

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1286

(dk)

December 3, 1940

MONOPOLY CHARGES STIR UP RUMPUT - MAYBE JUSTICE DEPT.

As the stormy oral argument on the 1800 page Federal Communications Commission Committee's report on alleged monopolistic practices in chain broadcasting got under way this week in the National Capital, there were reverberations in other quarters. Although the FCC monopoly report has not yet been passed upon by the full Commission, and will not be until the conclusion of the oral argument, it was said that Thurman Arnold, Assistant Attorney General in charge of the Anti-Trust Division was scrutinizing Communications Commission findings and might start an investigation of his own. The FCC sent the report to the Justice Department without recommendation, merely stating that it could be studied to determine if violations of anti-trust laws were involved.

This followed close upon the heels of the rumor so often repeated that the American Society of Composers might be inquired into by the Justice Department to see if the organization constituted an illegal copyright pool.

The Justice Department is trying to settle by a consent decree an anti-trust suit filed six years ago against the American Society of Composers, Authors and Publishers. A Justice spokesman said the Department hoped that an agreement can be reached to settle the civil suit, but, if a deadlock is reached, the Government is ready not only to proceed with the suit but to take the case before a grand jury. Conferences are being held here three times a week between Justice attorneys and representatives of ASCAP.

The case has lain dormant in the United States Court for the Southern District of New York for six years. It is believed the pending resistance of radio stations and the chains to a large increase in fees asked by ASCAP in a new contract has served to revive the anti-trust action.

As a real starter of the big battle a month hence between the Broadcasters and ASCAP, came the announcement that the Columbia Broadcasting System, beginning December 1 barred from its sustaining programs all music controlled by ASCAP.

The broadcasters are accused of a little "Fifth Column" work to have the Composers convicted of a monopoly of music whereas the Composers are accused of similar "Fifth Column" activities in endeavoring to have the Broadcasters brought to bar on the chain broadcasting charge. Each side in this controversy has complained to the Justice Department, it is said, that the other side has a monopoly.

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Quite another radio investigation - one to be undertaken by the Senate Interstate Commerce Committee, of which Senator Burton K. Wheeler, of Montana, prize Senate investigator is Chairman, has been proposed by Senator Gurney, Republican, of South Dakota, who bitterly scored the FCC Committee report.

Rising to the defense of the chain broadcasters, Senator Gurney declared that the report had been "severely criticized and generally discredited because of its inaccuracy and demonstrable bias" when the Senate refused to confirm the reappointment of Col. Thad Brown, one of the FCC members who had signed the report.

"The Committee proposals would strangle, if not impose a death sentence upon, the established networks which render such outstanding broadcasting service to the people of the country and which, in fact, are the backbone of all broadcasting service", Senator Gurney charged.

"What is our country coming to when a Commission proposes regulations in excess of its authority when it has made no finding of abuses?

"To the contrary, the public appreciation of the services rendered by the networks is probably greater and more widely spread than the public appreciation for any other industry.

"If the Commission adopts these rules, and thus strangles the service of broadcasting to the American people, it surely will have gone '10cO'. Apparently some of its members have eaten the loco weed and have construed its strange effects as giving the Commission power far in excess of that actually bestowed upon it by Congress."

It was said at the Communications Commission that Senator Gurney evidently misunderstood the situation or had not read carefully the text of the procedure for oral argument in the network inquiry report which the Commission had issued in mimeographed form last week.

"The Senator talked about the proposed FCC rules for the regulation of the networks", an FCC spokesman said. "Those were not 'proposed rules' but simple agenda to center argument on. The Committee report itself, 1800 pages in length, was so voluminous and so mixed up that the issues set forth by the Commission were merely something to shoot at."

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SORRY!

It was inadvertently stated in our last issue that FCC Chairman Fly ordered FCC Secretary Slowie to send that moot wire to the independent stations, about which Mark Ethridge and many others have complained. We have since learned the telegram was drafted and dispatched by the FCC "Monopoly" Committee (Commissioners Walker and Thompson) without the knowledge of the other members of the Commission.

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## SEEKS INDUSTRY VIEW ON NETWORK CONTRACT CONTROL

At the opening of the Federal Communications Commission's argument on the Committee's network inquiry (so-called "Monopoly" report), Telford Taylor, FCC General Counsel, stated that the Commission desired that the discussion be pointed toward two particular matters:

- (1) Should the Commission promulgate regulations under Section 303 of the Communications Act dealing with the provisions of contracts between networks and their affiliated stations, and
- (2) If so, what should those regulations provide

This pointing of the discussion reflects the opinion of the chain broadcasting Committee, Mr. Taylor explained, as stated in the conclusion of its report, that the heart of the chain broadcasting problem is the network-outlet contract, and the recommendation in the Committee's letter of transmittal that regulations with respect to these contracts should be promulgated.

The Commission has set forth, for the consideration of counsel appearing at this argument, a series of draft regulations.

Regulations Nos. 1-A and 1-B deal with contract provisions for exclusive affiliation between networks and affiliates. No. 1-A is a general prohibition of such provisions. In support of such a prohibition, it is urged by one of the national networks that exclusive contracts prevent new national networks from securing adequate coverage, and thereby restrain competition among networks. The limited radio facilities in a number of large cities is called to the Commission's attention in order to support this argument. On the other hand, the two other national networks contend that the exclusive affiliation provision in their contracts is indispensable to sound network operation. They urge that a network should be considered as a cooperative enterprise, point to their expenditures for sustaining programs which build up the goodwill and advertising value of their affiliates, and conclude that the prohibition of exclusive provisions would undermine stable network operations.

It should be noted that drafts 1-A and 1-B are identical except for the addition of the proviso in 1-B. That proviso would make the regulation inapplicable in cities where five or more full time stations are rendering adequate primary service, on the theory that in such cities the restrictive effect of exclusive contracts is of far less significance.

Draft No. 2 proposes a limitation on the amount of time which a licensee may option to a network organization. In support of such a regulation, one of the national networks urges that the optioning to the established networks of the best hours of stations in markets where the available facilities are limited makes it extremely difficult for new networks to sell time to national

advertisers. It is also pointed out that the other two networks customarily option much more time than they actually use for commercial network programs.

The other two national networks oppose such a regulation on the ground that options are essential in order to make firm commitments with advertisers and thereby compete with other advertising media, such as newspapers and magazines.

The proposed regulation permits the optioning of more time in cities which have three or more stations than in cities which have only two stations or only one station. It also undertakes to limit the margin between the number of hours which may be optioned and the number of hours which are customarily utilized for commercial network programs.

Drafts Nos. 3-A, 3-B, and 3-C are alternative proposals dealing with the permissible duration of contracts between networks and their affiliates. Draft 3-A limits such contracts to the duration of the station license. Draft 3-C limits the duration to two years. Draft 3-B imposes no limitation on the length of the contract, but requires that any provisions with respect to renewal or cancellation shall be available both to the network and the affiliates -- in other words, it requires reciprocity in this respect.

The argument in favor of such regulations is that network-outlet contracts which run for a long period tend to lock up the better radio facilities in the various markets, and to restrain and hamper the efforts of new or more recently formed networks to compete with the old ones. The two largest national networks oppose such regulation on the ground that their willingness to spend money on equipment, and in building and developing fine programs and good-will for their affiliates is dependent on the commercial stability afforded by long-term contracts.

Draft No. 4 relates to a provision found in the contracts of the National Broadcasting Company with its affiliates.

The brief for the National Broadcasting Company argues that the purpose of these clauses is merely to permit National to deal with its advertising clients upon terms not less favorable than those established by the station.

Draft No. 5 is directed to the control of two or more network organizations by a single company. As of the present time, this proposal, if adopted, would affect chiefly the National Broadcasting Company, which operates both the Red and the Blue networks. In support of such a regulation, one of the national networks contends that National's control of two different networks accentuates the restraint on competition which it finds to result from exclusive affiliation provisions, excessive option time, and lengthy contracts. It points out that the result of National's control of two networks is in many cases to tie up two outlets in principal markets to the National Broadcasting Company, and thereby reduce the outlets available to competing networks.

Opposing such a regulation, the National Broadcasting Company argues that its ownership of two networks has stimulated the development of broadcasting by making a wider variety of network programs available, and states that it has never changed a station from its Red to its Blue network over the opposition of the station.

Drafts 6-A, 6-B, and 6-C which are presented in the alternative, do not relate directly to network contracts, but rather to the ownership of station licensees by network organizations. Proposal 6-A would entirely prohibit such ownership.

The Committee Report, approaching the matter from another angle, urges that the ownership of powerful stations in the most important markets increases the dominant position of the networks in the radio picture, and also raises a problem of conflict of interest, in that the networks may concentrate their efforts on promoting the sale of time over their own stations rather than over the network as a whole.

The two largest networks deny that there is any such conflict of interest, and argue that the control of station operations at key points is indispensable to their stability.

The last draft, numbered 7, concerns the right of station licensees to reject programs offered by the networks.

Two of the principal briefs, and in particular that of the National Broadcasting Company, stress the existence of a supposed conflict between the Report of the Chain Broadcasting Committee, and the Report of another committee of the Commission which conducted the proceedings and, early in 1939, submitted a report which resulted in regulations governing standard broadcasting. There is no such conflict, for at least one good reason -- the two committees were considering different subjects.

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#### OUR SHORT-WAVE RECEPTION POOR IN CUBA

It is reported by Asst. Commercial Attaché Charles S. Ducote, stationed at Havana, to the Bureau of Foreign and Domestic Commerce that short-wave reception from the United States and Europe is only partially satisfactory. Fading is usually bad, and reception seldom good for more than 2 hours of the time any particular frequency is used for Cuban reception. European stations are in general received more effectively than American. In the 49-meter band reception is poor at all times, and is marked by a high noise level. The 32-meter band is fairly satisfactory, especially after 7 or 8 P.M., the 25-meter band after 6 P.M., and the 19-meter band through the day up to 5 or 6 P.M. Reception on the medium band is good, from Cuban stations and from other North American stations on channels not used by Cuban stations. Many Cuban stations broadcast on broad bands, however, and few channels therefore are entirely clear for distant reception.

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## FCC MONOPOLY COMMITTEE REPORT HIT

A large number of brick-bats were thrown by counsel for the National Broadcasting, the Columbia Broadcasting System and the Independent Radio Network Affiliates at the Federal Communications Committee report seeking to formulate regulations to curb the networks. An idea of the tone of the objections to the report may be gained by the opening remarks of Phillip J. Hennessey, NBC counsel, first of the network spokesmen to be heard, when the hearing began yesterday (Monday) morning.

"It is our conclusion that this report is inaccurate, distorted", Mr. Hennessey declared, "and contains conclusions unwarranted ~" And as the speaker started to say a few other things, no doubt equally complimentary, he was interrupted by Chairman James L. Fly who suggested that he omit generalities. A little later, nevertheless, Mr. Hennessey referred to a financial portion of the report which contained an allegation that the NBC had lost a large amount of money on account of bad debts as a "statistical monstrosity". Sitting beside Mr. Hennessey and directing the presentation was Judge A. L. Ashby, Vice-President and General Counsel for NBC.

Mr. Hennessey said Congress did not confer on the FCC authority to enforce the anti-trust acts against broadcasters.

"Should the Commission consider the monopolistic element in granting licenses?" Chairman Fly asked.

"It should not", replied Mr. Hennessey.

The speaker asserted that the American system of broadcasting is rendering the world's finest service in broadcasting but that the proposal would greatly restrain it.

"If you adopt these rules and regulations, or anything like them", he said, "you will destroy the American system of broadcasting and dislocate the whole equilibrium of radio in relation to other advertising media."

Criticizing the Mutual Broadcasting System, which has sided with the FCC in some of its findings, Mr. Hennessey said:

"The Mutual brief argues not the virtue of the FCC report but rather of the short-comings of NBC and Columbia. It is strangely silent though on who owns Mutual. It is assumed that behind WGN is the powerful Chicago Tribune and WCR, R. H. Macy & Company, and so on."

"Do you think the name of every stockholder should be shown?" Commissioner Frederick I Thompson inquired.

"I do", was the reply.

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Rejection of the report was recommended by John J. Burns, counsel for CBS, who supported the position of Mr. Hennessey. Mr. Burns argued at length constitutional questions involved by his contention that the suggested regulations not only were destructive in character but beyond the power and authority of the Commission to promulgate. He said the Commission can regulate only the physical side of broadcasting.

Mr. Burns added that he saw in one of the suggested recommendations an effort on the part of the Commission "to smuggle in the regulation of advertising rates".

Paul Segal, as attorney for the Independent Radio Network Affiliates, said that his group is opposed to all of the suggested regulations on the ground that they are "undesirable rather than illegal".

He argued that the affiliates did not desire to see networks ham-strung and he predicted that if the regulations were adopted that they would discourage the formation of new chains rather than provide greater competition.

"We oppose these regulations in their entirety", Mr. Segal said. "This is because the regulations deal with the business of broadcasting as distinguished from allocation and licensing."

Each witness was asked by Chairman Fly to suggest methods of enlarging the present opportunities of the Mutual Broadcasting System, which has approved substantially all the basic recommendations of the Committee, without sacrifice or interruption of other services.

Mr. Hennessey suggested, as two possibilities, the organization of networks through the licensing of additional stations within the present allocation setup, and the use of new facilities. Also, though he did not recommend it, he mentioned the breakdown of clear channels, which he said would do more harm than good.

Mr. Burns said he had no suggestions to make, and Mr. Segal said that Mutual already had demonstrated its ability to hold its own effectively in competition with older networks, and "if left alone will continue to expand and prosper in ever increasing degree."

"We believe it to be to the basic interest of the Mutual affiliates, just as it is to the affiliates of the older networks, to resist the intrusion of detailed Federal regulation of the network-affiliate relationship", Mr. Segal declared.

Joseph Raug, Jr., Assistant Counsel of the FCC had stated earlier in the hearing that there were no legal obstacles to prevent the issuing by the Commission of regulations to place restraints on chain organizations. Network counsel agreed that exclusive contracts, which would be forbidden under the proposed regulations were a fundamental of any competitive business, in no way harmful as between network and affiliate but of benefit to both and to the listening public.

Yet to be heard at this writing were the Mutual Broadcasting System, Don Lee, and others.

## DEFENSE BOARD ADVISORY COMMITTEE INVITATIONS EXTENDED

Executives of eight leading communication companies have been invited by the Defense Communications Board to constitute the latter's Industry Advisory Committee in connection with coordinating and preparing plans for the role of communications in the preparedness program. The officials to whom such invitations have been sent are:

Walter S. Gifford, President of the American Telephone & Telegraph Co.

Jack Kaufman, Executive Vice-President of Globe Wireless, Ltd.  
Sosthenes Behn, President of the International Telephone & Telegraph Corp.

Joseph Pierson, President of Press Wireless, Inc.

David Sarnoff, President of the Radio Corporation of America

W. E. Beakes, President of the Tropical Radio Telegraph Co.

R. B. White, President of the Western Union Telegraph Co.

E. F. Chinlund, President, Postal Telegraph Co.

The duties of the Industry Advisory Committee include the submission of expert advice to the Board on all problems of general concern to the communications companies incident to the proper carrying out of the Board's national defense mission. With the requirements of national defense as a primary consideration, the Industry Advisory Committee will submit recommendations to the Board on such problems as are referred to it by the Board. The Industry Advisory Committee will report directly to the Board but will have liaison for the purpose of advice and consultation with a Coordinating Committee and a Labor Advisory Committee.

In addition to their own particular Advisory Committees - Domestic Broadcasting and International Broadcasting - the broadcasters may also be represented on the Industry Advisory Committee under the following supplemental provision:

"Whenever a problem involving domestic or international broadcasting shall arise, the Chairman of the Industry Advisory Committee shall notify the Chairman of the Domestic Broadcasting Committee or International Broadcasting Committee, as the case may be, and such Domestic or International Broadcasting Committee shall designate a delegate to act as a member of the Industry Advisory Committee on that problem."

At the same time the Board sped organization of its Labor Advisory Committee by inviting the following organizations to each recommend a member of this Committee to represent their respective affiliated communications groups:

American Federation of Labor  
Congress of Industrial Organizations  
National Federation of Telephone Workers.

Each of these committee members has the privilege of selecting such advisors as he may deem necessary. The Labor Advisory Committee will advise the Board on communications labor matters incident to the national defense, in liaison with the Industry Advisory and Coordinating Committees.

Also, the Board invited the National Association of Broadcasters to nominate a representative to the International Broadcasting Committee, and Western Radio Telegraph Company, Bartlesville, Oklahoma, to appoint a representative to the Radio-communications Committee.

