The date set for adjournment now seems to be about June 15 though this is contingent upon the tariff and other controversial questions which will be a factor in the final sign off.

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## NEW COMMISSION MAKEUP ALREADY HAS CAPITAL GUESSING

Although the new Communications Commission looms as a certainty, no one seems positive as to its makeup. The White House as usual is mum.

Dr. W. M. W. Splawn, economist and counsel for the House Interstate and Foreign Commerce Committee, continues to be mentioned as a possibility for Chairman of the new Commission. Dr. Splawn's recent "crack down" on the American Telephone and Telegraph Company is soon to be followed by a report on the radio industry. If this is as drastic as the telephone report, considerable opposition may be aroused against his appointment.

Milo Roy Maltbie, of New York, noted public utility expert, was mentioned as a Communications Commissioner possibility. Dr. Maltbie came into national prominence as a member of the Advisory Board on rate valuation of the Interstate Commerce Commission. He later became the head of the New York State Department of Public Service. Dr. Maltbie is 63 years old and a native of Illinois.

Another name heard in the Capital was that of Col. Clair Foster, internationally known radio amateur, of Carmel, California. It is said to be the contention of those backing Colonel Foster, that the radio amateurs of the United States numbering some 45,000, are entitled to representation on the Commission. Foster, who has been characterized as the "fighting amateur" vigorously opposed the ratification of the Madrid Treaty because of its restriction upon communication of amateurs with foreign countries. Colonel Foster sharply criticized officials of the American Amateur Relay League for endorsing the Madrid Treaty.

Capt. S. C. Hooper, Director of Naval Communications, who has been spoken of as a Communications Commissioner, has just been awarded the honor medal of the Institute of Radio Engineers, awarded annually for distinguished contribution to radio communication. The presentation is to be at Philadelphia May 29th.

Captain Hooper was instrumental in developing the first radio beacon installation in this country.

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## CONVEY BROUGHT A CARLOAD OF WITNESSES

Thomas Patrick Convey, of Station KWK, St. Louis, who died recently, is well remembered in Washington and the news of his death was received with regret at the Radio Commission.

In the early days of radio, another station in St. Louis filed a claim for the frequency of KWK. In order to prove the

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popularity of the station, Convey brought a carload of witnesses from St. Louis to Washington.

Sometimes there is a suspicion that witnesses have been rehearsed, but not so with those of Mr. Convey. They produced some convincing testimony, mostly in favor of Convey, but one of them was so frank in his testimony that he declared he never listened to KWK or any other radio station.

It seems Convey had allowed the listeners in different election districts to nominate their own witnesses and thus the non-listening individual secured a joy-ride to Washington.

Another amusing incident in connection with the Convey hearings, which were long drawn-out, was that a newspaper correspondent, who had given a carte blanche order for a stenographic transcript of the testimony, was almost knocked out of his shoes when he received a bill for \$350 for this service.

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#### ROXY PANS HOME TOWN AUDIENCE

S. L. Rothafel (Roxy) stirred up some excitement in Minneapolis, his former home town, during the week's engagement of himself and his Gang at the Minnesota theatre.

"Besides ripping into the newspaper critics, who weren't too kind, he added himself to the list of stage celebrities who have vexed local citizenry on the occasion of public appearances by speaking of the town or its residents in uncomplimentary terms", Variety reports.

"Roxy's overt act was to pan, from the Minnesota stage during a performance, a lengthy poem written in his honor and read as part of a ceremony making him an honorary member of local Shrine Temple. After the conclusion of the reading of the poem by its author, Roxy, replying, said it was 'lousy' as a piece of poetry but that he appreciated the 'sentiment' behind it.

"Theatre did around \$19,000, good, on Roxy's week."

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## WIRE GROUPS FAIL TO AGREE ON CODE

Flagrant trade abuses were charged to Western Union and the American Telephone & Telegraph Co. by Postal officials at the final session of a NRA Communications Code hearing.

Recovery chieftains immediately went into a huddle to decide whether to impose a Code on the gigantic telegraph industry. Gen. Hugh S. Johnson said he still hoped to avoid forcing an agreement on any recalcitrant business.

There was a possibility that President Roosevelt might use his persuasive powers to adamant industrialists of the Western Union, A. T. & T., and Radio Corporation of America, should Johnson's negotiations collapse.

Earlier Western Union spokesmen argued the telegraph industry was satisfactorily regulated by the Interstate Commerce Commission, and threatened to precipitate a court test should a Code be imposed.

Col. A. H. Griswold, Executive Vice-President of the Postal, attacked the exclusive contracts held by Western Union in railroad stations and hotels, and demanded that they be canceled, so that both telegraph companies would have an equal footing in these fields, while Howard L. Kern, another Vice-President, declared that a Code is needed to end abuses which he said are contrary to Federal statute. He said that the Federal Communications Commission proposed in pending legislation cannot work fast enough to ameliorate the situation.

Colonel Griswold testified that an early reduction in rates can be accomplished "if the telegraph business is put upon a fair competitive basis."

"Postal would have made reductions long ago", he said, "had the telegraph business been conducted upon a fair basis."

Mr. Kern, for his part, urged that the Code be imposed to end "boot-legging" of leased wire facilities. Efforts made to correct these abuses by direct negotiations with Western Union officials, he testified, had failed, as had attempts to cure the situation by Congressional action.

Deputy Administrator Peebles asked if the "abuses" could be cured if the A. T. & T. leased wire circuits through the telegraph companies. He was told that they could. He then called C. P. Cooper, of the A. T. & T., to the platform and asked his views upon this point. Mr. Cooper said that he did not care to discuss the matter.

There was no inkling given by the Deputy Administrator as to whether the NRA intended to go through with imposing the Code.

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 ::: BUSINESS LETTER NOTES :::  
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Gene McDonald, President of the Zenith Radio Corporation, is among the outstanding industrial and scientific leaders who have accepted the invitation of Alfred P. Sloan, Jr., President of the General Motors Corporation, to attend his forum and dinner to be held at Chicago next Friday on the eve of the reopening of the Century of Progress Exposition.

Speeches will be under the heading "Previews of Industrial Progress in the Next Century."

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The Federal Radio Commission has granted a permit for the reconstruction of Station WAAF, owned by Drovers Journal, which was destroyed in the Chicago stockyards fire. The loss of the publishing plant and the station were estimated at \$500,000.

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Radio crossed the Arctic Circle to establish a new northern-most outpost on May 17 when a 10 k.w. broadcasting station was opened at Vadsoe on the northern tip of Norway on a parallel above the entire mainland of Canada.

The equipment for the Vadsoe station was supplied to the Norwegian Government by a Company of the International Telephone and Telegraph Group with headquarters at Oslo.

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Clarence Darrow in his NRA report demanded that Sol A. Rosenblatt, Administrator of the Motion Picture Code (who also administers the Broadcasters' Code) should be removed because he refused to testify before the Darrow board and because of "testimony that he is prejudiced against independent producers, distributors and exhibitors."

Defending Rosenblatt to President Roosevelt, Gen. Hugh Johnson wrote:

"The Darrow committee impugns the motives of the divisional administrator in the Motion Picture Code because he formerly worked for an attorney who has clients in that field, and it asks his removal. Nobody here has rendered more public-spirited, disinterested and intelligent service than this divisional administrator."

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J. David Stern, publisher of the New York Post and Philadelphia Record, has applied to the Federal Radio Commission to establish a new radio station in New York to operate on 810 kc. daytime with 500 watts. It is planned to use the facilities of WNYC, according to the application.

## SUPREME COURT UPHOLDS DE FOREST IN "FEEDBACK" CASE

The Supreme Court decided last Monday in effect that Lee DeForest and not Edwin H. Armstrong was the original inventor of the "feedback circuit" and "audion oscillator". The opinion was written by Justice Cardozo and the Radio Corporation of America won a victory over the Radio Engineering Laboratories, Inc.

The case has been in the courts since 1922. The decision by the Supreme Court is considered in radio circles as definitely handing the laurels to Dr. DeForest, although in August, 1933, Major Armstrong was the recipient of congratulations on being sustained as the inventor of the circuit by the United States Circuit Court of Appeals, Second District.

The Radio Corporation of America has been licensed under both DeForest and Armstrong patents. It was licensed under DeForest patents through the American Telephone and Telegraph Company and under the Armstrong patents through the Westinghouse Electric and Manufacturing Company.

In its decision last Monday the Supreme Court overturned a decree of the Second Circuit Court of Appeals and upheld the Eastern District Court of New York.

Justice Cardozo reviewed previous litigation and added:

"One might have supposed that controversy would have been stilled after all these years of litigation. It proved to be not so. The petitioners (RCA) after repelling every assault from within the ranks of rival claimants, found it necessary to meet a challenge from without. The respondent, Radio Engineering Laboratories, Inc., allying itself with Armstrong, who is paying its expenses, insists that the invention is at large for the reason that DeForest, who received the patents, is not the true inventor, and that Armstrong, who is the inventor, is barred by a final judgment, conclusive between himself and the pretender, from obtaining the patent that is due him, and with it an exclusive right. The evidence in this suit for an infringement is a repetition, word for word, of the evidence in the earlier suits, so far as material to the conflicting claims of Armstrong and DeForest."

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C O R R E C T I O N

We regret that in the May 18th issue of the Heintz Radio Business Letter, in the story of the Telegraph Communications Code hearing, Mr. C. P. Cooper was incorrectly identified as appearing for the I. T. & T. Mr. Cooper is an A. T. & T. Vice President and testified in behalf of that company. The error originally appeared in an official press release of the National Recovery Administration and we failed to catch it.

R. D. H.

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## WTMJ WINS LIBEL SUIT

The Milwaukee Journal and Joseph D. Beck, Commissioner of the Wisconsin Department of Agriculture, won a \$100,000 libel suit brought by Walter Singler, President of the Wisconsin Co-operative Milk Pool and picturesque figure in State milk producers strike last May, when a circuit court jury at La Crosse, Wis., late Tuesday returned a special verdict holding that Beck's radio speech over the Journal's radio station, WTMJ, last May 15, was a fair comment on the acts of Singler.

The trial started in LaCrosse May 7 on a change of venue from Vernon County Circuit Court. Singler charged that Beck's speech was inspired by dislike, malice and hatred and that the attitude of the Journal was unfriendly. Beck denied that he had called Singler a racketeer and gangster but had likened his methods of those of the gangster.

Testimony showed that the policy of WTMJ is to permit public officials to use the Journal radio station without charge to discuss public questions and that Beck's speech was in that classification. In his closing argument, attorney J. Gilbert Hardgrove, for the Journal, asserted that the right to free speech was the issue to be decided. He termed the statements on the radio fair criticism and said that Singler as a quasi public figure, was a proper subject of comment. Hardgrove also pointed out that the Journal had differed with Singler on farm and dairy questions, but that it had a right to do so, and charged that the suit was brought to force the Journal's silence. The jury answered all nine questions in a special verdict in favor of the defendants and decided Beck's speech was fair comment on the acts of Singler and that Singler was not libeled thereby.

Under the law the jury was required to fix as a guide to the court the compensatory damages it would have awarded Singler had he been libeled, and such damages the jurors fixed at \$10,000.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(May 22, 1934)

NEW, Oregon Radio, Inc., Salem, Oregon, C.P. for new station, 1370 kc., 100 watts, daytime. Facilities: half of those assigned to Station KOOS; WJIM, Capital City Broadcasting Co., Lansing, Mich., modification of C.P. to extend commencement date to June 20 and completion date to Aug. 22, 1934; WSAR, Doughty & Welch Electric Co., Inc., Fall River, Mass., license covering move and changes in equipment, 1450 kc., 250 watts, unlimited time; WIBM, WIBM, Inc., Jackson, Mich., license covering local move and changes in equipment, 1370 kc., 100 watts, specified hours;

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WMBH, W. M. Robertson, Joplin, Mo., consent to voluntary assignment of license to Joplin Broadcasting Co.; WALA, Pape Broadcasting Corp., Inc., Mobile, Ala., modification of license to change frequency from 1410 kc. to 1380 kc., change hours of operation from simultaneous day WSFA, sharing night with WSFA to unlimited time, 500 watts; KOIN, KOIN, Inc., Portland, Oregon, C.P. to make changes in equipment and increase day power from 1 KW to 2½ KW, 940 kc., 1 KW, 2½ KW, LS, unlimited time.

Action On Examiners' Reports (May 18)

KFAC, Los Angeles Broadcasting Co., Inc., Los Angeles, Cal., modification of license to increase hours of operation from one-half time to unlimited on 1300 kc., 1 KW power, sustaining Examiner George H. Hill. Order effective June 1, 1934.

Ratifications

Action taken May 14: KMVI, Radiomarine Corp. of America, New York, granted 60 day authority to operate aboard Motoryacht "Puritan", pending action on formal application; frequencies 375 to 500 kc., 5500 to 17000 kc., 50 watts; KDUW, Same Co., granted 60 day authority to operate additional 50-watt transmitter aboard Chattanooga City, frequency range 375 to 500 kc.; Action taken May 15: WHFU, Bludworth, Inc., New York City, granted 60 day authority to operate 50 watt transmitter aboard yacht "Sequoia", frequency 2738 kc.; Action taken May 16: KFZV, Radiomarine Corp. of America, New York City, granted 60 day authority to operate aboard yacht "Vema", frequency 5500 to 17000 kc., 200 and 150 watt transmitters; WHFK, Union Fish Co., San Francisco, Cal., granted 60 day authority to operate aboard "Pirate", frequencies 2738 kc., 10 watts.

Action taken May 17: KGEZ, Donald C. Treloar, Kalispell, Mont., granted special temporary authority to operate station without approved frequency monitor for period of 10 days; WSBN, Radiomarine Corp. of America, New York City, granted 60 day authority to operate aboard "Leviathan" pending action on formal application, frequency range 2000 to 17100 kc.; WIDA, Same Co., granted 60 day authority to operate transmitter aboard vessel "Santa Inez", pending action on formal application; KUGG, Same Co., granted 60 day authority to operate 50 watt transmitter aboard vessel "Oakman", frequency range 375 to 500 kc.; WSAR, Doughty & Welch Electric Co., Inc., Fall River, Mass., granted extension of program test period for period of 15 days.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 726

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## SEES TELEVISION ONLY AS WELL DEVELOPED EXPERIMENT

Television is in an advanced experimental condition at this time according to the Advisory Committee on Engineering Developments of the National Advisory Council on Radio in Education in a booklet, "Present and Impending Applications to Education of Radio and Allied Arts" just published.