The above invitations are in addition to those announced November 25. Besides the Committees mentioned, there are other Committees representative of Amateur Radio, Aviation Radio, Inter-department Radio, Telegraph, Telephone, State and Municipal Facilities, and Government Facilities. All appointments to these advisory committees are pursuant to nomination or other recommendation by industries and groups concerned, on invitation from the Board. The initial task of the committees is to organize and select respective chairmen and secretaries.

James L. Fly, Chairman of the Board, explains that committee listing is not to be interpreted as exclusive, and that any responsible company or group which may consider itself overlooked can obtain representation upon adequate showing that it is concerned with the Board's planning for emergency coordination of radio, wire and cable facilities.

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#### URUGUAY DEMAND EXCEEDS SUPPLY

In view of the severe foreign exchange restrictions now in force which serve to handicap imports of sets and parts, the demand for radio sets and equipment in Uruguay is greater than the supply, Vice Consul Hector C. Adams, Jr., of Montevideo reports through the Bureau of Foreign and Domestic Commerce. No census of radio receiving sets in use is available, but the number is estimated at 145,000 to 155,000. It is further estimated that the average normal annual sale of receiving sets numbers 20,000. The growing restrictions of imports caused by exchange control were expected to limit the sales in 1939, but it is now estimated that they reached 22,000 and that 1940 sales about equal the 1939.

Imports of American radio receiving sets fell severely in 1939, dropping to 14 percent from 61 percent in 1938. Imports from the Netherlands practically doubled their percentage. The percentage of American parts, except tubes, increased to 54 in 1939 against 40 in 1938, although the value fell a third. The position of the United States as a supplier of radio tubes remained the same in 1939 as in 1938, both with regard to value and percentage of the total. The reputation in Uruguay of American sets and tubes is excellent and they are considered far superior to European sets and tubes, both as regards value and performance and

durability. The only reason American radio equipment does not dominate the Uruguayan market entirely is the restrictions on exchange.

Whereas the large percentage of sets came from Europe before the war, and even during the first half of 1940, the United States is now the country of origin of nearly all. Imports of sets are more than holding up during 1940, being at the rate of 23.8 percent above 1939. The United States share of the total rose from 14.0 percent in 1939 to 34.1 in the first 8 months of 1940 and will be higher for the entire year. The Netherlands share rose from 47.7 to 59.9 percent.

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::: TRADE NOTES :::  
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A 10 percent increase in sales so far this year over the same part of 1939 and a "present backlog of orders 400 percent greater than at this time last year" were reported for the Stromberg-Carlson Telephone Manufacturing Company at Rochester, N.Y., by its President, Wesley M. Angle. Plans were under way, he added, "for an ambitious program in the radio division", which is active in the frequency modulation field.

Blevins Davis, NBC Supervisor of Educational Programs, will preside over the radio section of the annual convention of the American Education Theater Association and National Teachers of Speech, in Washington, December 31.

For the year to date, newspaper lineage is up about 2 percent, magazines about 4 percent and radio about 16.5 percent, according to the New York Times. Newspapers and magazines are obviously lagging behind retail advertising figures while radio is considerably ahead.

WOR last week began broadcasting holiday-season announcements calling listeners' attention to the fact that the Radio Servicemen of America will gladly call for old unused radios, recondition them, and deliver them without charge to charitable institutions. Charitable organizations wanting reconditioned radios were advised to communicate with WOR, which will transmit the requests to the RSA.

A report on the radio situation in Tonga by Consul George Bliss Lane was issued in the "Radio, Telephone, Telegraph" Bulletin of the Bureau of Foreign and Domestic Commerce.

The Gilfilian Bros., Inc., radio plant was destroyed by fire last Saturday with a loss estimated by Fire Department officials at \$300,000. Seventeen fire companies, comprising 90 men, fought the blaze for two hours.

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## ROY C. HOPGOOD, I. T. &amp; T. PATENT ATTORNEY, DIES

Roy C. Hopgood, 54, General Patent Attorney of the International Telephone & Telegraph Corporation, died last week at East Orange, N.J. General Hospital after a brief illness. Mr. Hopgood served the telephone industry for 31 years as cable engineer and patent attorney for the Western Electric Company in Chicago and New York and for the past five years as General Patent Attorney for the I. T. & T. System.

Mr. Hopgood was appointed General Patent Attorney for the I. T. & T. System in 1936. He was regarded as one of the most astute lawyers in the patent field relating to electrical communications and was widely known and well liked in the communications industry in Europe as well as the United States.

He is survived by his widow, Mrs. Margaret Brown Hopgood, and two sons, Roy C. Hopgood, Jr., and Robert B. Hopgood, all of Glen Ridge, New Jersey.

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## ZENITH ANNUAL PROFIT UP TO MILLION

Zenith Radio Corporation reports a consolidated operating profit for the first six months ended October 31, 1940, of its current fiscal year amounting to \$1,158,872, after depreciation, excise taxes and liberal reserves, but before provisions for Federal income taxes, as per the company's books. This amounts to \$2.35 per share on 492,464 shares outstanding.

"Assuming the present tax law will not be changed with respect to 1940 earnings, this profit would be subject to the present normal Federal income tax but not to excess profits tax in view of the company's annual average gross earnings over the past four years amounting to approximately \$1,400,000.00 per year", Commander E. F. McDonald, Jr., President, reports.

"Unit shipments during the six month period were the largest for any similar six month period in the company's history. Unfilled orders at October 31 and new orders received subsequently are sufficient to maintain the present rate of production until Christmas."

Deliveries of automobile radios to automobile manufacturers with whom the company has contracts are greater this year by a substantial margin than in any previous year. The company's new foot controlled radio, which was shown to the public for the first time at the New York Automobile Show, is being most enthusiastically received.

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J. H. Lee

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No. 1287

C. S.  
J. H. Lee

## MONOPOLY SPLITS FCC BUT EARLY REPORT HOPED FOR

As far apart apparently as they were before the hearings on the oral arguments began, the members of the Federal Communications Commission are now nevertheless hard at work in an effort to reconcile their differences and to have the so-called Monopoly report on whether regulations should be enacted governing chain broadcasting, ready for the new Congress when it convenes in January. There may be further delay but the Commissioners are evidently in the mood to do their "dearest" to get the report to Congress which has already accused the Commission of stalling before the gentlemen on the Hill hurl any more over-ripe tomatoes at them. Although the two day FCC hearings of legal arguments on the monopoly report were finished on schedule time, final action cannot be taken until consideration has been given to additional briefs which may be filed until Monday, December 16.

The two big questions which are causing internal strife are (a) does the Communications Act give the Federal Communications Commission such commercial jurisdiction as the much discussed Monopoly report would have it take in, and (b) if it does, how shall it exercise that power?

It is the contention of one faction among the Commissioners that they very definitely do not have the power. If the Commission assumed jurisdiction that, it was pointed out, it would find itself dangerously close to the business side of chain broadcasting and in direct contact with the Supreme Court ruling in the Sanders' case which declared that the Act gives the Commission no control over the business of the stations or of their management or policy. It was further argued that if the chains were guilty of a monopoly that the FCC should turn over its evidence to the Department of Justice with the suggestion that anti-trust proceedings be inaugurated. It would not, in the opinion of those holding that belief, be up to the FCC to decide the guilt.

If the Commissioners decide they have the power to act to curb an alleged monopoly, then as one official put it "they must decide how to use this power intelligently and not in a way to destroy radio".

It was the opinion of one of the lawyers representing the chains in that a majority of the Commissioners favored some sort of restriction of the activities of the chains and that they believed they had the power to do it. He said he believed some regulations on contracts might be recommended in the final report. This man declared, however, that the recommendations in the Committee report were much more severe and went much farther than most of them would want to go. After all, he concluded, the Committee report was simply something to shoot at.

It was learned on excellent authority that there wasn't a chance of the Commission adopting the Committee report as it now stands. "This report is too full of errors", he added, "and will be entirely rewritten."

Louis G. Caldwell, counsel for the Mutual Broadcasting System, following representatives of NBC and CBS who had been heard previously, expressed the opinion that the Commission has the authority to enact regulations governing chain broadcasting. Mr. Caldwell insisted that affiliated stations should be kept free of network or contractual relations. The Counsel favored regulations designed to prevent interference and the development of monopolies.

There should be such restraints, Mr. Caldwell told the Commission, and for the "public interest, convenience and necessity", they should be imposed by the Commission in the exercise of its obligation under the Communications Act; but he criticized as too far-reaching and "unnecessarily prolix" the draft proposals presented for discussion on the basis of network inquiry by the Commission's Monopoly Committee.

"The situation is not serious, nor are serious difficulties involved in larger cities", Mr. Caldwell said.

At the request of the Commission and for the correction of evils which he argued had resulted from holdings of major chains of station facilities in strategic marketing areas, Mr. Caldwell submitted suggested special regulations applicable to standard broadcast stations engaged in chain broadcasting. The proposals were listed under the following heads: "Definitions", "Licensing of Standard Broadcast Stations to Network Organizations", "Contracts Between National Network Organizations and Station Licensees" and "Contracts Between Regional Network Organizations and Station Licensees".

The Mutual Broadcasting System sought to buy contracts of certain affiliates of the National Broadcasting Co. Blue network about a year and a half ago, the FCC was informed by Philip J. Hennessey, counsel for NBC, during rebuttal arguments on the Monopoly report. He said the sale, if consummated, would have left the network without sufficient stations to carry on a chain.

Questioned as to the reason for NBC maintaining an Artists' Bureau for retaining the exclusive services of talent, Judge A. L. Ashby, General Counsel for NBC, said the company found many problems in the artists' service field. For example, he said a program for services of an artist will be sold and later it would develop that the artist had sold his time to some one else. He said that artists sought the services of the Bureau voluntarily and that there were 200 other organizations they could choose to handle their services.

Speaking for the Associated Music Publishers, Inc., W. C. Herdman told the Commission that his organization approved all the draft regulations advanced by the network inquiry committee as a basis for discussion.

Ben S. Fisher, representing the Association of Radio Transcription Producers of Hollywood, Inc., urged further modification of FCC regulations respecting transcription announcements by omitting announcement at beginning of transcribed programs.

Transcriptions, Mr. Fisher said, are the life blood of small radio stations and their only remedy against competition from networks and larger stations.

Martin Gang, of Independent Artists Representatives, asked the Commission to take steps to keep the networks from destroying free competition in the artists' agency field. He declared that the establishment of Artists' Bureaus by the networks constituted unfair competition and threatened to destroy the independent bureaus.

Waddill Catchings, Chairman of the Board of Associated Music Publishers, Inc., commended the Monopoly report but expressed the opinion that it does not go far enough. He admitted that chain broadcasting was performing a good service, but he contended that because it is dominated by NBC and CBS, it constitutes a monopoly.

The two networks, he charged, have a stranglehold on the industry by being able to make a "package offer" of talent and time or transcriptions. He argued that the FCC should not allow broadcasters to engage in the transcription business.

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FLAMM REPORTED SELLING WMCA FOR \$1,000,000

There was no comment at the Federal Communications Commission regarding the report that Donald Flamm had sold WMCA in New York for \$1,000,000 to a group headed by Edward J. Noble, former Under Secretary of Commerce. The record showed, however, that an application had been received from the Knickerbocker Broadcasting Company, operators of WMCA, for transfer of the corporation from Mr. Flamm to Mr. Noble, along with 100 shares of common stock. Mr. Flamm was quoted in New York as saying that he wouldn't issue any statement while the approval of the petition was pending before the Communications Commission.

Some political significance was attached to the deal owing to the fact that Mr. Noble was a strong backer of Wendell Willkie and his buying one of the largest broadcasting stations in New York was construed as another move on the part of Willkie's friends to strengthen themselves for the next campaign. Mr. Noble, a man of great wealth, having made his money through the manufacture of "Life Savers" candy, of which corporation he is still Chairman, and a Republican, was appointed Under Secretary of Commerce by President Roosevelt when Harry Hopkins became Secretary.

Mr. Noble had previously served as Chairman of the Civil Aeronautics Authority. Mr. Noble resigned just before the campaign

to run for the Senate in Connecticut and to work for Wendell Willkie. It was pointed out that WMCA might prove very useful for Mr. Noble to keep in touch with his friends in Connecticut in case he should decide to run for the Senate again, as the station is heard very well in that area.

Like Willkie, Mr. Noble served in the World War. He is 58 years old, a graduate of Yale, and a member of the Industrial Advisory Committee of the Federal Reserve Bank of New York.

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### ~~CHARGES FCC GOING BEYOND AUTHORITY~~

Hammering away on the argument that the Federal Communications Commission network investigation Committee has no jurisdiction over the business end of radio, Senator Gurney (R.), of South Dakota, declared in the Senate:

"What is our country coming to when a Commission proposes regulations in excess of its authority, though it has made no finding of abuses? To the contrary, the public appreciation of the service rendered by the networks is probably greater and more widespread than the public appreciation for any other industry.

"How does the Commission, in proposing these rules, square its thinking with the decision of the Supreme Court of the United States given in the Sanders Brothers case only a year ago, in which it said:

"But the Act does not essay to regulate the business of the licensee. The Commission is given no supervisory control of the progress of business management or of policy.'

"And how does the Commission square its thinking with the statement it made in its brief in the Supreme Court case I have just mentioned, when it said:

"But the Act confers on the Commission no jurisdiction whatsoever on the business in connection with which the transmitting equipment is used.'

"How does the Commission square its proposals with the further statement of the President of the United States in his letter of only last Tuesday to the broadcasting industry congratulating it on its twentieth anniversary? In that letter the President said:

"Your Government has no wish to interfere or hinder the continued development of the American system of broadcasting. Radio was born and developed in the real American way, and its future must continue on that basis."

Senator Gurney's interest in radio is that he formerly owned Station WNAX, at Yankton, S. D.

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12/6/40

## McGRADY CALLED TO HELP END DEFENSE STRIKES

Turning to him as perhaps the one man who could do the job, Secretary of War Stimson has enlisted the services of Edward F. McGrady, former Assistant Secretary of Labor, now Vice-President in Charge of Labor Relations for the Radio Corporation of America, to help put an end to the airplane factory and other National Defense project strikes which have so seriously been embarrassing the Administration. Mr. McGrady nominally will have the title of Consultant on Labor Matters to Secretary Stimson.

In reality Mr. McGrady, who has been released from part of his RCA duties by David Sarnoff and will serve the Government without pay, will be the War Department's No. 1 Trouble Shooter. In this capacity he will be right at home, having been a labor trouble shooter for the past 40 years. His biggest task in this line was when he was Assistant Administrator of the NRA, when his understanding of the labor point of view and direct approach enabled him to settle labor disputes in the field.

Mr. McGrady is expected to work in with Sidney J. Hillman, labor member of the National Defense Advisory Commission.

Mr. McGrady worked as a newspaper pressman in Boston, became President of the Boston Printing Pressmen's Union and later was elected President of the Boston Central Labor Union and the Massachusetts State Federation of Labor.

For many years he played a large part in the organizational and legislative work of the American Federation of Labor. He is the author of the Toledo Peace Plan for averting labor strife through employer-employee cooperation.

He was called to a post similar to his new one when he became Special Adviser on Labor Relations to Secretary Baker in 1917 and 1918.

Besides his governmental work under Secretary Perkins and General Hugh S. Johnson, Mr. McGrady, earlier in his career, was a member of the Boston Common Council and of the Massachusetts House of Representatives.

In recent years Mr. McGrady frequently has advised the War Department on labor relations and has often lectured at the Army Industrial College.

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## FCC OUTLINES ADMINISTRATIVE PROCEDURE

The Federal Communications Commission has just issued a 12-page statement of that body's administrative procedure. It begins by explaining that the Federal Communications Commission is composed of seven Commissioners appointed by the President, subject to Senate advice and confirmation. The President also designates the Chairman. The normal term of a Commissioner is seven years. A Commissioner is not permitted to engage in any other business during such tenure. Under terms of the creative act, "not more than four Commissioners shall be members of the same political party".

The Commission functions as a unit in administrative matters. It retains direct supervision of all activities but delegates certain routine responsibilities. Committees, consisting usually of three members, have made special studies and supervised particular undertakings. A case in point was the report last June by such a committee which investigated chain broadcasting methods. As the result of two years of inquiry, this committee rendered a 13000-page report. The latter was based upon more than 10,000 pages of testimony and nearly 800 exhibits, obtained largely through hearings which continued for 73 days.

The Commission normally holds at least two en banc meetings each week. On Tuesdays it acts on various matters relating to radio, and telegraph and telephone. At such time the Commission considers -

Applications for construction permits for new stations or modifications of existing construction permits or licenses involving changes in frequency, power, transmitter and studio sites, or change in name of licensee.

Applications for voluntary or involuntary control of company or corporation holding license.