"Transmitting stations capable of giving reliable television service over a considerable area have not yet been established nor have there been provided, on a commercial scale, receivers which give a clear, bright picture of an acceptable color, adequate detail, satisfactory size, freedom from flicker, sufficiently wide angle of view, and requisite steadiness of position", the report of the Engineering Committee, of which Dr. A. N. Goldsmith is Chairman goes on. "The problems involved have been and still are under active investigation, and there is a likelihood that, within the next few years, equipment of this sort will be commercially available and that at least a moderate number of television broadcasting stations will be in operation to supply program material to those having suitable receiving equipment.

"The problem of network syndication of television program is in a less advanced condition.....It is uncertain whether wire line facilities capable of carrying television programs will be developed, and these do not exist even experimentally at this time.

"The Federal Radio Commission has made no provision for television beyond assigning a limited number of fairly wide bands in the medium short-wave region, together with certain wider ultra-frequency wave bands, for experimental use."

"The value of television for educational purposes will be largely dependent upon the amount of detail which the picture can carry, as well as upon the ingenuity and intelligence used in the planning of educational programs."

"The system of broadcasting operating in America is widely heralded by its proponents as the best in the world, at least from the technical standpoint", Levering Tyson, Director of the National Radio Advisory Council says in a foreword. "This isn't the place to argue whether that statement is correct or fallacious. It is enough to point out that nowhere in the world is there so elaborate a system and it is obvious to anyone who is only slightly familiar with broadcasting in this country that the system is operated with a marvelous degree of precision and effectiveness. This result is accomplished in spite of a variety of complicated factors.

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"A great deal has been written and said concerning broadcasting by many people who know little about the extremely complicated electrical phenomenon which is radio. The Council presents in this Bulletin a compilation of data, collected and interpreted by a group of men who, because of training and experience, know more than most and as much as anybody, about radio-telephony and some of its allied arts.

"The individuals who collaborated in the preparation of this bulletin have agreed to serve as members of one of the Council's most important committees. This is the first report of the Committee and presents information and opinion which should prove extremely valuable. In the field of educational broadcasting there has been considerable discussion and not a little misinformation spread about some of the matters here covered. That this Committee is willing to speak frankly about questions over which there is controversy - High Power, for example - is an index not only of the confidence this group of men have in their collective opinion, but of their courage as well. The fact that the personnel of the Committee represents a wide variety of interest and responsibility guarantees diversity of opinion. In spite of this, agreements were reached on all subjects treated, which fact by no means lessens the authority of what is included in the final text."

The subjects treated in the booklet (published by the University of Chicago Press, Price 75 cents) are: Radio Telephone Broadcasting; Synchronization of Broadcast Transmitting Stations; Electrically Transcribed Programs and Their Syndication; Facsimile Broadcasting; Television; Short-Wave and Ultra-Short-Wave Broadcasting; Broadcasts Over Wires (including "Wired Radio"); Sound Motion Pictures in the School and Home, and The Costs of Broadcasting Stations.

The members of the Advisory Committee on Engineering Developments in addition to Dr. Goldsmith are: Dr. W. G. Cady, Wesleyan University, Middletown, Conn.; O. H. Caldwell, former Federal Radio Commissioner; E. K. Cohan, Columbia Broadcasting System; Lloyd Espenschied, High Frequency Transmission Engineer, American Telephone & Telegraph Co.; W. E. Harkness, Electrical Research Products, Inc.; Erich Hausmann, Brooklyn Polytechnic Institute; John V. L. Hogan, Consulting Engineer, New York; C. W. Horn, National Broadcasting Company; L. M. Hull, Radio Frequency Laboratories, Inc.; C. M. Jansky, Jr., Radio Engineer, Washington, D. C.; R. H. Manson, Vice-President and Chief Engineer, Stromberg-Carlson Telephone Manufacturing Co.; Dr. E. L. Nelson, Bell Telephone Laboratories, Inc., and R. H. Marriott, Consulting Engineer, New York.

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## RADIO NEWS AGENCIES MAKE BIG CLAIMS

"The struggle is being made principally by independent news-gathering organizations, who see a vast new field for enterprise in news broadcasting. These are being abetted materially by broadcasters who are dissatisfied with the allotted budget of news some of them get now from the Press-Radio Bureau, created by a compromise among newspapers, press associations and the National and Columbia chain radio stations, according to the Editor and Publisher.

"A survey conducted by Editor & Publisher this week indicates that in addition to the Press-Radio Bureau, two major organizations are thriving at this date in the dissemination of news to broadcasters and with a basis in fact, are foreseeing a bright future.

"They are: (1) Transradio Press Service, with headquarters at 342 Madison Avenue, New York, and (2) Radio News Service of America, with headquarters at 369 Lexington Avenue, New York.

"James W. Barrett, editor of the Press-Radio Bureau, said this week that his bureau, in conjunction with the cooperative bureau at San Francisco, is serving 160 radio stations, or approximately one-fourth of all the stations in the country. This indicates a healthy growth since the Bureau started March 1, when 125 stations used the service.

"Herbert Moore, the aggressive president of the Transradio organization, told Editor & Publisher his agency was giving complete world news coverage to 23 radio stations, 'and all of them big ones.'

"Ivan Johnson, the visionary head of Radio News Service, which uses short wave broadcasts, says he has 100 clients, some of which, he admitted, were subscribing on an experimental basis."

Marking a victory for the Yankee network (which was established by John C. Shepherd III, of Boston) news service in its controversy with newspaper correspondents at the Massachusetts State House in Boston, a Joint Committee on Rules of the House and Senate passed a resolution which gives the Radio News Service an equal footing with the press in the matter of gathering news at the State Capitol.

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## IMPROVED CONDITIONS RESULT IN SALES OF RADIOS IN PERU

As a result of improved economic conditions and more favorable rates of exchange, sales of radios have registered substantial improvement in Peru during the last twelve months, according to advices to the Commerce Department from Commercial Attache Julian D. Smith, Lima. Because of the optimistic outlook for the 1934 cotton crop, it is pointed out, prospects for increased radio sales during the current year appear to be distinctly favorable.

During the calendar year 1933, the report shows, 1400 radio sets were imported into Peru, compared with 848 in 1932, an increase of 65 per cent. Stocks in dealers' hands on December 31, 1933, were smaller than on the corresponding date of 1932.

The Peruvian radio trade, it is pointed out, is practically dominated by American manufacturers. In past years, the Dutch Phillips company was a strong competitor but the products of this company have more or less disappeared from the market. Little competition is offered by other European manufacturers and there is very little domestic competition.

The bulk of radio sales in Peru consists of the small super-heterodyne all-wave sets, the report states. Sales of short-wave and long-wave instruments with short-wave adapter have decreased. At the present time, over 90 per cent of the sales are of all-wave sets.

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## WOODEN BASE FOR STEEL ANTENNA TOWER

The erection of WEBC's new single tower, which attains a height of 350 feet above Lake Superior flats at Superior, Wis., marks another achievement for modern timber connectors. The new shaft to hold WEBC's vertical antenna, was constructed by placing the station's old 230-foot steel structure upon a new 120-foot tower built of wood. This wooden base is 35 feet square at the ground and tapers up to 12 feet square at the point where the old tower is joined.

Plans for the WEBC tower were provided through the National Lumber Manufacturers' Association's research and development agencies, and the tower was built by Roland C. Buck, Inc.

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## NEWSPAPER CONTINUES COMMISSION ATTACKS

The Chicago Tribune keeps hammering the Federal Radio Commission in opposing the creation of a Communications Commission. In an editorial the paper said:

"The Radio Commission is the present model of the control sought over the wires. The articles of Arthur Sears Henning, Washington correspondent of the Chicago Tribune have revealed how arbitrarily politics has dealt with property rights and what influences have prevailed from time to time to favor one applicant and injure another. There have been some conscientious men in the radio control, but there is also a determination to bend this virtually helpless medium of communication to governmental will and make it serve governmental purpose, at its peril if it doesn't.

"The channels can be taken away upon any pretext the administrators care to set up, and Mr. Henning has shown how inconsistent one pretext may be with another. Pull and punishment are factors in regulation, and warning has been given that the character of the broadcasts, an admonitory phrase, will establish the eligibility of the licensee. An extension of this system to other means of communications would carry premonitions of the worst sort."

As a conclusion of a series of articles Mr. Henning recently wrote:

"Columbia has a long record of unusual favors from the Radio Commission going back several years, but becoming more pronounced since the advent of the Roosevelt administration. One of its Vice-Presidents is Sam Pickard, a former member of the Commission, who resigned February 1, 1929, and went directly to Columbia at a high salary on a long-term contract.

"While Mr. Pickard was a member of the Commission, WKRC, a Cincinnati (Ohio) broadcasting station, was able to procure from the Commission an exceedingly favorable wave length, which was transferred from an inferior assignment. It was charged that this was done in violation of all sound engineering considerations, for it immediately caused destructive interference with other stations on the same wave length at St. Louis and Buffalo.

"On June 15, 1929, the Commission, without a hearing or a notice to anyone, increased WKRC's hours of operation to unlimited time, and on December 16 increased the power of the station from 500 to 1,000 watts on an 'experimental' basis. The power has never been reduced, although at a subsequent hearing interference was conclusively shown by the stations affected. H. A. Bellows, Washington representative of Columbia, says that since the installation of a directional antenna by WKRC there has been no interference and the protests have been withdrawn. This is disputed by representatives of the complaining stations.

"In the summer of 1929 there was formal transfer of the ownership of WKRC to Mr. Pickard and J. S. Boyd, a lawyer who frequently had handled radio cases before the Radio Commission and had been in particularly close contact with Mr. Pickard while the latter was a member of the Commission. It is not known when Messrs. Pickard and Boyd purchased the station or how much they paid for it.

"It is known, however, that soon after the Commission granted WKRC the 100-percent increase in power they sold the station to WKRC, Inc., which is virtually a 100-percent subsidiary of the Columbia Broadcasting System. Columbia is said to have paid approximately \$300,000 for the interest in the station of Messrs. Pickard and Boyd."

Commenting upon the "domination" of Commission by the President, the Washington Post said:

"President Roosevelt has insisted upon bringing all of the independent, bi-partisan commissions under his influence. Through this arrangement he could completely dominate both divisions of the Communications Commission by simply appointing a chairman who would be faithful to his point of view; for controversies between the two members of either group could be settled by the chairman's vote.

"The apparent determination of the President to dominate all of the bipartisan commissions, thus making them amenable to political influence, is in a large measure responsible for the widespread skepticism concerning further Government regulation. So long as this attitude prevails any attempt to extend the power of the Administration over telegraph lines and radio channels will be regarded with suspicion."

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#### STARTS CAMPAIGN FOR BETTER ANTENNAS

A movement to inspect and improve antennas is urged by O. H. Caldwell, former Federal Radio Commissioner.

"For years an antenna has been any old piece of wire strung up any old place with any old kind of insulation. And for years the increase of man-made static has accelerated", Mr. Caldwell writes. "The year 1934 will be a year of tremendous public interest in short waves; late in the year may see the first high-fidelity receivers. Both shortwave sets and high-fidelity, wide range sets suffer more than broadcast reception from natural and man-made static. Short-wave signals are weak and may come across thousands of miles of space, high fidelity receivers will pass to the loud speaker tones (and noises) now lost in the narrow-band receivers universally employed.

"Already the antenna problem has become acute. Set manufacturers are encouraging listeners to use two antennas; a high, long wire, well insulated and brought to the receiver through a shielded transmission line; and another high, shorter antenna, brought to the short-wave set through a transposed lead-in."

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## HOUSE COMMUNICATIONS BILL STILL SIDETRACKED

Consideration of the Communications Bill by the House Committee on Interstate and Foreign Commerce is still temporarily on the siding. The Committee is now considering an amendment to the railway labor act and no one seems to know exactly how much time will be taken up by this bill or when the consideration of the Communications Bill will again be resumed.

Although the time of adjournment is believed near, the hope is still expressed that the Communications Bill will be passed this session.

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## N.A.B. GIRDS ITSELF FOR COPYRIGHT TREATY FIGHT

The National Association of Broadcasters through Oswald F. Schuette will vigorously oppose the ratification of the Copyright treaty and the bill introduced by Senator Cutting, of New Mexico, to revise the U. S. Copyright laws to the treaty. Those in favor of ratification will be heard by a sub-committee of the Senate Foreign Relations Committee, Monday (May 28) and those against it, including the Broadcasters represented by Mr. Schuette, will be heard Tuesday.

The subcommittee will consist of Senator F. Ryan Duffy, of Wisconsin; Senator Frederick Van Nuys, of Indiana, and Senator Simeon D. Fess, of Ohio.

Ratification would assure to American authors and other producers of copyrightable property, automatic copyright in the 53 nations which comprise the Berne Copyright Union.

The Cutting Bill, which would enable the U. S. to enter the Union, provides that the "rights shall include the exclusive right of the author to communicate his works to the public by any system of broadcasting; and the author of any copyrighted works, even after the assignment of the copyright of such works shall at all times have the right to claim the authorship of his work and the right to oppose every distortion, mutilation or other modification of the said work which might be prejudicial to his honor or to his reputation, as well as the right to resist the publication and the performance of the mutilated work."

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## QUESTION RAISED AS TO PIONEER INTER-CITY RADIO SERVICES

We are indebted to Arthur A. Isbell, Manager of the Commercial Department of R.C.A. Communications, for the following:

"In the interests of historical accuracy, exception could be taken to that portion of a paragraph on page ten of your May 1st issue reading, 'Mackay Radio which was not only the pioneer in inter-city radio service', because there were inter-city wireless telegraph services in the United States long before the predecessor of the Mackay Radio, the Federal Radio Telegraph Company of California, was organized.

"On my desk there is Vol. 1, No. 30 of 'The Wireless', dated Avalon April 29, 1903, captioned 'Published by the Los Angeles Times the only newspaper in the World Publishing Sure-Enough Dispatches Transmitted by Wireless Telegraph, Issued Daily at Santa Catalina.'

"The left-hand column of the front page has a caption reading 'News of the Morning by Wireless Telegraph'. (Bona-fide) special dispatches direct to 'The Wireless' at Avalon, sent over the Pacific Wireless Telegraph Line across the channel dividing Santa Catalina Island from the Mainland.'