Also, Petitions for rehearing; Dismissal of applications; Retiring of Applications to closed files; Adoption of new rules or amendments to existing rules; Suspension of amateur or operator licenses; Authority to supplement existing facilities of telephone or telegraph companies; Extension of temporary authority to common carriers to communicate with foreign countries; Other common carrier matters, such as investigation and suspension of tariffs, and Admissions to practice.

On Wednesdays the Commission acts on docket cases, that is to say, cases which have been accorded public hearings. Where the Commission, upon examination of a particular broadcast application, is unable to determine that a grant will serve the public interest, the case is designated for formal hearing upon specific issues, and all persons interested are given opportunity to be heard. After a hearing has been held, "Proposed Findings of Fact and Conclusions" are issued by the Commission. The parties are allowed additional time in which to file exceptions and to request

oral argument before final decision is made. If no exceptions or requests for oral argument are received, the Commission generally issues an order adopting and making effective its proposed decision. If exceptions are filed, the Commission may, after oral argument, affirm, modify, or reverse the proposed findings. This is the final determination unless there is a petition for rehearing or unless there is litigation.

The work of the Special Commission Board is defined. Also that in addition to en banc meetings, the Commissioners individually preside at particular hearings when designated to do so by the Commission. Each month the Commissioners, in rotation, are allocated other specific duties. These assignments are changed, thus permitting each Commissioner to be directly informed on various phases of Commission activity, at the same time conserving the principal portion of each Commissioner's time for consideration of matters involved in action by the Commission as a whole. In any month one Commissioner will act upon applications for requests for special temporary broadcast authorizations. Another will consider motions or petitions in cases designated for formal hearing, final disposition of which is, of course, reserved for the Commission as such.

The functions of the Law Department, Engineering Department, Accounting, Statistical and Tariff Department and the Secretary's Office are set forth in great detail. It concludes with an explanation of the hearings and motions docket in part as follows:

The Communications Act requires that the Commission grant radio authorizations without hearing if it is able to determine from the information before it that the authorization would serve public interest, convenience and necessity. Under present practice, when the Commission is satisfied from the information before it that a grant is warranted, it proceeds to authorize the issuance of the license, which grant is final rather than conditional in its terms. The rules fully protect the interests of persons other than the applicant by providing for the filing of petitions for reconsideration within a 20-day period. The Commission then undertakes the burden of determining and specifying the controversial issues and on which the result of the hearing must depend. In order to save time and money, both for the applicant and for the Commission, effort is now made to eliminate issues which would unnecessarily complicate the hearing.

The Commission's rules now require all parties who desire to appear in opposition to an application to file petitions to intervene, by means of which their interests may be tested, and parties are required to make a showing that the requested intervention will be in the public interest.

In 1939 the Commission made provision for the holding of oral argument on all interlocutory motions, pleadings and matters of procedure which arise in cases pending before it. These interlocutory matters are now placed on a Motions Docket presided over by an individual Commissioner, which is called Friday of each week. Provision has also been made for the disposition in chambers of emergency motions, after proper notice to all parties.

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12/6/40

## FORT INDUSTRY ESTABLISHES TOLEDO RADIO CENTER

The first move in a plan to establish a radio center in Toledo was made recently when The Forst Industry Company, operators of WSPD, moved its executive offices into the firm's own building at 136 Huron Street.

The building was purchased by The Fort Industry Company as the first step in a program to centralize the broadcasting activities of WSPD and the operations of The Fort Industry Co., which controls five other stations, under one roof.

Thus far, only J. H. Ryan, Vice-President of The Fort Industry Co., and General Manager of all stations, and his Accounting Department have moved to the Broadcast Building. The studios and general offices of WSPD, which have been located atop the Commodore Perry Hotel for a number of years, will also occupy the Broadcast Building within a year.

Mr. Ryan's office, with that of George B. Storer, President, the accounting offices and an audition room are situated on the Broadcast Building's second floor. WSPD's studios and offices will eventually be located on the first floor. The remaining offices will be planned to let to tenants whose business is allied to the industry.

The Broadcast Building has been completely remodeled, outside and in. General architects were Mills, Rhines, Bellman & Nordhoff. Executive offices were designed by Robert Deigert, Toledo architect. Furnishings by Stow-Davis, Inc., Grand Rapids, Mich.; F. S. Myers and Son Furniture Company, Toledo; J. F. Bennett Studios, Toledo.

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## STATION WAR OPENED TO AMATEURS

Radio amateurs can communicate now with Station WAR, the War Department's radio net control station, during certain specific periods, it was announced. The program will expand activities of the Army amateur radio system, which would be utilized in an emergency.

Station WAR will use a 4,025 kilocycle frequency every Tuesday, Wednesday, Thursday and Friday between 7 and 8 P.M., EST, to communicate with amateurs on the 3,500-4,000 kilocycle frequency band.

WAR will operate on 13,320 kilocycles between 10 and 11 P.M. on the same nights to pick up calls from the amateurs on 14,000-14,400 kilocycles.

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## SEVEN STATIONS GRANTED POWER INCREASES

Power increases have been granted to Station WFEA, Manchester, N. H., from 500 watts to 1 KW., WBIG, Greensboro, N.C., 1 to 5 KW; WNAX, Yankton, S. D., 1 to 5 KW; KSRO, Santa Rosa, Cal., 250 watts to 1 KW.

Also, WTRY, Troy, 950 watts to 1 KW; KGEZ, Kalispell, Mont., 100 watts to 1 KW, and KUTA, Salt Lake City, 250 watts to 1 KW.

Power increases have been applied for by KDRO, Sedalia, Mo., which seeks 1 KW; WAKR, Akron, Ohio, 5 KW; WMBR, Jacksonville, Fla., 10 KW., and KLCN, Blytheville, Ark., 1 KW.

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## RULES WAIVED FOR DRAFTED RADIO OPERATORS

As a particular convenience to licensees drafted or otherwise called into military service, the Federal Communications Commission suspended until January 1, 1942, that part of its rules and regulations requiring proof of satisfactory service in connection with renewal of commercial and amateur radio operators. This blanket exemption pertains to nearly 100,000 operators of both classes.

General waiver of these provisions was considered at a conference of Commission officials with representatives of interested labor organizations, including the International Brotherhood of Electrical Workers, Commercial Telegraphers Union of North America, American Communications Association, Maritime Committee of the C.I.O., National Federation of Telephone Workers, Federation of Long Lines Telephone Workers, and the Association of Technical Employees of N.B.C.

The controlling factor in the formulation of this broad and simple procedure was the mutual desire to relieve those called into service of routine details. The Commission is aware of the importance of maintaining the present high standards of proficiency of licensed operators, and also of guarding against a shortage of such skilled workers. It will, accordingly, continue to give these problems careful attention, and should experience indicate the need for change the Commission will act accordingly.

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!!! ----- !!!  
!!! TRADE NOTES !!!  
!!! ----- !!!

The Colonial Broadcasting Company at Norfolk, Va., has applied to the Federal Communications Commission for a new station to be operated on 1200 kilocycles, 250 watts, unlimited time.

The Columbia Broadcasting System has been granted special temporary authority to transmit Sunday concerts of N. Y. Philharmonic Orchestra to Mexican Station XEQ and other stations located in the Republic of Mexico.

Station KFBC, Cheyenne, Wyoming, becomes an affiliate of the National Broadcasting Company December 7. KFBC joins the Blue Mountain Group as a bonus outlet, bringing the total number of NBC affiliates to 219 as of December 15.

Two new stations will go on the air soon, one at Lawton, Okla., operated by Willard Carver, and the other at Harlan, Ky.; Blanfox Radio Company. Both will be 250 watters.

The Commission has amended its Rules Governing Coastal and Marine Relay Services (Part 7) and Rules Governing Ship Service (Part 8), effective March 1, 1941.

The NBC Radio-Recording Division has just released, with its regular weekly Thesaurus continuity, a special script for a series of thirteen fifteen-minute participation shows entitled "The Christmas Calendar." Program is timed to include three minutes of copy, eight-and-a-half minutes of music, and three one-minute commercials.

WOR was awarded one of the 1940 plaques for "Showmanagement" by the trade publication Variety. "Showmanagement" is defined as "the art of shrewdly blending the best practices of modern business 'management' and 'showmanship' in terms of the public, the Government, and the advertiser."

Robert Henderson of the NBC News and Special Events Department, a Lieutenant Senior Grade in the Naval Reserve, is the first NBC employee to be called for duty.

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## PHILIPS RADIO PUTS NEW PORTABLE ON THE MARKET

The Philips Radio N.V., of Eindhoven, has recently brought on the market a new portable 4-tube set, Model 122 A-B-C, which is constructed for universal AC-DC and battery operation, U. S. Consul George R. Carty, of Amsterdam, reports through the Bureau of Foreign and Domestic Commerce. There are two operating knobs, one for tuning and the other for both volume regulation and contacting. It has a tuning range of 200 to 595 meters.

The set weights 6 kilograms, including batteries, and is 28 c.m. high, 26.7 c.m. wide, and 18 c.m. deep. It retails for 75 florins, including batteries.

According to the local press, the case has been fitted for use abroad by a special paint process. The tubes have been especially designed in the Philips' laboratory so as to operate on a very small current apparatus, which is entirely adapted to the sensitive superheterodyne, while the quality of reception may be enhanced through the use of a common antenna connected to the set.

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### NEW PUBLIC NOTICE NUMBERING

Since the recent revision of the Federal Communications Commission's mailing list, it appears that Public Notices of actions taken by the Commission on broadcast, telephone and telegraph matters, now numbered consecutively, should be segregated into two separate series.

Therefore, as a convenience to keeping such record, starting December 2, Public Notices of actions taken on broadcast matters were designated as follows: ACTIONS OF THE COMMISSION, Report No. 1 (Broadcast). The same system will apply to Public Notices of actions on telephone and telegraph matters, i.e., ACTIONS OF THE COMMISSION, Report No. 1 - (Telephone and Telegraph).

The last report which will appear under the old system of numbering was No. 1210.

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"What procedure should be followed in the event of the death of a station licensee?" inquires a Chattanoogan. In such cases the administrator of the estate should make application to the Federal Communications Commission for an assignment of license to be exercised pending settlement of the estate. When the estate is settled, the administrator should make application for assignment of license to the party who is to carry on station operation.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

HEINL BROADCASTING COMPANY, INC.  
2400 California Street  
SAN FRANCISCO, CALIFORNIA  
TELEGRAMS: HEINL  
TELETYPE: 2140364

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No. 1288

December 10, 1940

PRINTERS WOULD TAX STATIONS GROSSING OVER \$25,000

A graduated tax of from 10 to 20% on the gross incomes of broadcasting station whose revenue is more than \$25,000 a year is said to have been one of the proposals in a four-point radio legislative program which it is understood the International Allied Printing Trades Association adopted at its recent meeting in New Orleans. It was assumed that the stations grossing less than \$25,000 annually - 175 in number - were mostly educational and non-revenue producing - and for these the Printing Trades did not advocate a tax. Enactment of Congressional legislation levying a 10% tax was suggested, however, on stations whose annual gross was more than \$25,000 but less than \$100,000. A fifteen percent tax was advocated on a gross of a station earning more than \$100,000 but less than \$500,000, and twenty percent on a gross in excess of \$500,000.

The Printing Trades, which believe radio profits should be taxed because of the inroads it has made on the advertising revenues of newspapers and magazines, is understood to feel that the proposed tax would not be too hard on the stations. It is said to have been based on the profits the stations themselves reported to the Federal Communications Commission. The assertion was further made that even after paying from 10 to 20 percent tax, the stations would still make a substantial profit on capital invested.

John B. Haggerty, President of the Allied Printing Trades' Association sometime ago declared that radio advertising which in 1929 received but 3 cents of the advertising dollar, in 1939 received directly some 19 cents of the advertising dollar. For 1939, newspapers received 16 percent less, magazines 17 percent less and farm papers 50 percent less of the advertising dollar than they received in 1919. Where the newspaper and magazine advertising was reduced millions of dollars, the direct income of radio broadcasting increased from \$40,000,000 in 1929 to \$170,000,000 in 1919, he asserted.

Mr. Haggerty sounded a call to arms to the printers on this because of what he said was the already substantial loss of printers' jobs, the threatened increased loss of job opportunities, and because the loss of advertising revenues will ultimately mean retarding efforts of those employed by the printed word to secure better wages.

The second point in the four-point radio legislative program adopted by the Allied Printing Trades at New Orleans was understood to be a definite restriction by Congress on the sale of radio time for commercial purposes. The printers would request that hereafter such time be limited to 25%. Again it was argued that even with this restriction the radio stations and networks would still be able to make a handsome profit.

The third point in the Printing Trades program was that the FCC rule which restricts the number of television and FM licenses given to any group be extended to all radio licenses - that no group be allowed to have more than three licenses.

Point four in the New Orleans program was that Congress enact legislation restricting the issuing of radio station licenses to persons other than those residing in the locality in which the stations are located. The assumption here is that people who actually live there are better able to understand the local needs and thus to better serve the public interest.

The New Orleans convention of the International Printing Trades Association did not declare for government ownership of radio. Copies of the four point radio legislative program will be placed in the hands of every Senator and Representative in the new Congress and it is understood will be vigorously followed up in other ways.

This is all in line with the declaration of Mr. Haggerty last September who, speaking at the Golden Anniversary of the International Printing Pressmen in Tennessee, foreshadowed the waging of a bitter fight upon radio by the printers. He called radio advertising the Frankenstein of printed publications that deprived thousands of printing trades workers of their jobs. Mr. Haggerty declared that broadcast stations obtained a monopoly from the Government, for which they paid the Government nothing, and have received millions in profits. He further recommended that every union appoint a Radio Committee, and that that Committee, as well as local members of the union call the situation to the attention of the members of Congress. Mr. Haggerty concluded by announcing that the Allied Printing Trades Association had created a Committee on Radio, consisting of George L. Berry, President, International Printing Pressmen; Edward J. Volz, President Photo-Engravers International Union, and himself to act upon this matter.

The New Orleans action is, therefore, considered the initial move to bring the entire radio situation, insofar as it affects the printers, to the attention of the new Congress when it convenes next month.

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#### FCC REDEFINES "METROPOLITAN DISTRICT" TERM

The Federal Communications Commission amended the Rules Governing Standard Broadcast Stations last week by adding the following footnote:

"The term 'metropolitan district' as used in this subsection is not limited in accordance with the definition given by the Bureau of the Census but includes any principal center of population in any area".

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## NEW FM CALL LETTER SYSTEM DEVISED

To provide distinctive calls for FM (frequency modulation) broadcast stations, the Federal Communications Commission has adopted a new system of call letters with interposed numbers for this now commercially recognized broadcast service.

Under international agreement, to which the United States is a party, the first letter (in some cases the first two letters) of a call signal indicates the nationality of a station. The United States is assigned the use of three letters - N, K, and W. Hence the present domestic assignment of combinations beginning with these letters. Call letters beginning with N are reserved for the exclusive use of the Navy and Coast Guard. Call letters beginning with K are assigned to broadcast stations located west of the Mississippi River and in the territories. Call letters beginning with W are assigned to stations east of the Mississippi River. Any existing call letters not in accordance with this procedure is due to the fact that the station was licensed before the allocation plan was adopted.

Consequently, the first call letter of an FM station must be K or W, depending on its geographical location.

A second letter for an FM station will be assigned in alphabetical order (with exception of E, which will be reserved for non-commercial educational stations using frequency modulation) to each station on a given frequency as licensed, thus providing 25 stations in each area for a given frequency. If more than 25 stations are assigned on a given frequency, an additional letter will be necessary.

However, between the initial letter and supplemental letter (or letters) two numbers will be utilized. These numbers will indicate the frequency assignment. This is possible because all FM stations are in the 42,000-50,000 kilocycle band, and because all FM frequencies are assigned on the odd hundreds in kilocycles. Thus, the first figure and the last two figures of the frequency assignment can be dropped.

In addition, and where possible, the city or area will be indicated by the second letter of a combination of second and third letters. Letter combinations of this mnemonic character have been assigned to each of the metropolitan trading centers. Thus, stations in Boston will terminate with the letter B, while stations in New York City will terminate with NY. Similarly, stations in the District of Columbia will be identified with the suffix DC.

In brief, here is how the system works: W41B would indicate an FM station in the eastern section of the country (Boston) operating on the frequency of 44,100 kilocycles. By the same token K43ST would apply to an FM station in the western part of the United States (San Francisco) on the 44,300 kilocycle frequency.

The letter E in the alphabetical arrangement will identify non-commercial educational broadcast stations employing FM on the new high frequency broadcast band. Five channels (42,000 to 43,000 kilocycles) are available to these educational stations.