"The Foreign News is headed by the following paragraph: 'By Cable under the Atlantic; thence by Western Union Telegraph line across the Continent to Los Angeles; thence from the Times Office to White's Point, San Pedro; thence by Pacific Wireless Telegraph to Avalon.'

"In 1905 the Providence Journal published a paper on Block Island, Long Island Sound, the news to which was sent daily from Point Judith, by wireless telegraph.

"The Pacific Wireless Telegraph Company conducted commercial wireless telegraph services as early as 1905 between the following cities: Seattle, Port Townsend and Victoria, B. C.; San Francisco and Oakland."

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## TEMPORARY NRA RADIO WHOLESALE CODE MEMBERS APPOINTED

Announcement was made by the National Recovery Administration of the appointment of three temporary non-association members to the Divisional Code Authority of the Radio Wholesale trade, to serve until June 12, when, it is expected, their successors will be chosen at the annual convention of the trade. The members appointed by the Administrator are D. H. O'Brien, Graybar Electric Co., New York, N. Y.; George E. Hull, Parks and Hull Appliance Corporation, Baltimore, Md., and W. F. O'Connor, Southern Wholesalers, Inc., Washington, D. C.

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 :::BUSINESS LETTER NOTES:::  
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E. C. Mills, General Manager of the American Society of Composers, Authors and Publishers sailed last week to attend an international convention in Warsaw, Poland, of performing rights organizations. Mr. Mills will be gone four or five weeks.

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Invitations have been issued by the Banquet Committee, of which Paul B. Klugh is Chairman, for the RMA Tenth Anniversary banquet to be held in the Hotel Stevens, Chicago, Tuesday night, June 13th. The dinner calls for formal dress, and the price is \$5 per plate.

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John H. Bachem, of the Eastern Sales Department, has been made NBC Assistant Eastern Sales Manager under Donald S. Shaw, Manager of the department.

F. E. Spencer, formerly of NBC's Local Sales, will also assume new duties effective immediately. He will work with Mr. Shaw and Mr. Bachem on the coordination of transcription and local business for the Eastern Sales Department.

James V. McConnell has been assigned to assist Edgar Kobak, Vice-President in Charge of Sales, and Roy C. Witmer, operations head for all NBC sales divisions.

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Magnovox Co., Ltd., and Subsidiaries - for 1933: Net income after expenses, depreciation, special development costs and other charges, \$84,860, equal to 7 cents a share on the 1,283,666 capital shares, contrasted with net loss of \$233,845 in 1932.

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The Supreme Court has declined to review the cast of WOQ, Kansas City. The Commission (Radio) allocated the facilities of this station to Station KFH, Wichita, Kans. WOQ appealed to the Court of Appeals of the District of Columbia, but the D. C. court upheld the decision of the Commission.

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Walter E. Myers, manager of Station WBZ, Boston, has been appointed to the post of National Sales Representative of the NBC in Boston. Simultaneously it was announced that J. A. Holman, pioneer radio executive, had been named Manager of WBZ.

Myers has had wide experience in both the newspaper and radio fields, and is president of the Boston Advertising Club; Holman in the old days became Manager of Broadcasting when the A. T. & T. inaugurated radio service through WEA. Recently he has been an official of the New York Telephone Co.

## TWO N. Y. RADIO EDITORS SUE EDDIE CANTOR

Two radio commentators, Ben Gross and Abe Greenberg, both connected with the New York Daily News, have started separate suits for \$50,000 damages each against Eddie Cantor, Radio Guide, Moses L. Annenberg, Moses Koenigsberg and Herbert Krancer, the latter three officers of the radio fan weekly. All were served save the comedian, who is now in Hollywood.

Cantor's published statements allegedly impugning the integrity of the New York radio editors is back of the suit. The interview was published in Radio Guide.

"It precipitated sundry squawks from almost every radio editor, all of whom have expressed themselves variously as feeling that Cantor is privileged to his opinions anent the radio editorial fraternity, but when he specifically labels all as being dishonest 'with one exception', it is too much", says Variety. "Some are frankly unconcerned either for reasons of editorial policy (whereas the News is known to be backing up Gross and Greenberg soundly) or because they feel it's another means of giving Cantor publicity which they are loath now to do.

"The 'excepted' radio editor has been identified as meaning Louis Reid of the New York American. Cantor is quoted as having so identified him. In radio circles Reid's editorial attitude hasn't been any too favorable to Cantor.

"The Cantor vs. N. Y. radio editors imbroglio is nothing new. Cantor has openly charged that the newspapermen and the radio press agents have been working too much hand-in-hand. Cantor's attitude is that the scope of the radio showmanship as applied to merchandizing is too sweeping to be limited to a strictly Lindy's restaurant perspective and has taken exception to the limited Broadway slant on radio reporting."

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## DECLARES WAY OF IDEALIST HARD

Conferees of the recent educators declaring for strict government supervision to insure "the best possible program material" brings the following comment from the Editor & Publisher:

"Thus is raised again the eternal question of what constitutes 'good program material.' The lowbrow and the highbrow will never meet. Conduct of radio broadcasting involves many problems that are inherent in the making of popular newspapers, magazines and movies. The lures of profit at the expense of what the Washington conference called 'culture' are many and every day's practical experience is composed mainly of compromises. This is not a spiritual age, the mass is not notably discriminating or receptive of inspirational material. The way of the idealist is tough. The only sure plan we know of to maintain standards of wholesomeness, independence, education and 'culture' is to keep high-minded, courageous people in charge of these mediums and expect them to uphold a fair average."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(May 25, 1934)

KOL, Seattle Broadcasting Co., Seattle, Wash., C.P. to move transmitter locally in Seattle, and make changes in equipment; application to increase day power from 1 KW to 2½ KW set for hearing; WCNW, Arthur Faske, Brooklyn, N. Y., modification of C. P. extending commencement date to May 1, 1934 and completion date to July 14, 1934; WLNH, Northern Broadcasting Co., Laconia, N. H., modification of C.P. for approval of transmitter and studio sites in Laconia, changes in equipment and extension of completion date to Sept. 2, 1934; WJEM, Britt A. Rogers, Jr., Tupelo, Miss., modification of C.P. extending commencement date to immediately and completion date to Aug. 1, 1934; WENC, Americus Broadcast Corp., Albany, Ga., modification of C.P. extending completion date to July 5, 1934.

Also, KWYO, Big Horn Broadcasting Co., Sheridan, Wyo., modification of C.P. to make changes in equipment; WQDM, A. J. St. Antoine & E. J. Regan, St. Albans, Vt., consent to voluntary assignment of license to E. J. Regan and F. Arthur Bostwick, d/b as Regan and Bostwick; WSFA, Montgomery Broadcasting Co., Inc., Montgomery, Ala., modification of license to change hours of operation from simultaneous day with WODX sharing night, to unlimited; KFXD, Frank E. Hurt, Nampa, Idaho, renewal of license, 1200 kc., 100 watts, unlimited time, application for this station's facilities was dismissed at request of applicant.

Action On Examiner's Reports

KROW, Educational Broadcasting Corp., Oakland, Cal., granted modification of license to change hours of operation from sharing with KFWI to unlimited; to operate on 930 kc., 500 w. night, 1 KW day; order effective June 1, 1934. Examiner R. L. Walker sustained; KWQ, Pacific Agri. Foundation Ltd., San Jose, Cal., dismissed application for C.P. to make changes in equipment and increase daytime power from 500 watts to 500 w. night, 1 KW day, 1010 kc., unlimited time, sustaining Examiner Walker; KJBS, Julius Brunton & Sons Co., San Francisco, Cal., granted C.P. to make changes in equipment and increase power from 100 w. day to 500 w. day, 1070 kc., 12:01 A.M. to LS, order effective June 1, 1934, reversing Examiner Walker (KFWI's facilities in quota units).

Miscellaneous

Mayor & Board of Alderman, Newport, R. I., granted petition to intervene and be a party to hearing of application of S. George Webb, for C.P. for new station at that place; KFH, Radio Station KFH, Inc., Wichita, Kans., ordered modification of license to increase hours of operation from sharing with WOQ to unlimited effective June 14, 1934 in keeping with Mandate of Court of Appeals, D.C. affirming decision of Commission of June 23, 1933.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 727

*Handwritten signature or initials in the bottom left corner.*

May 29, 1934.

## AIRPLANE AURAL PLAN SIGNALS NOW SHOWN VISUALLY

A device for airplanes which visually interprets the signals of aeronautical radio range beacons which are received through headphones and are relied upon by airmen for directional guidance under conditions of poor visibility, has been developed by W. E. Jackson and L. M. Harding, radio engineers of the Aeronautics Branch of the Commerce Department.

The device includes an indicator which fits into the instrument panel. It is the same instrument as that developed for use with the Department's experimental radio system for blind landings and can still be used for this purpose if desired. It has an open face with two needles, one vertical and the other horizontal. The vertical needle is the chief indicator. If the aircraft moves off the course defined by the radio beacon, this needle moves accordingly in the same direction. If the plane is exactly on course, this pointer remains in the center of the dial. The horizontal indicator shows the volume of the received signals and permits the pilot easily to adjust this output to a standard level.

A lever at the top of the instrument is connected to a dot and dash indicator at either side which can be moved to correspond to the dot and dash quadrants of the radio range beacon. This lever is also connected electrically with the vertical pointer. When a pilot is flying toward a radio range beacon, the dash signals may be to his left and the dot signals to the right, but when he flies over the beacon and continues on another leg of the beam, the signals become reversed. He then moves the lever to the other side to make the dot and dash indicators at the sides of the instrument correspond to the change. By moving the lever, the pointer is also made to correspond to the new locations of the signals.

In addition to the indicating instrument there is a small converting set which is connected to the aircraft's regular radio receiver. This set fits into a small box 6 inches long by 7 inches wide and 7 inches deep. No changes are necessary in the regular receiving set.

When the signals are received, they are passed into the converting box and changed into impulses which actuate the visual instrument in front of the pilot. The signals may be received through the headphones simultaneously, thus giving visual or aural indication as the pilot desires.

One of the chief advantages of the new device is that it requires only a slight and inexpensive change in cams at the radio

range transmitters. Either loop antennas or vertical tower radiators may be used.

The general problem of making radio range signals available to airmen in a visual form has been before the Department of Commerce for several years. One of the first solutions considered was that of installing visual type transmitters at radio range stations which would actuate two vibrating reeds on aircraft instrument panels. However, this method would have cost about \$500,000 for the entire airways as against less than \$500 for the system just developed.

The arrangement developed by the two radio engineers has undergone extensive flight tests which have shown it to be satisfactory. However, no definite plans to place the new system in operation on the Federal airways will be made until it has been given practical service tests by those airmen who fly the airways regularly, and not then unless these expert users of the aids to air navigation signify their wishes for the new device.

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#### MRS. ROOSEVELT DEFENDS HER HIGH BROADCAST FEE

In answer to Edward G. Ekdahl, of 459 Morris Avenue, Rockville Centre, L. I., secretary to a Brooklyn manufacturer, who expressed doubt in a letter to the wife of the President "that anyone is worth as much as \$500 a minute", Mrs. Roosevelt replied:

"I think you are entirely right that no one is worth \$500 a minute. Certainly I never dreamed for a minute that I was! The money is needed, however, to help people such as those whom you describe. I cannot help them all over the country, of course, and I could not help them in any other way.

"I do not feel that this money is paid to me as an individual, but that it is paid to the President's wife. It is not paid to me directly, but to the agency which will spend it for the good of a great many people. The reason that they are willing to give me this money is, of course, because my husband is the President.

"There are, of course, people on the radio who are paid this same amount, but I do not flatter myself that I as an individual would be paid it. It puts money in circulation, the money is spent for a good purpose, and these people could not otherwise be helped. Therefore, I think I am perfectly justified in doing it."

Ekdahl in his letter related the efforts of Mrs. Katherine Budd of 411 Caton Avenue, Brooklyn, to obtain an injunction restraining the NRA from preventing her making flowers at home, by which she supported herself and two daughters. Mr. Ekdahl declared that no matter what Mrs. Roosevelt did with the money,

the roofing company which paid for the broadcast had to make some accounting of the money. He cited numerous causes of workers barely able to support their families.

"This continuous publicity in the newspapers of large and easy earnings", Mr. Ekdahl wrote, "and pictures shown at the movies of elaborate furnished homes with acres of grounds, servants, riding horses, foreign automobiles, expensively silk-gowned ladies, who keep their hands out of dish water, has upset the young American mind and has created in our young people a desire for a similar easy life and a share in the distribution of easy money."

The money from the broadcast was turned over to the Friends Service Committee of Philadelphia for school and health work in mining communities in West Virginia. Mrs. Roosevelt expects to make several more broadcasts for the same purpose.

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#### RADIO MEN ADMITTED TO MASS. STATE HOUSE PRESS GALLERY

Details of the admission of representatives of the Yankee Network news service to the Massachusetts State House Press Association rooms is given by the Editor & Publisher:

"Soon after the Yankee Network news service was organized on March 1, it began an effort to gain access to the press gallery at the State House over the opposition of the Press Association.

"The effort this week bore fruit through a decision of the Legislative Rules Committee which virtually gives the radio reporters the privileges of the gallery. The aftermath is being awaited with interest, for while the Association is pondering on its course of action, there is a sentiment for dissolving the organization.

"The effect of dissolution will remove from the association all responsibility for the conduct of the gallery and its membership in enjoying the privileges necessary to accurately report the news of the Legislature and the various state departments.

"The State furnishes two press rooms on the fourth floor of the Capitol; Room 456 is the main room with desks and lockers and other conveniences; Room 454 adjoining is largely devoted to telephone booths and wash room facilities, although there are a few lockers there.

"By the decision of the Rules Committee, the radio reporters are to be given Room 458 and to operate under rules of their own approved by the Legislative Committee. This room adjoins Room 456. The Sergeant-at-arms has been ordered to remove a book case that backs up against a connecting door between the

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two rooms so the radio reporters can pass through 456 to 454 to use the telephones. This virtually gives them complete access to the press gallery.

"The State House Press Association has taken the position that it did not object to radio having quarters in the State House and privileges similar to those enjoyed by the press, but it has contended that the radio and daily newspaper reporters should not be in the same room because of the varied interests.