There is no international regulation to bar the use of this FM identifying system. In fact, a like principle is followed by Chile in assigning calls to standard broadcast stations in that country. The arrangement provides ample source of calls for future FM stations. It is about the only source of new call combinations which can be adapted, inasmuch as other types of calls are assigned by treaty to stations and services other than broadcast. It has the additional advantage of permitting identification of the frequency actually used, and for that reason should be popular with listeners as well as broadcasters.

Further, it will not disturb the approximately 15,000 remaining four-letter call combinations which are being assigned to the older services at the rate of between 40 and 50 a week. Even if this average does not increase, such a reservoir will not last more than six years. It should also be noted that under international treaty, ship stations have priority in the assignments of radio call letters from the four-letter group.

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#### FM APPLICATION FORM REVISED

The Federal Communications Commission last Saturday announced the adoption of a revised form of application for construction permit for a new high frequency (FM) broadcast stations, simplifying and clarifying the information requirements.

The new form (FCC No. 319, which is expected to be available within a few days, was adopted following a series of conferences with representatives of the industry. At the invitation of the Commission, a committee was formed to represent the National Association of Broadcasters, the National Independent Broadcasters, and a specially constituted FM Broadcasters Committee on Application Forms, as well as the Commission.

The result was not only simplification of the form so as to stimulate the development of FM broadcasting, but a better mutual understanding of the problems of the industry and the Commission in presenting and determining facts on which decision must be based. It was recognized that developments in this new commercial broadcast field may at some future time indicate the advisability of future changes in the form. The way was left open for meeting subsequent needs through like exchange of views.

Following completion of the committee's work and adoption of the revised form by the Commission, the following statement was made on behalf of the industry group: "We think the form has been greatly simplified and clarified from the point of view of the

applicant. It should be understood, of course, that in all our discussions we were not dealing with any fundamental questions as to the extent of the powers of the Commission. Our committee was well pleased with the results of the conference,"

The usefulness of joint discussion and cooperation was again demonstrated at the recent conferences. In this instance, it was possible to so far meet the views of the industry that the changes made were received with expressions of satisfaction by the participants. At the same time no requirement essential to furnishing information needed by the Commission in its licensing work was sacrificed.

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#### SEVEN NEW FM STATIONS TO COVER 50,000 SQUARE MILES

The States of Connecticut and Rhode Island, about half of Massachusetts, a section of southeastern New York State, part of Tennessee, and the Pittsburgh, Chicago and New York metropolitan districts are scheduled to receive regular FM programs from seven additional stations authorized by the Federal Communications Commission. The prospective service areas of these new stations aggregate nearly 50,000 square miles embracing more than 20,500,000 potential listeners.

The slice of New England referred to, plus southeastern New York including nearly all of Long Island, constitutes the 6,100 miles of territory with 1,118,000 population to be served by WDBC, Inc., of Hartford, Conn., through the medium of a transmitter located on the west peak of Meriden Mountain, near Meriden, that State. It will operate on 46,500 kilocycles.

Twelve million people are in the 8,500 square miles of the potential metropolitan service area of Metropolitan Television, Inc., and Bamberger Broadcasting Service, Inc., both of which received grants to broadcast from New York, the former on 47,500 kilocycles and Bamberger on 47,100 kilocycles. Metropolitan's transmitter will be atop the Hotel Pierre. Bamberger will have its station at 444 Madison Avenue.

Four and one-half million persons are in the 10,800 square miles of the Chicago area scheduled for service under grants to the National Broadcasting Co. and WGN, Inc. National Broadcasting Co., operating from the Civic Opera House, will use 46,300 kilocycles (or another adequate frequency). WGN will have a transmitter on a 485-foot downtown office building, using 45,900 kilocycles (or another adequate frequency).

About 2,100,000 persons will be in the 8,400-square-mile service radius of the Walker-Downing Radio Corp., which will operate from 341 Rising Main Street, Pittsburgh. This applicant will specify a frequency adequate for such coverage.

An area of 16,000 square miles, with 819,000 population, is to be served by the National Life & Accident Insurance Co., of Nashville, from a transmitter near Franklin, Tenn. This applicant will use 44,700 kilocycles.

These grants are in addition to those announced last month as assuring regular FM programs for Detroit, Los Angeles, Schenectady, Evansville (Ind.), Binghamton (N.Y.), Mt. Washington (N.H.), Baton Rouge, Columbus (Ohio), Salt Lake City, Milwaukee, Chicago and New York.

Applications by the Yankee Network and the Worcester Telegram Publishing Company to serve an identical widespread area from practically the same site near Worcester, Mass., on the frequencies 44,300 and 43,100 kilocycles respectively, were designated for joint hearing.

The FCC had previously voted, 4 to 2, in favor of an application of the Yankee Network, Inc., for a FM station at Paxton, Mass. This, it was said, would have given the Yankee chain FM coverage of the entire New England area and an advantage in obtaining income from advertisers in that section. Thus the FCC has reversed its decision which was criticized as granting a regional monopoly in the new frequency modulation broadcasting.

The original FCC action was taken by Chairman James L. Fly and Commissioners George Henry Payne, Paul Walker and Frederick T. Thompson. Commissioners Norman S. Case and T. A. M. Craven voted against granting the Paxton application without a hearing.

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#### MORE THAN 200 U.S. STATIONS BROADCAST IN FOREIGN LANGUAGE

Apropos the European war, there is more than passing interest in the fact that a total of 199 domestic radio stations now schedule broadcasts in one or more foreign languages, and 57 additional stations, while not now broadcasting in any foreign language, have done so in the past six months. These figures are revealed in an analysis of responses by broadcast stations to a recent questionnaire of the Federal Communications Commission.

Thirty-one foreign languages are represented on 1,721 current weekly programs, representing nearly 1,330 hours of foreign language programs a week. Approximately three-fourths of this broadcast time is in the Italian, Polish, Spanish, Jewish and German languages, the proportions decreasing in the order listed.

The smaller stations appear to predominate in the foreign language field, 108 of the 199 stations having power not in excess of 250 watts. However, a substantial number of the stations which devote a considerable amount of time to foreign language programs have greater power. There are 43 stations which broadcast 10 or more hours a week in one or more foreign languages.

A preponderance of the stations using foreign languages are located in areas with considerable foreign-born populations, and assert that broadcasts in native tongues are popular with their listeners and their advertisers.

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TO TRY BOTH BOSTON AND DENVER IN THE 830 KC. FREQUENCY

The 830 kilocycle frequency can be used for broadcast purposes at night in Boston simultaneously with its employment in Denver, the Federal Communications Commission holds in proposing to amend its rules to permit more efficient use of this frequency.

In proposed findings of fact and conclusions, the Commission proposes to grant the application of Matheson Radio Co., Inc., for a permit to increase the power of its station WHDH, at Boston, from 1 to 5 kilowatts for unlimited time operation on the 830 frequency, using directional antenna at night. According to the proposed findings, this will not cause interference to the primary service of any station, and any interference which such operation may reasonably be expected to cause National Broadcasting Company's station KCA at Denver, will be limited to interference with intermittent reception upon receivers located in the eastern part of the United States.

"The granting of a permit therefor and operation of Station WHDH as proposed by applicant", declares the proposed findings, "will enable it to deliver service of primary signal quality to an area having a population of 3,093,000, or to 621,000 more people than are now included within the primary service area of the station. The hours of operation of applicant station will be extended two and one-half hours during summer months, and a maximum of five and one-half hours during winter months. This will provide a new primary service to 94.9 per cent of the Boston metropolitan area, including a population of 2,185,000. In addition to the aforementioned improvements and extension of service to residents in the Boston area, there will be an improvement of service which applicant station now endeavors to render over the fishing banks situated off the New England coast."

Accordingly, the Commission proposes to amend Section 3.25(a) of its rules which now limits the use of the frequency 830 kilocycles by one full-time station.

The proposed findings were concurred in by Commissioners Thompson, Walker, and Payne, with Commissioners Case and Craven voting in the negative, and Chairman Fly not participating.

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## SEES RADIO STIMULANT IN 5% READER GAIN

Commenting upon the fact that daily and Sunday newspapers have made outstanding gains over the previous year, with dailies showing an increase of 4.77% in 1940, the Editor & Publisher declares:

"The fact that radio furnishes at least one news broadcast on one or more spots on the dial every quarter hour has not reduced the public's appetite for printed news; it may indeed have whetted the desire for news presented for the reader's convenience and easy understanding - a quality which the newspaper has to an immeasurable degree over any medium limited to vocal communication."

The war abroad and the presidential campaign at home have apparently contributed to the fact that morning and evening papers show approximately the same percentage of gain in circulation. Morning papers lead with 4.99% increase over 1939, with evening papers showing a 4.56% gain during the same period. Sunday papers ranked third with an increase of 3.16%. The combined morning and evening totals show a gain of 4.77%.

Paul Scott Mowrer, editor of the Chicago Daily News, also expressed the belief that radio has done a great service to newspapers by stimulating interest in foreign and national news.

"Radio supplements newspapers in a fine way", Mr. Mowrer said. "Radio and the press are so entirely different that I can't see what the quarrel is all about. If people are really interested in something, they want to learn all they can about it - this is where the newspaper steps in and functions beyond the scope of radio."

The Daily News editor referred to the pre-radio era when baseball was big news before there was a radio in every barber shop and the elevator boy could tell you the score inning by inning. "We found that if spectators enjoyed the game, they would buy a paper immediately after they left the ball park", he said, "but if they didn't enjoy the game - that is, if it was dull and uninteresting - they wouldn't buy papers. Radio serves as an added stimulant to whet the public's appetite for foreign and national news. Local news does not have so much radio stimulant, but for general readability, you can't beat local copy."

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New York City is considering the installation of two-way radio on City ferries to expedite their operation. All the city's fire and police boats carry two-way radio.

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::: TRADE NOTES :::  
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The construction permit for a new high frequency broadcast station by the St. Louis Star-Times Publishing Company has been amended to change the frequency from 43,100 kilocycles to 44,700 kilocycles, coverage from 9900 to 12,480 square miles and to change type of transmitter.

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The Associated Press will start its new radio news service to stations around the middle of this month.

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The American Telephone & Telegraph Co. (Long Lines Dept.) has been granted by the Federal Communications Commission additional frequencies 7570, 13400, 18240 kilocycles for an additional transmitter at Ocean Gate, N.J.; and the Tropical Radio Telegraph Co., Panama City, Panama, as another point of communication.

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A Christmas advertising campaign featuring the new Philco Photo-Electric radio phonograph is under way.

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Proving himself a capable religious speaker, as well as a Federal Communications Commissioner, George Henry Payne broadcast an address over an NBC network on Universal Bible Sunday, December 8. Commissioner Payne spoke in part as follows:

"I am deeply sensitive of the honor that the Federal Council of Churches and the American Bible Society have conferred upon the Federal Communications Commission in asking a member of that body to carry its message to the American people. And I thank my fellow Commissioners for having chosen me as their voice on this occasion. I have misgiving as to my own worth as the bearer of that message, but no misgivings or doubts as to the worthiness and rightness of this being the arm of government that should carry this message."

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The Louisville Courier-Journal has just put on a daily radio column.

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R. C. A. Communications, Inc., has been granted authority by the Federal Communications Commission to add Fort de France, Martinique as a point of communication to its transmitting stations at Rocky Point, San Juan, and New Brunswick.

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The nation's first commercial order for a Frequency Modulation station was received by W2XOR, it was announced by WCR, parent station, from the Longine-Wittenauer Co., Inc., New York City.

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## RADIO GETS 15,000 ASCAP SONGS

Pointed to as an important move in the Copyright fight between ASCAP and the broadcasters, was the announcement in New York that the Edward B. Marks Music Corporation, one of the largest music publishers in the country, had transferred its catalogue from the Society to Broadcast Music, Inc. The transfer becomes effective January 1.

Mr. Marks, one of the early members of ASCAP, said that he felt he never had received proper consideration from the Society and that accordingly he was leasing the performing rights of his catalogue of 15,000 songs to B.M.I. Julian T. Abeles, attorney for Mr. Marks, said that the lease was for a five-year term at an annual cost of approximately \$250,000, or a total sum of \$1,250,000.

"It's not the first time that Mr. Marks has walked out on ASCAP and no member of the Society is surprised", Mr. Buck said. "Many years ago, when we were fighting for our lives, Mr. Marks went over to the 'tax-free music' movement. Mr. Marks is motivated purely by his own financial considerations."

Mr. Marks denied that he was a party to the "tax-free music" movement of many years ago, when some publishers withdrew from ASCAP to enable singers and bands to use their songs without charge on the theory it would stimulate the sale of their sheet music in stores.

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## HOPE McGRADY MAY MAKE ANTI-STRIKE LEGISLATION UNNECESSARY

That Edward F. McGrady, former Assistant Secretary of Labor, Vice-President of the RCA on leave, was called in by the Administration to forestall legislation to break up National Defense strikes, is expressed by the Washington Post, in part, as follows:

"The return to Washington of Edward F. McGrady as labor consultant to Secretary Stimson is generally regarded as a move to stave off enactment of anti-strike legislation applicable to defense industries. Mr. McGrady has few peers as a conciliator, as shown by his successful mediation of particularly tough labor disputes during the turbulent years from 1934 to 1937. But neither he nor the able conciliators of the Department of Labor can prevent strikes and lockouts in defense industries unless the parties to a dispute voluntarily accept their offers to mediate, and voluntarily agree to abide by their decisions."

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## FCC AMENDS RULES GOVERNING OPERATORS

At a meeting of the Federal Communications Commission having under consideration its Rules Governing Amateur Radio Stations and Operators and its Rules Governing Commercial Radio Operators, with particular reference to the provisions concerning renewals; and

It appearing, that present conditions render it difficult for commercial radio operators and for amateur radio station licensees and operators to make a showing of service or use required for renewal or license; and that such difficulty will be accentuated in many instances due to military service:

IT IS ORDERED, that Sections 12.26 and 12.66 of the Rules Governing Amateur Radio and Section 13.28 of the Rules Governing Commercial Radio Operators, in so far as the required showing of service or use of license is concerned, BE, AND THEY ARE HEREBY, SUSPENDED until further order of the Commission, but in no event beyond January 1, 1942.

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## RCA TO GREET NEW YEAR WITH DIVIDENDS

Following a regular meeting of the Board of Directors of the Radio Corporation of America held last Friday in New York, David Sarnoff, President of the Corporation, announced the following dividends had been declared:

On the outstanding shares of \$3.50 Cumulative Convertible First Preferred stock, 87½ cents per share, for the period from October 1, 1940, to December 31, 1940, payable in cash on January 1, 1941, to the holders of record of such stock at the close of business December 13, 1940.

On the outstanding shares of "B" Preferred stock, \$1.25 per share, for the period from October 1, 1940, to December 31, 1940, payable in cash on January 1, 1941, to the holders of record of such stock at the close of business December 13, 1940.

On the outstanding shares of Common stock, 20 cents per share, payable in cash on January 27, 1941, to the holders of record of such stock at the close of business December 20, 1940.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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No. 1289

## ~~SECRET~~ WARN AGAINST BREAKING DOWN CLEAR CHANNELS

A sharp warning of the consequences of breaking the clear channel rule in the Federal Communications Commission proposing to permit WHDH at Boston, and KOA in Denver, to operate simultaneously on 830 kilocycles was conveyed in a 10 page minority report by Commissioners T. A. M. Craven and Norman S. Case. The action to allow these two stations to operate at the same time on a clear channel taken earlier in the week split the Commission by a vote of 3 to 2, Commissioners Thompson, Walker and Payne concurring; and Commissioner T. A. M. Craven, the only radio engineer and technical man on the Commission, and Commissioner Case, the most conservative member, voting in the negative. Chairman Fly did not vote.

It was said that thus breaking down a clear channel would be a very bad precedent which would result in poorer service to the great farm areas. This would also work to the disadvantage of radio set manufacturers. The poorer the farm service, the less desire on the part of the millions of farmers to buy sets. It was said that the entire radio industry might suffer as a result of the breaking down of the clear channels.

Also it was argued that the good accomplished by the North American Regional Broadcast Agreement clearing out a lot of stations which had caused interference would be offset by the FCC breaking down the clear channels and putting more back on. Interference from such stations would play havoc with the farm areas between the cities.

Important conclusions of Commissioners Craven and Case are:

"If proper weight is given to all of the factors discussed herein it must be concluded that Station WHDH has not proved that any advantage which may accrue to him or to the people of the metropolitan district of Boston outweighs the disadvantages of:

- "A. The application of unsound engineering in the solution of the rural broadcast problem of the nation.
- "B. The establishment of a precedent which may ultimately result in a discrimination against rural listeners in favor of those listeners living in metropolitan centers.
- "C. The establishment of a precedent which may result ultimately in handicapping the United States in providing for its people any desirable change in the organization of radio broadcast facilities designed to improve rural coverage.