"Richard D. Grant, editor of the Yankee Network news service, and formerly a member of the association in his capacity as Boston Transcript correspondent, was the first to apply for 'radio' membership. The Executive Committee rejected his application. It was sustained by the full association and Grant appealed to the Rules Committee.

"The latter body at first refused to take action and sent the matter back to the Association in the expectation the problem would be worked out.

"Grant was offered a room for his radio reporters separate from the press gallery but insisted he must have access to the gallery. The Association remained firm and not only refused to approve Grant's application but that of Joseph L. McAllister, who covers the State House for the radio."

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#### HEARST ADDS ANOTHER STATION

Announcement that WISN, the Wisconsin News station in Milwaukee, has purchased WHAD, the Marquette University radio station also in Milwaukee, has been made by Gaston W. Grignon, general manager of WISN. The agreement was signed by J. L. Kaufman, business manager of the Radio Division Hearst Enterprises, Inc., New York, and Prof. William R. Duffy, representing Marquette University. An application to transfer the license and equipment has been filed with the Federal Radio Commission and action is expected shortly. The Wisconsin News station will continue the broadcast of unusual education features of interest to the general public, in addition to its regular studio and Columbia chain features.

Ed. Harvey, formerly of KDKA and WCAE, Pittsburgh, has been appointed new Program Director.

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TO LEAVE TELEGRAPHIC FAIR PRACTICES TO COMMISSION

The NRA is going ahead with a telegraphic code of hours and minimum wages but as far as the fair practices are concerned, these will probably be left to the new Communications Commission.

Senator Schall, of Minnesota, declaring that various attempts have been made to prevent the press and public from securing full knowledge of the acts of various heads of Government bureaus introduced the following resolution in the Senate:

"Resolved, That the Senate proceed to investigate these conditions and appoint a committee of five Senators who shall hold public hearings, call upon Government departments for information, and, when necessary, subpoena witnesses to the following end:

"1. To investigate if any department at the present time has ordered censorship of any or all records which are rightfully public property.

"2. To determine if any merchant advertiser has been threatened with Government prosecution because of any advertisement in any publication opposed to this method of censorship.

"3. To lay before the American people any and all acts which might result in a censorship of the press of the United States in violation of the Constitution.

"4. To ascertain if the telegraph code of the National Industrial Recovery Act may be used to censor press dispatches or to cause financial loss to newspapers by forcing them to pay higher toll rates."

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BROADCASTERS' CODE HEARING PROBABLY SOON

There seems to be every prospect of a public hearing of the Broadcasters' Code at which the matter of wages and hours of broadcast technicians will be discussed. If the session is held, it will doubtless be confined to that subject and probably held about the second week in June.

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 :::BUSINESS LETTER NOTES:::  
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The National Broadcasting Company has arranged for a half-hour broadcast of the Radio Manufacturers' Association banquet program, of which Paul B. Klugh of Chicago, will be toastmaster, Wednesday evening, June 13, at 9:30 P.M. EST.

Banquet reservations should be made with Bond Geddes, Executive Vice-President, at the Stevens Hotel, Chicago.

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A system of patrolling by radio police cars will be introduced in the metropolitan district of 700 square miles in London.

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Further delay in revision of the Electrical Code has resulted in postponement by the Radio Manufacturers' Association Board of any action until next month during the convention at Chicago.

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Referring to the current agitation in the Department of Agriculture on advertising methods, Kenneth Goode, advertising writer, declared that a special government bureau should be established in the administration for advertising and selling instead of "the corner in the Department of Agriculture" as it now exists.

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With Congress scheduled for adjournment on or about June 15th, it looks like defeat for the Copeland Food, Drug, and Cosmetics Bill.

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U. S. Internal Revenue collections of the 5% excise tax on radio and phonograph apparatus for April, 1934, were \$202,301.98 an increase of 46 per cent over April 1933, which were \$138,587.02.

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An increase of 6.7 per cent in radio factory employees in April, 1934, is reported, with an increase of 7.3 over last March. Compared with the three-year employment average of 1923-25, the April 1934 employment in radio-phonograph factories was more than doubled.

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The twelfth anniversary of Station WFBR, associate of NBC in Baltimore, will bring Gov. Albert C. Ritchie to the air, Sunday, June 3, at 11 o'clock, EST. (P.M.)

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## NEW CONSENT DECREE IN THE RCA TRUST SUIT

The radio trust suit of the Federal Government against the Radio Corporation of America and others several years ago echoed in Federal District Court in Wilmington, Del., last Friday when Judge John P. Nields signed a consent decree regarding the exclusive licenses and sales arrangements made by the defendants with foreign companies.

This issue of the anti-trust suit had been left pending in November of 1932, when a consent decree for the general features of the case was signed by Judge Nields.

Last Friday a stipulation, agreed to by all parties, was filed. The defendants agreed to send letters to the foreign companies with whom they had had exclusive licenses and sales arrangements, waiving the exclusive features of these contracts.

Upon that stipulation the consent decree was entered into and signed by Judge Nields.

When the consent decree was entered in 1932 the question of contracts, arrangements and understandings between some or all the defendants and foreign governments and companies was reserved for future trial or determination if necessary.

It was provided that if the defendants succeeded in obtaining modification and changes in contracts to meet the government's objections, the cause as to these issues would be dismissed.

Last Friday's decree states that the contracts and agreements which embody exclusive licenses and sales agreement restrictions have been modified.

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## MARCONI CO. IN MERGER TO PROMOTE TELEVISION

Marking an important development in the promotion of television, the Marconi-E.M.I. Television Company, Ltd., a new concern, was registered last week in London, according to the New York Times, as the outcome of an agreement between the Marconi company and the Electric and Musical Industries, Ltd., to merge on an equal-shares basis.

The agreement relates to high-definition television. Present broadcasts are of low definition.

The Radio Corporation of America has a large interest in Electric and Musical Industries, Ltd.

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## HOME TELEVISION HELD 5 YEARS OFF

Home television on a commercial scale is still at least five years distant despite revolutionary strides made by research engineers in the past decade, W. R. G. Baker, Vice-President and General Manager of the RCA Victor Company, told the Institute of Radio Engineers at its annual meeting in Philadelphia on Monday, May 28.

He predicted that Europe might develop the widespread broadcasting of images ahead of this country, because of the radio taxation system in use there. The same system, he suggested, might be applied to the support of television in European countries.

"Enormous expense" was only one of the obstacles to commercial television detailed by Dr. Baker.

"If 700,000 persons should spend \$300 apiece to equip their homes with television apparatus that would require a total expenditure of \$210,000,000", he said. "To serve that many persons about eighty transmitting stations would have to be provided, at a cost of say \$40,000,000, and another \$40,000,000 would have to be spent to develop an interconnecting network. It would take \$58,000,000 a year for costs of transmitter operation and for depreciation.

"Another problem", he went on, "is that of programs. A radio broadcasting station is likely to have 5,000 program hours a year. For a television station, to show once each of the 300 feature motion pictures produced in a year in the United States would take up only 300 or 350 program hours. To broadcast once each of the new plays of a year shown on New York stages would take up only another 300 hours. Shorts and newsreels would bring the total only to 2,000 hours. And not all news events would be in reach."