"If the Commission desires to degrade any or all of the few clear channels provided in Rule 3.25 (a), it would be far better to do so in a manner which benefits some of the underserved rural population of the nation rather than to favor any metropolitan center already surfeited with radio service."

Other excerpts from the Craven-Case minority report follow:

"The applicant contends that operation of WHDH nighttime, simultaneously with KOA would not cause interference to the latter, but the testimony on this question is not in agreement." . . . . .

"Upon consideration of all the evidence material to the issue, it is concluded that operation of WHDH as proposed would cause interference to the reception of service rendered by Station KOA in its extended secondary service area." . . . . .

"Many radio listeners in the nation must not only rely upon secondary service from clear channel stations for the only broadcast service available to them but also millions of listeners now rely upon a low grade of secondary service in order to enjoy any broadcasting whatsoever. The most important problem confronting the Commission is to provide an improved radio service to these rural listeners. It appears that in any successful solution of this problem of rural broadcast coverage the Commission must rely primarily upon clear channel stations operating in accord with both Rule 3.25(a) and Rule 3.25(b), which now limit the use of the frequency 830 kc., by one full-time station". . . . .

"All the clear channels now provided are barely sufficient to provide service for the rural areas of the country at night. Much of the rural areas receive no service in the daytime. Therefore, any reduction in the number of either of these classes of clear channels would handicap the Commission in providing the much needed improvement in rural coverage. This becomes obvious when it is assumed (1) that the listeners in rural areas are entitled to a choice of a minimum of four different programs, such as now provided to radio listeners in most of the metropolitan centers of the nation; (2) that the engineers of the country are correct in their assertion that each rural listener having available only secondary service must have signals available from at least two stations transmitting the same program in order to obtain a reasonable degree of continuity of service; and (3) that to secure the most ideal geographical distribution of clear channel stations from the standpoint of rural coverage, it would be necessary to disregard natural economic laws and establish such stations in places remote from markets and the centers of talent.

"The technical quality of radio service in our cities is superior to that now rendered rural areas throughout the nation. Therefore, any course of action which handicaps the future ability of the Commission to equalize quality of service between cities and rural areas would be classed as discrimination against the rural population. A reduction of the number of clear channels may easily

result in real discrimination against rural listeners in favor of the population living in metropolitan centers.

"In the consideration of the important rural phase of the national radio broadcasting problem, the Commission must balance the effect of Paragraph B, 8(d) of Part II of the North American Regional Broadcasting Agreement, which reads as follows:

"(d) If within the period of this Agreement the country to which a clear channel has been assigned shall have made use of the channel but not in the manner above prescribed or not to the extent required by the provisions of this Agreement, such country shall be considered as having relinquished that portion of the rights which it has not used and at the expiration of this Agreement the other countries party thereto shall have the right, if they see fit, to withdraw the unused privileges from such country and to reassign them to any or all of the other interested countries."

"This means that if the United States should degrade the service on a particular class of radio channel on which it now has prior rights, the United States would lose its right to protection against the use of such channel in like manner by other nations. For example, if the United States now designates a station to operate in accordance with the Commission's Rule 3.25(a), other nations must not permit stations within their borders to operate in such a manner as to cause interference to the service of the United States' station within the borders of the United States." . . . .

"Listeners in these western areas of the country do not receive either the quality or the variety of service now available to the citizens of Boston. Therefore, to degrade further the service of rural listeners dependent in whole or in part upon KOA and other clear channel stations is an injustice. Moreover, favorable Commission action in an isolated instance of this nature creates a precedent, the mere existence of which may handicap future ability to secure improved broadcast service to rural areas. Therefore, such favorable action in this case would constitute an action resulting ultimately in the establishment of an unsound policy for the nation as a whole. An unsound public policy of this nature obviously would not benefit the listening public. Furthermore, this deterioration of radio service is bound to result in repercussions against the entire radio industry.

"In this instance, granting in full the application of WHDH would limit the future freedom of action of the Commission in two ways, to wit., (1) it would reduce the needed number of clear channels under Rule 3.25(a), and (2) it would ultimately accord rights to other nations which rights are not now conceded in the North American Regional Broadcast Agreement."

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## NEW COMMISH STUMPS 'EM

It is hoped that when President Roosevelt returns to Washington Monday from his fishing trip in the Caribbean, that he will appoint the new member to the Federal Communications Commission to succeed Col. Thad H. Brown. Although communications are supposed to be paramount in the National Defense emergency, the position has been vacant for six months - since June 30th to be exact.

Although numerous names have been mentioned, people usually well informed seem to be in the dark as to who it may be. Except that it must be a Republican and that, as usual, the appointment will probably be political rather than anyone particularly qualified or acceptable to the industry, nothing is known as to the appointee.

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### MONOPOLY BRIEF FILING EXTENDED TO XMAS

The FCC has extended the time of filing supplementary briefs in the so-called Monopoly hearings, on whether regulations should be enacted governing chain broadcasting to Tuesday, December 24. The original date set was December 16th.

The extension was asked for by the National Broadcasting Company which request was granted by Commissioner T. A. M. Craven, who was acting for the Commission at that time. The NBC asked for a further extension until Thursday, January 2, 1941, and this additional request has been referred to the full Commission for action.

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### MAJ. HORTON - TWO-WAY AIRPLANE RADIO INVENTOR, DIES

Maj. Harry Mack Horton, U.S. Army, retired, inventor of the two-way airplane radio, died last Monday in Walter Reed Hospital in Washington, D. C., at the age of 63.

He devised and perfected the first method of radio communication from airplanes to the ground shortly before entering the Army as a World War Air Corps Captain, and the United States Government paid him \$75,000 for its use during the war.

In Europe at the time as chief assistant to Dr. Lee deForest, who is considered one of the outstanding pioneers in radio, Major Horton worked in his spare time on a "trailing antenna" that is still in use. Perfecting the antenna in two years' work, he offered it to Dr. de Forest, but his employer declined to take any credit for its invention. Dr. de Forest and Maj. Horton were honored jointly last year at the New York World's Fair with a testimonial dinner in recognition of the device.

During the war, Major Horton was an instructor of airplane pilots and radio operators in California.

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## ASCAP-NAB SCRAP WASHINGTON BOOMERANG

If the music war were settled tomorrow - and indeed there is no such prospect at this writing - a tremendous amount of damage will already have been done in Washington to both sides. It has been a regrettable squabble between, as Sigmund Spaeth puts it, the biggest wholesaler of musical compositions with the biggest retailer. This has called the attention of Congress and the nation to how much money both sides were making doing business in the public domain, without paying for the privilege.

Unless this writer is much mistaken, regardless of how the copyright war is settled, it will serve to pull the temple down on the participants who will most certainly suffer at the hands of the new Congress. It is my belief that not only is there a possibility of a Congressional investigation in an effort to fumigate the past record of the Federal Communications Commission and other things beginning where the Thad Brown Senate hearings left off, but an inquiry into the monopoly and profit-making angles of chain broadcasting. This to be followed in the new Congress by proposals of tax on broadcasting stations such as the 10-20% levy which will be urged upon the members of the forthcoming Congress by the International Allied Printing Trades Association.

Much of this could have been avoided had the Composers and the Broadcasters gotten together without the sound effects. As it is now, it is becoming noisier every day and don't think for a minute that Congress, the Department of Justice, the FCC, and official Washington in general aren't taking it all in.

One excited band-leader went so far as to write a personal letter to the President suggesting that WPA funds be used to pay ASCAP, thus relieving the Broadcasters of the differential and settling the fight.

During the week there were several other developments at the Washington end of the line. One of these was the U. S. Supreme Court accepting for review a case that may determine whether ASCAP is an illegal monopoly as charged in Nebraska litigation growing out of a battle there over control of prices charged for music played for public entertainment.

Officials of Nebraska sought a review by the highest Court of a decision holding invalid a State anti-monopoly law aimed at ASCAP which permitted public playing of music upon payment of the original purchase price. This would break down the ASCAP charge for music publicly played.

A three-judge Federal Court held that the legislation violated the national copyright law by depriving the copyright owner of the right to sell or withhold from sale as he might choose.

The legislation was challenged by the American Society of Composers, Authors and Publishers, which controls the copyrights on

some 90 percent of the music played in this country. It contended it was entitled to extra payment for music publicly played.

The Federal Communications Commission rejected the plea of Frank Hummert, Vice-President of a New York advertising agency that spends about \$10,000,000 a year on radio programs, that the Commission mediate the controversy. The refusal was on the ground (a) that the FCC had no jurisdiction over programs and (b) that it had not been asked to mediate by either of the principal parties concerned - the Broadcasters or the Composers. It was the contention of Mr. Hummert that it would take twenty years to develop enough music to replace the familiar tunes now controlled by ASCAP, adding that "familiar music is the backbone of most of the successful musical programs and 90% of the best familiar music is controlled by ASCAP".

A possible settlement by consent decree of the six-year-old anti-trust suit against the ASCAP, which might lead to a reconciliation of the Society's current differences with the radio industry, was reported by the Department of Justice in Washington. The Department's statement was denied in New York, however, by E. C. Mills, of ASCAP's Administrative Committee, who said that there had been no negotiations looking toward a decree.

Speaking at Frederick, Md., which is almost a suburb of the National Capital, where a group of famous composers went to stage a musical festival in the home of Francis Scott Key, author of the "Star Spangled Banner", John G. Paine, General Manager of ASCAP said that WFMD at Frederick is regarded by ASCAP as a typical broadcasting station and in signing its contract to furnish the station with the music of the great and familiar composers, he declared, "We feel we are honoring some 350 stations throughout the country, and that the work of our composers is being played for the people of Maryland and not at the whim if the chain operators in New York".

Mr. Paine challenged the right of the networks to "boycott us just because we have the temerity to say, 'If you want to use our music you should share with us in the profits you make from its use'."

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Annoyance caused by his neighbors' radios "turned full volume" is cited by a Piqua, Ohio, resident. Such things are outside the Federal Communications Commission's jurisdiction. Many cities have anti-noise ordinances intended to meet this situation.

The Commission also advises it cannot accommodate a New York listener who would compel the major networks to discontinue identical programs.

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## F. D. R. WOOS BUSINESS IN SARNOFF LETTER

After confining business and industry to the dog-house for some years, President Roosevelt assumed an entirely different attitude in a message to the Economic Club of New York, assembled last Monday night to discuss "National Unity for Defense".

The text of the President's message, sent from the cruiser "Tuscaloosa" in the Caribbean, and addressed to David Sarnoff, President of the Radio Corporation of America, who is also President of the Economic Club, follows, in part:

"Dear David:

"I regret exceedingly that I cannot be with you on the occasion of the one hundred and thirty-fourth dinner of the Economic Club of New York and the first under your guidance as president. A tremendous opportunity for useful service is yours.

"I know of no greater objective any organization can have than the stated purpose of your club 'to aid in the creation and expression of an enlightened public opinion on economic and social subjects.' I like particularly the inclusion of social subjects in the discussion of economics. The two belong together. You and I know that in order to maintain our American system of private initiative and private enterprise, it must function as a system that will do the greatest good for the greatest number. It is only by keeping our economy socially conscious that we can keep it free. . .

"There can be no real unity where the people have no voice. In a democratic order, national unity is the voluntary expression of the mind and spirit of a free people. Such unity gives our democracy an unshakeable strength.

"The freedoms that we must and will protect in the United States are the freedoms which will make the individual paramount in a true democracy. In our American way of life political and economic freedom go hand in hand. Our freedoms must include freedom from want, freedom from insecurity and freedom from fear. I firmly believe that we can best secure these freedoms by government and private enterprise working together for these common objectives. In this joint effort there must be provided proper reward for labor, proper incentive for enterprise and a proper return on investment.

"Today the challenge which we as a democracy must meet is the challenge to make the best possible use of our vast resources, and to achieve speedily the common purpose of national defense and national progress. It is a challenge to government, to labor, to industry, and to capital alike. I have unbounded faith that we shall succeed in this task."

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## NEW WASHINGTON RADIO STATION ON AIR

WINX, newest radio station in Washington, D. C., was officially tested last Tuesday evening by the FCC. It is the Capital's fifth station, the others being WMAL and WRC, of the National Broadcasting Company; WJSV, of the Columbia Broadcasting System, and WOL, of the Mutual Broadcasting System.

An additional transmitter of WINX is located on the campus of American University overlooking the city, while the main transmitter - a 180-foot tower - is at the studios and offices at Eighth and I Streets, N.W. The 50-watt booster is synchronized to pick up the main transmitter of 250 watts and to reamplify it, thus blanketting the District and its suburbs, a potential audience of more than a million.

At his offices, Lawrence J. Heller, owner and operator of WINX, was jubilant that his opening day would be the fateful Friday, the thirteenth:

"The thirteenth has been a significant number in my career", he said. "My law office is on Thirteenth Street; my radio frequency is 1310; the FCC gave me my construction permit on February 13. I'm therefore very optimistic about the future."

Reggie Martin, formerly General Manager of WJNO, West Palm Beach, holds the same post with WINX. His staff includes Helen K. Mobberley, formerly with the NBC staff in Washington, Commercial Manager; Robert Callahan, also formerly of the local NBC, Musical Director; Ralph E. Cannon, designer, builder and Chief Engineer of KFDA, Amarillo, Tex., Chief Engineer; Pete McEvoy, News Editor, and Jack B. Creamer, Continuity and Publicity Director.

The Program Department includes Anson S. Carpenter, production; Elain Shreve, traffic; Sam Lawder, Charles Murphy, Leonard Meakin, Maj. Robb and Milton Shoemaker, announcers. The engineering staff includes Ross Beville, Henry Meisinger, Blair Jones and William Brubaker. In the Commercial Department are Ethel Davis, C. Merritt Trott, Frances McKeown, Douglas Hall and Paul Heller.

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It is reported by Leonard Lyons in the syndicated column, "The New Yorker" that "Senator Mead wants to recommend Louis Ruppel for the commissionership in your Federal Communications Commission. Ruppel, now publicity director for C.B.S., is rated one of the most efficient men in radio."

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## RADIO LAWYERS PREPARE XMAS GRIDIRON

The following notice in keeping with the holiday season was served on members of the radio bar by Louis G. Caldwell, noted far and wide for his hospitality and wit:

## Before the

## FEDERAL COMMUNICATIONS BAR ASSOCIATION

## A Quasi-Legal Tribunal

In the Matter )  
of ) ORDER TO SHOW UP  
Herbert M. Bingham, et Uxor)

**NOTICE OF HEARING**

Please take notice that on Sunday, December 22, 1940, at the hour of 5 P.M. and thereafter until the game is called for darkness, a hearing will be held at the home of the undersigned at 2900 Cleveland Avenue, N.W., Washington, D.C., for the following purposes:

1. To note the expiration of the term of office of Philip J. Hennessey, Jr., Esq., retiring president of the Federal Communications Bar Association, and to deplore the fact that, notwithstanding his campaign pledges, hearings before the FCC have become even more rare than they were before he took office;
  2. To determine whether the recent election of Herbert M. Bingham, Esq. to the presidency of said Association can possibly contribute to improving the situation or otherwise meet the statutory requirement of public interest, convenience or necessity,

and such other lawful purposes as the guests may deem meet, including discussion of the issues in an appropriate forum at the tea-table and/or in the cocktail lounge.

You are hereby requested

- a) to be present,
  - b) to file your appearance (R.S.V.P.) by addressing it to the undersigned, and
  - c) entirely at your option, to accompany your appearance with a brief statement of reasons in support of the position you intend to take in oral argument.

This proceeding will be exempt from the requirements of the Walter-Logan bill. Furthermore, anyone detecting any representative of the Attorney General's Committee on Administrative Procedure making notes about members of the Association will please report to the management.

(Signed) LOUIS G. CALDWELL  
(My commission expired three years ago)

2900 Cleveland Avenue, N.W.  
Washington. D. C.

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::: TRADE NOTES :::  
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Station WCAP at Asbury Park, N. J., will remain silent on Christmas Day.

Glenn W. Payne, veteran NBC commercial engineer, has been appointed Budget Officer. Mr. Payne has been with NBC since the company was formed.

A thirty-day tryout is now being made by the new 50 KW Westinghouse International Station recently moved from Pittsburgh to Hull, Mass.

R.C.A. Communications, Inc., has been granted authority by the Federal Communications Commission to communicate with the Government of Greenland, Godhaven and Julianehaab, Greenland, for a period not to exceed three months.

A new 250 watt daytime station on 680 kilocycles will be built at Butler, Pa.

Station WINN, Louisville, Kentucky, is the latest affiliate of the National Broadcasting Company.

The Federal Communications Commission has repealed existing sections 8.22 and 8.23 of the Rules Governing Ship Services, effective March 1, 1941, inasmuch as the definition of "ship service" which becomes effective on that date, will conflict with existing sections 8.22 and 8.23 defining "public ship service" and "private ship service" respectively.