He said that high salaries of entertainers and expensive stage properties and scenery would be required. The manufacturer could not be expected to bear the cost, he asserted, and "you could not expect advertisers to pay much until coverage was assured them."

Dr. Baker's views were expressed in the face of the fact that his company has developed a complete experimental television system. Invention of the iconoscope, or electric eye, regarded as a fundamental feature of the system, was announced last year by Dr. Vladimir K. Zworykin, of the company's laboratories and hailed then as making television in the home practical.

A marked trend in this country and Europe toward higher powered transmitting stations was shown by J. A. Chambers of the Crosley Radio Corporation. A paper prepared jointly by himself, G. W. Fyler, of the General Electric Co., J. A. Hutcheson, of the Westinghouse Co. and L. F. Jones of the RCA Victor Co., described the WLW 500-kilowatt broadcast transmitter put into use on May 2 at Cincinnati.

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## HOUSE WILL PROBABLY VOTE ON RADIO BILL TUESDAY

The House Committee reported out the Rayburn Communications Bill Tuesday (May 29). Representative Rayburn, of Texas, said that he hoped to get the Bill up for a vote in the House next Tuesday (June 5). The only reference to radio in the House Bill is Section 501 (a) which reads " The Federal Radio Commission is hereby abolished, and all duties, powers and functions of the Radio Commission under the Radio Act of 1927, as amended, or under any other provision of the law are hereby imposed upon and vested in the Commission."

This means that the numerous radio provisions in the Dill Bill, excepting the abolishing of the Radio Commission, will have to be threshed out in conference. It is expected that Representative Rudd, of New York, will offer an amendment in the House similar to that proposed by Senators Hatfield of West Virginia and Wagner, of New York, and defeated, that one-fourth of all radio facilities be allocated to religious, educational and other non-profit making institutions.

In reporting the Communications Bill, the House Committee struck out paragraph (a) of Section 310 relating to the use of joint boards in cooperation with State Commissions. However, paragraph (b) of Section 310 was allowed to stand. It reads:

"The Commission may confer with any State Commission having regulatory jurisdiction with respect to carriers, regarding the relationship between rate structures, accounts, charges, practices, classifications, and regulations of carriers subject to the jurisdiction of such State Commission and of the Commission; and the Commission is authorized under such rules and regulations as it shall prescribe to hold joint hearings with any State Commission in connection with any matter with respect to which the Commission is authorized to act. The Commission is authorized in the administration of this Act to avail itself of such cooperation, services, records, and facilities as may be afforded by any State Commission."

Representative Rayburn said he believed the House Bill could be passed in a day. If so, and the bill comes up Tuesday, it may go to conference, as early as Tuesday night, which would give it plenty of time to reach the President before the tentative adjournment date, Saturday, June 9.

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## WOULD INVESTIGATE RADIO COMMISSION

Although the days of the Federal Radio Commission are apparently numbered, Senator L. J. Dickinson (R), of Iowa, introduced the following resolution on May 28:

"Resolved, That the Committee on the Judiciary is authorized and directed to investigate the Federal Radio Commission, the records, documents, and decisions thereof, and each of the personnel thereof, with particular reference to the conduct and deportment of the several members of the Commission while engaged in exercising judicial or quasi-judicial functions under the Radio Act of 1927, and with further reference to the fitness of said several members of the Commission to exercise judicial or quasi-judicial functions either as members of the Federal Radio Commission as now constituted or as members of any commission which may be hereafter established to take over its powers and duties.

"The committee shall report to the Senate the results of its investigation including such recommendations as it deems advisable.

"For such purposes the committee, or any sub-committee thereof, is authorized to sit and act at such times and places in the District of Columbia and elsewhere, whether or not the Senate is in session, to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(May 29, 1934)

WJR, WJR, The Goodwill Station, Detroit, Mich., C.P. to Oct. 16, 1934, to erect temporary station-transmitter, at Detroit; install new equipment and use 1 KW power instead of 10 KW, on 750 kc., unlimited hours; KGCU, Mandan Radio Association, Mandan, N. Dak., C.P. to move transmitter and studio locally, and install new equipment; WKBO, Keystone Broadcasting Corp., Harrisburg, Pa., license to move station locally and make changes in equipment; 1200 kc., 100 w., S-WKJC; WGCM, Great Southern Land Co., Mississippi City, Miss., modification of license to move studio from E. Beach Gulfport, Mississippi City, to Great Southern Hotel, Gulfport, Miss.; WPRO, Cherry & Webb Broadcasting Co., Providence, R. I., extension of special experimental authority to operate on 630 kc., 250 watts, from June 1 to Dec. 1, 1934; also granted

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modification of special experimental authority approving exact transmitter location at Providence; WCLO, WCLO Radio Corp., Janesville, Wis., renewal of license, 1200 kc., 100 watts, unlimited time; WPEN, William Penn Broadcasting Co. and WRAX, WRAX Broadcasting Co., Philadelphia, Pa., modification of C.P.s to extend completion date to August 1; WSBC, WSBC, Inc., Chicago, Ill., license covering changes in equipment 1210 kc., 100 watts, specified hours; WORC, Alfred F. Kleindienst, Worcester, Mass., 90 day extension of special experimental authority to operate on 1289 kc., 500 watts.

#### Miscellaneous

WISN, American Radio News Corp., Milwaukee, Wis., granted modification of license to increase day power from 250 to 500 watts, night power to remain at 250 watts. This station now operates full time on 1120 kc., having recently acquired the facilities of WHAD, Marquette, Mich.; WDEL, WDEL, Inc., Wilmington, Del., modification of license heretofore designated for hearing, was dismissed at request of applicant.

#### Set For Hearing

WNAC, Shepard Broadcasting Service, Inc., Boston, Mass., C.P. to increase day power from 1 KW to 2½ KW-LS, and make changes in equipment; WAAB, Bay State Broadcasting Corp., modification of license for authority to use transmitter of Station WNAC; WBNX, Standard Cahill Co., Inc., New York, license covering changes in equipment 1350 kc., 250 w. S-WAWZ, granted temporary license pending outcome of hearing; KGHI, Loyd Judd Co., Little Rock, Ark., special experimental authority to increase night power from 100 w. to 250 watts; W3XAY, The Atlantic Refining Co., Philadelphia, Pa., C.P. to make change in frequencies to 38600 kc. and increase power from 2 to 50 watts; W3XAZ, Same Co., "SS Van Dyke No. 4", new for "Van Dyke" No. 1; new for "Van Dyke" No. 2 and 3, and new for "Atlantic", general experimental licenses.

#### Ratifications

Action taken May 22: WKEM, American Radio News Corp., New York, granted authority to operate broadcast pickup station on 1622 and 2150 kc., 50 watts, May 30 and 31, on "SS Louisville"; Action taken May 24: KUVX, Mackay Radio & Telegraph Co., New York, granted 60 day authority to operate aboard "W. R. Keever", pending action on formal application; KLK, Alaska Southern Packing Co., Seattle, Wash., granted 60 day authority to operate under license 3864 as Third Class, aboard Vessel "La Merced"; KIIQ, KMTR Radio Corp., Los Angeles, granted authority to operate broadcast pickup station on 2150 kc., 200 w. May 26 and June 9; WBNX, Standard Cahill Co., Inc., New York, granted extension of program test period, for period of 30 days.

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