The RCA Manufacturing Company will use radio and national magazines to inform radio users of the necessity of having their automatic push-button receivers readjusted next March, when all frequencies above 730 kilocycles are to be re-allocated to conform to the North American Regional Agreement.

The following applications of attorneys to practice before the Federal Communications Commission have been approved:

William J. Anderson, Pittsburgh, Pa.; H. Lee Boatwright, Jr. David W. Byron and Levi H. David, all of Washington, D. C., and Bernard A. Grossman and Joseph Trachtman, both of New York City.

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## TRAMMELL MAKES MANY CHANGES

Increased emphasis on the public service broadcasting activities of the National Broadcasting Company was announced by Niles Trammell, President, when general supervision of policies and developments in this field was given to Dr. James Rowland Angell, who now, in addition to his previous duties, becomes NBC Counsellor for Public Service programs. Included in this category are all talks, religious, educational, agricultural, and children's programs, as well as others of a public service character.

Mr. Trammell also announced a realignment in the artists service work in which the NBC Artists Service was discontinued and the NBC Concert Service formed. George Engles, Vice-President, was placed in charge of the Concert Service, which will handle the management, sale, and promotion of all artists appearing in the concert and operatic fields. The radio talent section of the former Artists Service was transferred to the Program Department of the company.

Phillips Carlin was appointed to head the Red Network as Program Manager, and William Hillpot was appointed Blue Network Program Manager.

A new Program and Talent Sales Division of the Program Department was created. Miss Bertha Brainard becomes Manager of this new division. She will supervise all booking of artists for radio, motion picture and personal appearances.

A Central Booking Office with Miss Helen Shervey as Manager will schedule all network and local programs under the direction of the Red and Blue Program Managers. Charles A. Wall, of the Treasurer's office, has been appointed Business Manager of the Program Department.

The New York Production Division has been expanded. Wilfred Roberts continues as Manager.

A Music Division of the Program Department has also been established with Samuel Chotzinoff, Director of Serious Music, as Manager. The Musical Director, Dr. Frank Black, and Leo Spitalny, contractor of the house orchestra, will report to Chotzinoff.

A Public Service Division of the Program Department has been established with Walter Preston, Jr. This division will include Womens and Children's Activities, Religious Broadcasting and Educational Broadcasting.

A Director of Talks is also established to coordinate with the managers of the Red and Blue Networks all talk programs of the government, those of controversial nature, political character and forum discussions.

Daniel S. Tuthill, formerly Assistant Managing Director of the Artists Service Department will be Assistant Manager of the division, handling contracts and management. Douglas Meserve becomes Assistant Manager in charge of sales.

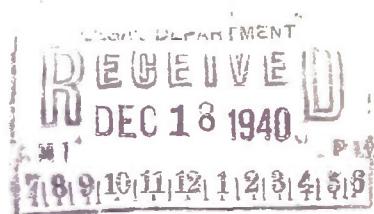
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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BBC RECORDS AN ACTUAL AIR BATTLE

Part of the text of a radio record of an actual battle put on the air by the British Broadcasting Corporation and transcribed by Princeton University's Radio Listening Center, is reproduced below. Dots denote editorial deletion or unintelligible words:

Announcer - Tonight for the first time we present a radio record of an actual air battle in progress. Charles Gardner, the BBC air observer, had the luck to be on a south coast trip with sound equipment when this battle began. He at once started reporting, and the result is a feat of impromptu reporting unique in the history of the war today. While Mr. Gardner describes the action, the sounds of battle cut through his words; exploding bombs, anti-aircraft fire and bursts from the fighter planes. If you listen carefully, you'll hear the sounds of close fighting in the air. There's a noise like a kind of dit, dit, dit, that's the Messerschmitts and brrrrrrrrrrrt, that's the Spitfire guns. The shouting and cheering come from the anti-aircraft gunners, who are standing just by our observer. This is the first time since the war began that listeners have been able to hear an air battle described while it was actually going on, and by a man on the spot.

Charles Gardner - The Germans are dive-bombing a convoy out at sea. There are one, two, three, four, five, six, seven dive-bombers, Junkers 87's. There's one going down on its target now, but, but he missed the ships. He hasn't hit a single ship. There are about ten ships in the convoy, but he hasn't hit a single one (Shouts of the gunners in the background; steady thud, thud, of the anti-aircraft guns). There, you can hear the anti-aircraft going at it now. I can't see anything - no. We thought he got a German one... . . . but now the British fighters are coming up.

Here they come! They come in an absolute straight dive (the Junkers, apparently) and you can see their bombs actually going like anything now. (Steady crump, crump of British guns.) I'm looking 'round now; I can hear machine-gun fire but I can't see our Spitfires. . . Oh, here's one coming down now! There's one coming down in flames! Somebody's hit a German and he's coming down in a long streak, coming down completely out of control, a long streak of smoke. . . The pilot's bailed out by parachute! He's a Junkers 87. He's going flat into the sea and there he goes! Sma-a-a-a-sh!

And there was a Junkers 87. There's only one man got out by parachute and presumably a crew of one in it.

Now, then - oh, there's a terrific mixup over the Channel! It's impossible to tell which are our machines and which are the Germans. There's one definitely down in this battle and there's a fight going - you can hear the little rattle of machine gun bullets (Sound of heavy explosion.) That was a bomb, as you may imagine. Here

comes this one Spitfire. (Rattle of machine-gun fire.) There's another bomb dropping. Yes, dropped - it missed the convoy. You know they haven't hit the convoy in all this.

The sky is absolutely peppered now with bursts of anti-aircraft fire and the sea is covered with smoke where the bombs have burst. But as far as I can see, there's not one single ship hit and there's definitely one German machine down. And I'm looking across the sea now; I can see the little white dot of the parachute of the German pilot as he's floating down towards the spot where his machine crashed with such a big thump in the water about two minutes ago. Now everything is peaceful for the moment. The Germans, who came over in about 20 dive-bombers, delivered their attack on the convoy, and I think they've made off as quickly as they came. The - I can see one, two, three, four, five, six, seven, eight, nine, ten Germans tearing towards France . . .

Well, that was a really hot little engagement while it lasted - no damage done except to the Germans, who lost one machine, and the German pilot is still on the end of his parachute, though appreciably nearer the sea than he was. I can see no boat going out to pick him up; so he'll probably have a long swim ashore . . .

Here's a Hurricane coming back to reload. The Hurricane seems to be smoking. The Hurricane's on - no, I don't think he's on fire. I think he's just opening his throttle on full, low down. I guess that's oil. No, that Hurricane's all right. No, he had to dive down low over the water for there were two or three machines after him. And here he comes now, along the harbor. Here is the Hurricane returning from the fight coming straight over our heads. (Prolonged roar of plane's motor as it passes.)

Announcer - Meanwhile, the Junkers finished their hit and run attack and made off towards France. But the fighter escort stayed behind to protect the bombers from our Spitfires and Hurricanes. Several fights developed in various parts of the sky while other British single seaters flew straight out after the bombers. While this was happening, Charles Gardner continued his commentary.

Charles Gardner - There's another fight going on, well up now, I s'pose about 20-25-30,000 feet above our heads, and we can't see a thing of it. The anti-aircraft guns have just put out one, two, three, four, five, six bursts, but I can't see the 'planes. (Steady crump, crump of guns.) There they go again.

Yes, there we just hit a Messerschmitt - oh, that was beautiful - he's coming down now and I think definitely that fellow's conquered. Ah, yes, he's coming down, he's almost crashed - Oh, he's coming down like a rocket now . . . Here he comes! He's down in a steep dive. We're looking for a parachute and - No! the pilot's not getting out of that one! He's being - followed down. There are two more Messerschmitts up there; I think they're all right. No, that man is finished. I think he's come down from about ten thousand or twenty thousand feet to about two thousand feet and he's going straight down. He's not stopping. I think

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that's another German machine that's definitely put (out of action). I don't think we shall actually see him crash. (He's going into a bank of clouds. He's smoking now, I can see smoke and although we can't count him definitely . . . . behind the hill, he looks certainly out of control. (Anti-aircraft guns continue.)

Now there's another - another Messerschmitt. I don't know whether he's down or whether he's trying to get out of the anti-aircraft which are giving him a very hard time. Now there's a Spitfire - there are four fighters up there and I don't know - there are one, two, three, five fighters fighting right over our heads now, and here's one coming right down on the tail of what I think is a Messerschmitt and, I think, a Spitfire right behind him. Oh, damn! They've turned away, I can't see them - I can't see - I can't see! (Two salvos from anti-aircraft batteries.)

Voice in Background - One crashing, sir.

Charles Gardner - One . . . crashing - no, I think he pulled out. . . You can't watch these fights very closely, you just see the . . . machines with the little burst of machine guns and by the time you pick up the machines - Oh, There are one, two, three, six machines wheeling and turning 'round - Hark at the machine guns going now - There's one coming right down on the tail of another! There they go - they're being chased home and how they're being chased home. There, look at them go! (Gun crews cheer.) And there's a Spitfire just behind. . . he'll get them - Ah - Yes! Oh, boy! I've never seen anything so good as this. Our air fighters have really got these. . . . Our maching is catching up with the Messerschmitt now - it's catching it - . . . You can't tell, but I think something's definitely going to happen to that first Messerschmitt.

Announcer - That Messerschmitt fighter, it was learned later, crashed on the French coast.

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#### LEAVES NEWSPAPER FIELD FOR RADIO

John A. Kennedy, publisher of the Clarksburg (W. Va.) Exponent, has announced his retirement from the newspaper field to devote his time exclusively to the State radio network which he heads as President and General Manager.

Mr. Kennedy said he had disposed of his interest in the Clarksburg Publishing Company to the Virgil L. Highland estate. The company publishes the morning Exponent, the Telegram, afternoon, and the Sunday Exponent-Telegram. The West Virginia network operates radio stations in Clarksburg, Charleston, Huntington and Parkersburg.

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## COMMUNICATIONS DEFENSE MEETING CALLED FOR JANUARY

After an intensive organization period covering almost two months, the first general meeting of the Defense Communications Board will be held in Washington on Monday, January 6, 1941. The chief function of this group is to coordinate the relationship of all branches of communications to the National Defense. Jurisdiction of the Board, in addition to broadcasting, takes in commercial radiotelephone, radiotelegraph as well as other telephone, telegraph and cable facilities. No consideration is being given to radio programs as the Board has no power of censorship.

The Chairman of the Board is James L. Fly, Chairman of the Federal Communications Commission, and the members are Major Gen. Joseph O. Mauborgne, Chief Signal Officer of the Army; Rear Admiral Leigh Noyes, Director of Naval Communications; Hon. Breckinridge Long, Assistant Secretary of State in Charge of the Division of International Communications; Secretary, Herbert E. Gaston, Assistant Secretary of the Treasury in Charge of the Coast Guard.

There is a Coordinating Committee composed of E. K. Jett, Chief Engineer, Federal Communications Commission, as Chairman; Francis C. de Wolf, State Department; Maj. W. T. Guest, War Department and Commander J. F. Farley, Chief of Communications, U. S. Coast Guard, Treasury Department.

There are eleven sub-committees, two of which deal with broadcasting, one domestic, and the others international.

Because of the large number of representatives of the industry, the hearings will be held in Room A, Interstate Commerce Commission Building, where the larger radio meetings take place. General policies and procedure will be discussed at the January gathering and individual meetings of the various committees will be held in the afternoon for the purpose of electing committee chairmen and secretaries, and also to consider tentative agenda of work.

None of these sessions will be open to the public, admission being limited to members and their accredited representatives.

The Board also announced that the following companies have been added to the membership of Committee II (Aviation Radio Committee) to represent wire telegraph interests:

American Telephone and Telegraph Co.  
Postal Telegraph, Inc.  
Western Union Telegraph Co.

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## PHILIPS ONLY U. S. COMPETITOR IN PANAMA

Owing to the small per capita radio population and the increasingly favorable employment situation, Panama should afford encouraging sales possibilities, Commercial Attaché Ashley B. Lowell, of Panama, reports.

With the exception of a receding interest in Philips and Telefunken sets, the Panama radio set market is dominated by United States sets of several popular makes. Philips is believed to be the only set now being offered in competition with United States sets. Other communication equipment is almost exclusively from the United States.

The weather being tropical the year round in Panama, there are no special selling seasons except the stimulus that may result from the introduction of new models. Also the Christmas season usually occasions more activity. Competent trade authorities estimate that there are about 12,000 receiving sets in use in Panama and the Canal Zone, although statistical data on the subject are not available. Some of the Canal Zone market is supplied through the commissaries, while mail order houses also account for some business.

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### // RADIO EDITORS' GROUP TO MAKE AWARDS

Radio Editors of America is a new organization set up as a clearing house for information to aid newspaper radio editors and to make annual awards of cash and plaques for radio authors, artists, programs, etc., in 20 different classifications. J. E. (Dinty) Doyle, formerly Radio Editor of the New York Journal-American, is secretary of the group with offices at 509 Madison Avenue, New York City. Philco has provided the money for the organization as a "Foundation" but, according to Mr. Doyle, will have nothing to do with either the administration of the organization or any awards the radio editors make.

Awards are to be announced at the first annual dinner of the group to be held at the Waldorf-Astoria, New York City, Feb. 15.

On the Organization Committee are Dorothy Doran, Akron Beacon Journal; Ben Kaplan, Providence Journal-Bulletin; Mary Little, Des Moines Register and Tribune; Robert Locke, Kansas City Journal; Jack McManus, New York PM; Leo Miller, Bridgeport Herald; Si Steinhauer, Pittsburgh Press; and Don Trantor, Buffalo Courier-Express.

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## CONSENT DECREE MAY END ASCAP-NAB DISPUTE

Negotiations between the Justice Department and the American Society of Composers, reported in this column last week to be underway, apparently have moved a step nearer an armistice. They have reached a tentative agreement under which the anti-trust prosecution of ASCAP will be dropped on condition that the Composers revise its music fee structure. The agreement will be embodied in an application to the Federal Court of New York (Southern District) for a consent decree dismissing the Government's six-year old charges that ASCAP's fee constitutes a monopoly.

The Justice Department said last Monday that the negotiations which represent a compromise between the Composers and the Broadcasters provided that ASCAP would no longer receive payment from programs not containing the Society's music and the networks in turn would pay the Society fees on chain broadcasts instead of apportioning the cost among the stations that carry the program. The main argument of the Broadcasters has been that they want to pay ASCAP only when they use its music, whereas ASCAP has been insisting that the networks should bear a part of the cost of all music.

The statement of the Justice Department confirmed in part the first four points of a program that was understood to be the basis of a possible consent decree in settlement of the suit.

The Department refused to confirm or deny the specific ten points in the program, which follow:

That ASCAP would discontinue blanket licensing of radio stations for the use of its music; that payment to ASCAP would be on a per program basis; that ASCAP would not seek any minimum guarantee; that music would be cleared at its source; that there would be no discrimination between stations; that composers and publishers would have an option on whether they wanted to vest their catalogues in the Society; that the ASCAP Board would be reorganized to provide for the election of new members; that the ASCAP method of distributing fees received would be revised; that the requirement that a new songwriter must have five songs published before joining ASCAP would be eliminated, and that publishers would pay ASCAP a regular fee for clearance of their catalogues.

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A construction firm which would like to establish temporary radio communication for one of its lighters is advised that this would constitute a "radio station licensed for ship service and located on board a ship which is not permanently moored", the Federal Communications Commission rules.

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## NAVY STARTS DRIVE FOR 5,000 RESERVE OPERATORS

The Navy is seeking 5000 radio operators for the Naval Communications Reserve and in this is turning to operators of amateur radio stations.

The key station in the Navy program is NAA, which is the Naval radio station at Arlington, Va. The program includes four two-hour periods from 8 to 10 P.M. on Mondays, Tuesdays, Wednesdays and Fridays. During these periods officers of the Naval Reserve on active duty in the Washington naval area man the Arlington station. The work was begun November 1 by Rear Admiral Leigh Noyes, Director of Naval Communications, and since that time 334 amateur stations have established communication with the Navy Department.

"The value of the plan is evident because of the shortage of approximately 5,000 communication ratings in the enlisted personnel of the Naval Reserve", Admiral Noyes said. "The results have been beyond expectation and their value is inestimable."

At present there are about 1,000 officers and 5,000 enlisted men who have voluntarily joined the Naval Communications Reserve. They are all amateurs who have signed up for service in the communications arm of the Naval Service.

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### RADIO NOTABLES AT GRIDIRON

Among the prominent men identified with the radio industry who attended the famous Gridiron Dinner in Washington last Saturday night were:

H. Leslie Atlass, Columbia Broadcasting System, Chicago, Ill.; Gene Buck, President, American Society of Composers, New York City; Thomas Burke, Chief of the Division of International Communications, State Department; Harry C. Butcher, Vice-President, Columbia Broadcasting System, Washington; Theodore Granik, American Forum of the Air; Irving Herriot, counsel for the Zenith Radio Corporation, Chicago; Edward Klauber, Vice-President, Columbia Broadcasting System, New York City; Thomas P. Littlepage, radio counselor, Washington; Eugene F. McDonald, Jr., President, Zenith Radio Corporation, Chicago; Frank E. Mullen, Vice-President and General Manager, National Broadcasting Company, New York City; Hugh Robertson, Treasurer, Zenith Radio Corporation, Chicago; Louis Ruppel, In Charge of Press Relations, Columbia Broadcasting System, New York City; David Sarnoff, President, Radio Corporation of America, New York City; A. A. Schechter, In Charge of News Events Division, National Broadcasting Company, New York City; Niles Trammell, President, National Broadcasting Company, New York City; Frank W. Wozencraft, Assistant General Counsel, Radio Corporation of America, New York City.

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TRADE NOTES

An increase to 10 KW has been applied for by Station KNOW of Austin, Texas, and 5 KW by WMIN, of St. Paul.

A stronger, lighter and more durable glass is being produced by a factory in Toledo, Ohio, by the use of a "radio beam" to control the degree of flow of the molten glass.

A charge was made by Irving Cesar, President of the Song Writers' Protective Association, that after a year's activity and the investment of nearly \$3,000,000, BMI, the music bureau set up by the Broadcasters, has not turned out a single song hit.

Ezio Pinza, opera singer, instead of having guests register in a book, makes a recording of their voices.

Station KLRA at Little Rock, Ark., now transmitting with 5 kilowatts seeks to join the 50 KW class according to an application received by the Federal Communications Commission.

Much of the realism of RCA Fantasound, developed especially for Walt Disney's "Fantasia" after years of effort, may soon be available to neighborhood houses as well as downtown theatres through the medium of RCA Panoramic Sound.

At the request of Senator Tom Stewart, of Tennessee, the letter addressed by President Roosevelt to David Sarnoff, President of the Economic Club in New York, was reprinted in the Congressional Record of December 12

Articles in the Bell Laboratory Record for December are: "Thermistors, Their Characteristics and Uses," by G. L. Pearson; "Devices for Combining DB" Levels, K. G. Van Wyen; "Analysis of Losses in Magnetic Cores", C. D. Owens; "'Information' in Less Space", A. C. Gilmore; "Carrier and Pilot Supply for the J2 Carrier System", L. R. Cox; "Metallic Bridges Between Contact Points"; "A Coupling Unit for Telephotograph Transmission", D. W. Grant; and "Measuring the Air Flow of Small Fans".

The call letters KHASB have been assigned the radio station in the private plane (non-scheduled aircraft) of Robert Taylor, the movie star, operating from Culver City, Calif. The last three letters - ASB - are the initials of the real Taylor's real name, Arlington Spangler Brough.

As a result of the increased recording activity in Washington, due to national defense work and other programs produced in connection with NBC's contract with the Federal Government, the NBC Radio-Recording Division has established an office in the Capital in the Trans-Lux Building.

An application was filed last week with the Federal Communications Commission for a construction permit to build a new 100 station in Nashville. The station would be powered with 1,000 watts, and would broadcast on a frequency of 1,380 kilocycles, unlimited time. Officers of the company were James G. Stahlman, Chairman of the Board; Silliman Evans, President; E. G. Stahlman, Jr. Vice-President, and E. P. Charlet, Secretary-Treasurer. Messrs. Stahlman and Evans, respectively, are Chairman and President of the Nashville Banner and the Tennessean.

A firm which proposes to broadcast a telephone conversation directly from the telephone lines is informed that the Federal Communications Commission has promulgated no rules or regulations with reference to programs of this nature. However, the tariffs of the American Telephone and Telegraph Company on file with the Commission prohibit the use of the company's regular telephone lines for the purpose described. It is further pointed out that Section 605 of the Communications Act provides privacy for wire and radio communications.

Dr. Harry B. Summers, an instructor in the Department of Public Speaking at Kansas State College since 1932, has been appointed Program Director of the NBC Public Service Division. For the past eight years, Dr. Summers has taught classes in radio broadcasting, program production and research in fields related to broadcasting.

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#### FAKE "SOS" WAS ONLY AN AMATEUR'S SHOW

A fake "SOS" marine distress call has been traced by the Federal Communications Commission field inspectors to a New England amateur radio operator. Investigation developed that the signal which caused useless concern and wasted valuable time was part of a dramatic program reproduced by the amateur in question to give his fellow hams "code practice". The Commission warns the amateur that transmission of this danger signal is inappropriate for code practice, or in any other situation when an actual emergency does not exist.

On the other hand, the Commission has taken cognizance of the valuable contribution by amateurs in providing emergency communication during the recent Texas flood, when regular wire facilities were temporarily disrupted.

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## SUPREME COURT REFUSES RECORD BROADCAST REVIEW

The Radio Corporation of America and Paul Whiteman lost a plea to continue control of recordings of his orchestra's music after sale to the public when the Supreme Court declined to review a decision of the Second Circuit Court of Appeals. Suit to enjoin broadcasting of the records was asked by Mr. Whiteman and RCA in the lower courts. They pointed out that the records bore notices supposedly restricting them to non-commercial use in private homes.

A trial court agreed with this argument. Judge Vincent Liebell held that Mr. Whiteman had a common-law property right to control the use of his work. The Second Circuit Court, however, decided that any common-law property rights ended with the sale of the records.

The injunction was sought against Station WBO and Elgin, Inc., a sponsor of a program.

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## ARMY CAMP BANDS WIN LABOR APPROVAL

The military training camp bands may now go on the air as the result of an agreement reached in New York yesterday by James C. Petrillo, President of the American Federation of Musicians, and representatives of the three major broadcasting chains.

Mr. Petrillo explained that the problem arose when the Federation was asked for "a blanket waiver" to cover any program of any camp band at any time. He voiced the Union's fear that such a procedure might have dispensed with programs requiring the services of studio musicians to a large extent. Mr. Petrillo asserted that the Union had gladly granted individual waivers.

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## QUALIFICATIONS NECESSARY FOR FCC LEGAL PRACTITIONER

Numerous lawyers who would like to practice before the Federal Communications Commission are informed:

"The Commission's Rules of Practice and Procedure provide that attorneys at law admitted to practice before any court of the United States, the District of Columbia, or the highest court of any State or Territory, upon application may be admitted to practice before this agency. An attorney at law from any place other than the District of Columbia may, in the discretion of the Commission or the official presiding at any hearing, be admitted for a particular case in which he may be employed. The rules of practice and procedure and those pertaining to the various classes of radio services are not made available for general distribution. Copies may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C., at nominal cost."

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## KGEI TO FLASH "TIME" NEWS TO FAR EAST

Royal Arch Gunnison, well known American newspaperman each Friday morning at 4:30 o'clock, San Francisco time, will read the latest issue of "Time" to listeners in faraway lands. When it is 4:30 A.M. in San Francisco, it is 8:30 P.M. (the same day) in Shanghai.

KGEI, General Electric operated, is the only American broadcasting station which can be received regularly in the Orient. The station broadcasts daily to Asia, the Antipodes and South Africa; also to Mexico, Central and South America.

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## GEN. HARBORD REMINISCES ABOUT THE PHILIPPINES

Gen. James G. Harbord, Chairman of the Radio Corporation of America's Board, contributed an article to the first issue of the magazine "Philippines", published by the Philippine Resident Commissioner to the United States. General Harbord at the age of 36 went to the Philippines as a Captain of U. S. Cavalry. He was appointed Chief of Constabulary and later organized the Moro Constabulary in Zamboango and Sulu. He saw much fighting and became acquainted with a young lawyer named Manuel L. Quezon, then running for Governor of Tayobos and now President of the Philippine Commonwealth. General Harbord wrote of Quezon:

"This was the beginning of a friendship that has endured for 35 years. Nothing in his distinguished career since then has made me regret that I did everything consistent with my duty as a Constabulary Officer to help him."

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## MORE PRAISE FOR TROUBLE SHOOTER McGRADY

Frederic William Wile wrote in the Washington Star last week:

"Throughout national defense quarters liveliest satisfaction is expressed over appointment of Edward F. McGrady as Special Labor Consultant to Secretary of War Stimson. The former Assistant Secretary of Labor, now in charge of labor relations for the Radio Corporation of America, will serve without pay. Probably no one in the labor movement enjoys so widely the confidence alike of the rival big union organizations, rank and file of workers, and higher powers in the Government. "Ned" McGrady particularly knows his way about Capitol Hill, because of long A. F. of L. legislative service.

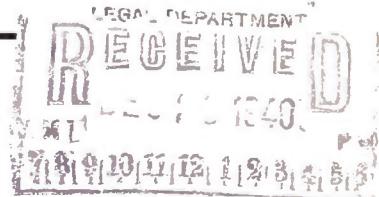
"Author of the Toledo Peace Plan for averting industrial strife, he is considered to be peculiarly the right man in the right place at the War Department at this time, because danger of labor conflict like the recent strike in the aircraft industry is regarded perhaps the most menacing bottleneck in the whole defense picture. Mr. McGrady long ago won his spurs in the field to which Secretary Stimson has just called him, having served in a similar post under World War Secretary Newton D. Baker."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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## FCC ADVISES HOLDING OFF ON GREAT LAKES RADIO

In submitting its report on the special study of radio requirements for safety purposes for ships navigating the Great Lakes and Inland Waters, the Federal Communications Commission recommended that no legislation be enacted by Congress pending the results of treaty negotiations with the Canadian Government now being undertaken by the State Department.

The Communications Commission explained that Congress undoubtedly expected that a treaty on this subject would be negotiated with Canada. The reports of the Congressional Committees on the Bill which later became Public 97 (75th Congress) included the observation that no drastic change in policy affecting radio on ships on the Great Lakes should be undertaken without consultation with Canada and expressed the hope and expectation that the State Department would reach an agreement with the Canadian Government for the utilization of radio as a safety factor for shipping on the Great Lakes, so that the ships of both countries would be placed on a basis of equality in this respect and would receive assistance from the ships of each other as on the high seas.

The Committee has made the situation known to the State Department. That department will undertake the task of obtaining the agreement of the Canadian Government to a meeting of representatives to formulate the terms of a treaty which can be presented to the respective governments for ratification. The exact date for such a meeting has not yet been decided upon but will be determined in the near future.

As to the characteristics of the radio system to be employed on the Great Lakes, it was determined that reliable and consistent radio-communication for safety purposes is necessary for a distance of at least 50 miles over water as contrasted to the 200-mile range required by statute on the high seas. With this in mind, it is further concluded that either radiotelegraphy or radiotelephony may be selected as the uniform means of safety communication, provided that the appropriate power is used commensurate with the frequency chosen.

An extensive discussion is given in the report of the technical and propagation characteristics of frequencies most suitable for a radio safety service in this area. In discussing the particular vessels which should be required by law to carry radio apparatus, the Commission believes that the formula now used in regard to vessels entering the high seas is suitable. In general, this would mean that all cargo vessels over 1600 gross tons and all passenger vessels carrying more than twelve passengers would be required to be radio equipped when sailing the Great Lakes.

An examination of the evidence reveals:

That the present United States laws and treaties affecting the Great Lakes are inadequate to provide an appropriate and uniform marine radio communication system for safety purposes.

That the present facilities and services of United States ships on the Great Lakes do not fully satisfy the essential elements of a marine radio communication system for safety purposes.

That the number of persons and ships and the amount and value of property transported on the Lakes justifies the mandatory installation and maintenance on board ship of a radio communication system for safety purposes.

In addition, the Commission concludes:

That a reliable marine safety system must depend for effectiveness upon ground wave transmissions.

That the single frequency for a marine safety service must be selected from the vicinity of the following frequencies listed in the order of their desirability on an engineering basis:

- (a) 500 kilocycles; (b) 35,000 kilocycles;
- (c) 1,650 Kilocycles (d) 2,182 kilocycles

That it is the responsibility of the Federal Government to establish such additional coastal stations as may be needed to provide adequate coverage on the safety frequency adopted.

That any vessel subject to the requirements unless exempted pursuant to related provisions of law, shall keep a radio watch for safety purposes.

The following recommendations were made with respect to the Inland Waters:

That appropriate legislation, as amended, (Public No. 97, 75th Congress) with the major modifications itemized below be enacted to require a reliable radio installation for safety purposes on all ships navigating exclusively on bays and sounds of the United States adjacent to the open sea:

(1) A radio installation need not be required on passenger vessels of less than 100 gross tons;

(2) The Commission be authorized to designate the normal day and night communications range of the radio transmitter and receiver to satisfy the particular requirements in the area of operation of the vessel concerned;

(3) A complete separate emergency radio installation need not be required;

(4) The required continuous watch may be maintained in whole or in part by either a qualified operator or an approved automatic receiving device on both passenger and cargo ships while such ships are being navigated.

## DISCORD CREEPS INTO MUSIC WAR CHRISTMAS PEACE EFFORTS

Although the Department of Justice is believed to be making progress towards a consent decree settlement of the music war, the principals continue to charge and countercharge over the heads of the peace-makers. Gene Buck, President of the American Society of Composers, declares that the signing of a consent decree would not necessarily settle the matter of what fees are to be paid for music used over the radio.

Neville Miller said that even in the event of a decree, extensive and perhaps prolonged negotiations would be necessary "to arrange the acceptance by ASCAP of an honest and reasonable contract."

A late press bulletin of the National Association of Broadcasters cites the following as the three major developments of the week:

(1) Disaffection within the ASCAP membership has reached the breaking point. Already there is talk of ASCAP splitting up into three or more camps.

(2) According to reliable information, the Department of Justice is determined to push through the government's monopoly case against ASCAP, either by a consent decree or through open court action.

(3) The sensational success of BMI in gathering 240,000 titles available for stations in 1940, and in winning industry-wide support as reflected in its present membership level of some 600 stations, has demonstrated that this industry has the brains and the united determination to set up an independent source of good music sufficient to free radio, forever, from the shackles of music monopoly, and to establish the use of music in a free, competitive open market in accord with American traditions of business and fair play! . . . so-o-o-! The 1-2-3 of it all adds up to BMI - a three word title that has ASCAP on the run - and broadcasters on the march!

A prominent broadcaster told this writer that the withdrawal of ASCAP music from sustaining programs hadn't brought forth a single complaint.

"Listeners apparently haven't noticed any difference", he said. "Of course we can't play 'The Old Rugged Cross' but tunes of that sort you only play about once a year anyway."

In the meantime, word comes that because an orchestra in a Binghamton, N.Y. night club played copyrighted music without paying for the privilege, Judge Frederick H. Bryant awarded damages of \$500 in favor of the American Society of Composers, Authors and Publishers in Federal Court in Utica. The suit against Edith Kennedy, operator of the club, was uncontested, and the award was the minimum requested, on the basis of \$250 for each of two alleged violations.

## PROPOSED RULES FOR AIRPORT RADIO INSTALLATION

The Federal Communications Commission has promulgated proposed rules governing the use of ultra high frequencies in the aviation service and invited comment thereon by Tuesday, January 31.

As these proposals include the stabilization of the aviation radio system on am amplitude modulation basis, the Commission particularly desires comment as to the wisdom of this step, together with views regarding the practicability of providing for FM (frequency modulation) in the aviation service.

Under the existing rules it was contemplated that airport control stations would be provided with ultra high frequencies beginning January 1. Protests have been received with respect to this rule based on the grounds that at many locations it will be unnecessary for some time to come for the airport control station to install ultra high frequencies, due to the absence of aircraft equipped for their reception. It is also pointed out that the demands upon manufacturers for national defense have made it impossible in many cases to obtain equipment.

On November 15 Commission representatives met in informal discussion with representatives of other Government departments, the airlines, the private fliers, and the airports. The proposed rules which provide for a progressive schedule of installation are the result.

It is interesting to note that those who have witnessed the demonstrations of ultra high frequency air-ground communication are unanimous in the belief that these frequencies offer a solution to many of the difficult problems of traffic control in the vicinity of airports.

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MONOPOLY BRIEF FILING EXTENDED TO JAN. 2

The time for the filing of supplementary briefs in the so-called Monopoly hearings, on whether or not regulations should be enacted governing chain broadcasting, has been extended to January 2nd. This is just a day ahead of the convening of the new Congress to which this report is to be made. Already the Federal Communications Commission has been severely criticized for its tardiness in submitting the Monopoly Report and this being true, it is assumed the Commission will lose no time submitting its conclusions on the subject. One contention is that the Commission has no commercial jurisdiction over the chains, and if this opinion is upheld, it would have no power to act in the matter.

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## BROADCAST ENGINEERING STANDARDS IN PRINTED FORM

For the first time, the Federal Communications Commission's "Standards of Good Engineering Practice Concerning Standard Broadcast Stations" are available in printed form. The Commission is unable to make free distribution to other than broadcast licensees, but copies may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 30 cents each.

The standards interpret and elaborate on the Rules and Regulations, which form the basis of good engineering practice as applied to broadcasting on the 550 to 1600 kilocycle band. First made effective on August 1, 1939, these principles have been revised to July 20, 1940, in the printed edition.

Such compilation is published for the convenience of those interested in standard broadcast station operation. Familiarity with the standards is essential in the construction and operation of standard broadcast stations, to meet the requirements of technical operation in the public interest along lines not specifically enunciated in the regulations.

These standards represent the consensus of opinion of the broadcast industry as expressed in conferences with radio engineers and manufacturers, augmented by extensive field surveys conducted by the Commission's field technicians.

It is not expected that material deviation will be made from fundamental principles, since the standards are sufficiently flexible to accommodate new developments and other progress.

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## AID FOR FM IN TRANSITION PERIOD

To assist FM during its transition from experimental to a commercially recognized broadcast service, the Federal Communications Commission has announced that it will authorize, on appropriate request, a 60-day extension of experimental licenses which are due to expire January 1.

Under previous arrangement, all frequency modulation experimental station licenses were to automatically expire on that date. It is indicated, however, that more time is needed in which to switch over from the experimental to the regular program phase in this high frequency service.

At the same time, the Commission indicated that it will deny requests of permittee's for temporary authority to broadcast commercially unless it is shown that the permittee has complied substantially with the terms of his permit. Special temporary

authority will, however, be granted for bona fide technical experimental work in connection with construction of FM stations.

Up to the present time, the Commission has granted a total of 25 commercial FM licenses, and there are 33 experimental FM licenses outstanding.

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### RMA MIDWINTER CHICAGO MEMBERSHIP MEETING

There will be a "get together" rally of the entire membership of the Radio Manufacturers' Association in Chicago on Wednesday, January 15, for a general survey of industry problems and projects of the new year. There will be a luncheon, January 15, at the Stevens Hotel, and eastern, as well as western, members are being invited to attend. A special program is being arranged, and addresses will be made by James S. Knowlson, President of RMA, Chairman Baker of the National Television System Committee, who will detail the status of television standardization prior to the NTSC conference with the FCC on January 27, and others.

A number of RMA committees and also its Board of Directors and Executive Committee will hold meetings on January 15 at the Stevens. Among group meetings already planned for the Chicago sessions is a meeting of the Export Committee, of which Walter A. Coogan is Chairman. Topics of special interest are being arranged for this meeting, which will be attended by John H. Payne, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce, Washington.

There will be a meeting of the special RMA Committee on Advertising, of which John S. Garceau of Fort Wayne, Indiana, is Chairman, to continue its review of industry advertising and development of desirable advertising standards and practices.

Meetings also are being arranged of parts, accessories and other committees, including the special Parts Warranty Committee, of which Ben Abrams is Chairman, to consider maintenance by set manufacturers of stocks of replacement parts.

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Leonard Lyons in his column "The New Yorker" addressed the following remarks to Broadcast Music, Inc.:

"BMI: Joe Meyers, who wrote, 'California, Here I Come', feels confident that ASCAP will win and that your songs will not suffice for the listening public. 'After January 1', said Meyers, 'the radio audience will suffer from public domain poisoning.'"

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## \$850,000 WMCA SALE AUTHORIZED

The Federal Communications Commission has formally granted consent to transfer control of the Knickerbocker Broadcasting Company, of New York, licensee of Station WMCA, from Donald J. Flamm, well known New York broadcaster, to Edward J. Noble, former Assistant Secretary of Commerce, for the sum of \$850,000. The figure had previously been reported as \$1,000,000.

No announcement of the sale has as yet been made by either Mr. Flamm, or the new owner, Mr. Noble, but it has been reported that the latter, who ran for U. S. Senator in Connecticut on the Republican ticket and resigned his position at the Commerce Department to work for Wendell Willkie, will continue these interests. Mr. Noble is a man of large financial interests and Chairman of the "Life Savers Candy Corporation".

Mr. Flamm, who has built up WMCA to its present importance has given no indication of whether or not he will continue in the broadcasting station. WMCA has just erected a new transmitter in the Jersey Meadows, said to be one of the most up-to-date broadcasting stations in the country.

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## FOUR NEW STATIONS AUTHORIZED

Applications have been granted by the Federal Communications Commission for the erection of four new broadcasting stations:

Albert Joseph Meyer, Powell, Wyoming, to operate on 1200 kc. with 250 watts night and day, unlimited time; C. T. Sherer Co., Inc., Worcester, Mass., to operate on 1200 kc., 250 watts, unlimited time, with three 100 watt amplifier stations to be located near Auburn, Whitinsville, and Marlborough, Mass.; R. G. LeTourneau, Toccoa, Ga., to operate on 1420 kc., 250 watts, unlimited time; Oscar C. Hirsch, Cairo, Ill., to operate on 1500 kc., 250 watts, unlimited time.

An application for a new 250 watt station by the Worcester Broadcasting Company, Worcester, Mass., has been designated for a hearing.

Stations granted power increases during the past week are:

WKBW, Buffalo Broadcasting Corp., Buffalo, N.Y., from 5 KW to 50 KW; KGNC, Plains Radio Broadcasting Co., Amarillo, Tex., from 1 KW night,  $2\frac{1}{2}$  KW LS to 1 KW night, 5 KW day; WELI, City Broadcasting Corp., New Haven, Conn., from 250 watts to 500 watts and day power from 500 watts LS to 1 KW; WLXER, Yankee Network, Inc., Boston, Mass., to change frequency from 42,340 to 43,900 kilocycles, increase power from 500 watts to 1 KW, emission from A3 to special for FM, and change type of transmitter.

Among the stations applying for an increase are:

Designated for hearing: WAGA, Liberty Broadcasting Corp., Atlanta, Ga., to increase power from 1 KW day, 500 watts night to 1 KW night, 5 KW LS, change frequency from 1450 kc. to 590 kc.; WRDW, Augusta Broadcasting Co., Augusta, Ga., increase power from 250 watts unlimited to 500 watts night, 1 KW LS (contingent on WAGA changing to 590 kc.), change frequency from 1500 kc. to 1450 kc.

WESX, North Shore Broadcasting Co., Salem, Mass., CP to make changes in equipment and increase power from 100 watts to 250 watts (1200 kc.); WHOM, New Jersey Broadcasting Corp., Jersey City, N.J., C.P. to install new transmitter and directional antenna for day and night use, increase in power from 500 watts night, 1 KW day to 10 KW day and night, change frequency from 1450 to 1560 kc. and move transmitter from Jersey City to New Town Creek, Long Island City, N.Y.; WMAS, Inc., Springfield, Mass., C.P. to change frequency from 1420 to 880 kc., install new transmitter, install directional antenna for day and night use, move transmitter from Springfield to West Springfield, Mass., and increase power from 250 watts to 1 KW night, 5 KW day; WWSW, Walker & Downing Radio Corp., Pittsburgh, Penna., C.P. to install new transmitter, directional antenna day and night use, change frequency from 1500 to 940 kc., increase power from 250 watts to 1 KW; 5 KW day; move transmitter from Pittsburgh, Pa., to 1½ miles north of McKees Rocks Boro, Stowe Township, Pa., 1500 kc.; WSIX, Inc., Nashville, Tenn., C.P. to install new transmitter, directional antenna, for night use, change in frequency from 1210 to 950 kc., increase power from 250 watts to 1 KW, 5 KW day; KALB, Alexandria Broadcasting Co., Inc., Alexandria, La., C.P. to change frequency from 1210 to 580 kc., increase power from 250 watts to 1 KW, install new transmitter.

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#### WARTIME INCREASES CANADIAN RADIO SALES

Radio manufacturers of Canada reported sales of 28,923 units in August, 1940, the latest month to be reported, as compared with 27,706 in August, 1939, a wartime increase of 4.4 percent, according to the U. S. Bureau of Foreign and Domestic Commerce, based on figures of the Radio Manufacturers' Association of Canada. Total units sold for the first 8 months of 1940 were 182,219, compared with 130,726 units for the corresponding period of 1939, an increase of 39.4 percent. Inventories at the end of August were 63 percent greater than those at the end of August 1939, with 130,-630 and 79,681 units, respectively, in stock.

Of the total of 28,923 sets sold in August, 1940, 18,358 were electric; 8,490 battery; 842 portable; 421 phonograph combinations, and 812 automobile. Short-wave electric sets made up 64 percent of the electric units sold.

Classified by wave bands, 60 percent of the total electric sets sold in the month of August include short wave, 26 percent AC/DC, and 14 percent for standard broadcast frequencies. Battery sets, according to this classification, showed that 77 percent of purchases during August were standard broadcast frequencies and 23 percent short wave.

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!!! ----- !!!  
 !!! TRADE NOTES !!!  
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The Bureau of Foreign and Domestic Commerce has issued radio reports on the Canary Islands and Honduras.

The Federal Trade Commission has ordered Samuel H. Koolish, trading as Arlington Sales Co., 210 West Eighth St., Kansas City, Mo., to cease and desist from using lottery methods in the sale of radios and other merchandise.

A new mercury-vapor rectifier, bearing the type number GL-866A/866, has been added to the General Electric Company tube line for amateur and commercial service.

A mobile station of the Radiomarine Corporation, W1OXLZ, aboard the Towboat "Chicago Bridge" has been granted authority to communicate as an experimental ship station to investigate the possibility of establishing a coastal harbor service on the Mississippi River.

Max Abrams, Treasurer of the Emerson Radio and Phonograph Company of New York, has announced that the annual employee bonus would be divided this year in the amount of \$50,000. Every office and factory worker will share in the distribution.

Service Emblems are being awarded to three veteran R.C.A. Communications' employees this month. Alanson W. Aird, Engineer-in-Charge of the New Brunswick, N.J. transmitter station; Abraham Deutsch, Manager of SK Office; and Benjamin Lee, Main Office Porter, will each receive the golden rhomb which marks the completion of twenty years' employment with RCAC.

One of Station WBZ's two new vertical antennas, which tower 500 feet high, turns back radio waves headed oceanward, according to Westinghouse, and makes them join one-way radio traffic inland.

Applications for the following attorneys to practice before the Federal Communications Commission have been approved:  
 Roy Holfeinz, Houston, Tex.; Francis W. Rausch, West Allis, Wis.; Monroe Goldwater, New York, N.Y.; Samuel R. Rosenbaum, Philadelphia, Pa.; Milton Small, New York, N.Y.; Jerome C. Strumpf, New York, N.Y.

With the addition of five new stations - WNOE, New Orleans, WMQB, Mobile, Ala., WHBB, Selma, Ala., WDEF, Chattanooga, Tenn., and WBIR, Knoxville, Tenn., and the full-time affiliation of WKW, St. Louis on New Year's Day, the Mutual Broadcasting System estimates that more than 1,500,000 listeners in six cities will hear complete Mutual network service for the first time beginning January 1, 1941.

You're wrong! It isn't Commissioner Tunis Algiers Morocco Craven. The correct name is Tunis Augustus Macdonough Craven.

~~DR. ANGELL ANALYZES RADIO'S EDUCATION ROLE~~

To enable listeners to become acquainted with NBC's policies and procedures in connection with its Public Service programming it offers a booklet entitled "NBC Interprets Public Service in Radio Broadcasting", covering present activities and plans for future development of the Public Service Program Division of NBC. The report summarizes policies and program plans which have been recommended by Dr. James Rowland Angell, NBC Educational Counselor and officially approved by the management of NBC.

In 1937, NBC approached Dr. Angell, who was to retire that year as President of Yale University, with the suggestion that he become its Educational Counselor. The Management of the Company desired Dr. Angell to study the relationship between radio and education in an effort to work out a satisfactory solution to this problem. Dr. Angell accepted NBC's offer and spent the greater portion of his first year making a thorough study of foreign and American systems of broadcasting, with particular reference to the activity of various systems in educational broadcasting.

As a result of this study, Dr. Angell became convinced that to find a solution to the problem of radio and education in the U.S. the following four elements must always be considered:

(1) Networks can only do a shot-gun job rather than a single rifle shot job. With a few exceptions they should not try to do direct teaching. Their programs should be supplements to the teacher and the textbook, bringing to the classroom material which otherwise could not be provided. This is because of the four time belt stagger across the country, because of the forty-eight different State systems of education, the dozens of systems of education within each state.

(2) The local commercial stations can do a more direct educational job than the networks but still they cannot do a wholly direct teaching job.

(3) Electrical recordings of network programs already broadcast and programs especially recorded but not broadcast should be made available to schools, local stations and all others interested. This would provide material for use by all concerned which might not be secured in any other way.

(4) The ultra-high frequency wave lengths which the Federal Government has allocated to educational institutions is one of the most important elements in the entire picture. The Cleveland School System has been experimenting with this technique for several years; New York City, Los Angeles, and other school systems are under way with their experiments. The local school systems thus provided with their own broadcasting and receiving equipment can do direct teaching and can make use of network programs - of programs produced by the local commercial station - and of electrical recordings provided by the radio industry.

Dr. Angell suggested that NBC re-define its terms and that the word "education" be limited strictly to those programs which are a supplement to the teacher and the textbook.

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Having limited our use of the term "education", the problem was then to provide a new term for the programs which had been included formerly in the educational category. Dr. Angell and the Management worked out the following definition of types of programs broadcast on NBC's Red and Blue Networks:

	Percentage of Total Network Broadcast	Hours
1. Commercial Programs. . . . .		30%
2. Sustaining Programs. . . . .		70%
a. Straight Entertainment :		15%
b. Public Service. . . . .		55%
	(Women's, Children's, News, Special Events, Religion, Politics, Cul- tural Drama, Serious Music, Educa- tion, International Short Wave, etc.)	

Dr. Angell concludes that the public wants to be educated but it wants its education "sugar-coated". We believe it is our responsibility to provide public service programs of the highest quality and with a satisfactory degree of entertainment in them.

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RCA DEVICE CALLS ONE CAR ONLY

A new control device for mobile radio systems, by means of which any one car or group of cars can be called without disturbing the other receivers in the same system, has been developed by the Emergency Communication Section of the RCA Manufacturing Company and was shown at the Seventh Annual Conference of the Associated Police Communication Officers, at Orlando, Fla. Known as the RCA Selective Calling Equipment, it may be applied to any new or existing radio system.

Heretofore, all workmen in the field have found it necessary to stop work and return to their cars during radio transmission to ascertain for whom the message was intended. Now it is possible to call the one receiver or selected group of receivers desired. All other receivers remain inoperative while the crews of those cars remain on active duty. It is ideally suited for use by utility companies with fleets of radio equipped service and maintenance cars.

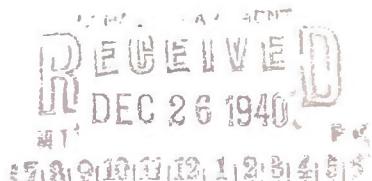
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1292

*G. W.  
R.H.*

December 24, 1940

## ARMY CAN'T EVEN TOOT HORN ON RADIO SOLON PROTESTS

Declaring that first the Navy and then the Army was told where to head in by organized labor, Representative Clare E. Hoffman, Republican, of Michigan, took the floor for an attack on these groups. Mr. Hoffman, who is a member of the House Labor Committee said, in part:

"Some will recall that, in the late summer of 1939, more than a year ago, a C.I.O. affiliate in Detroit, according to the then Acting Secretary of the Navy, held up preparations for national defense and told the Navy where it should head in. That union defied the Navy to 'come and get' its own materials. The Navy took it lying down for 41 days.

"It is the Army's turn now. One Petrillo, President of the A. F. of L. American Federation of Musicians, denied the Mutual Broadcasting System the right to transmit music played by the One Hundred and Fourth Engineers Band at Fort Dix.

"A series of patriotic concerts at Fort Dix had been planned to promote interest in the national defense. But, under the orders as issued by Petrillo, citizens will not have the privilege of sitting by their firesides and listening to the Army bands play the Star-Spangled Banner, America, or any other patriotic selections, as transmitted over the radio.

"According to the press:

"Petrillo announced that radio listeners would have to get along without broadcasts by Army bands from Army posts until he had an opportunity to go to Washington, D. C., and make a deal with the War Department on the extent to which such broadcasts could be given."

"This is a good cause and we're all for it", Petrillo declared, 'but if we allowed radio stations to put music on the air from Army camps whenever they wanted to they could soon dispense with our men. We are in favor of their going on the air with programs telling about life in the Army, but we want protection against the loss of jobs for professional musicians.

"I can't let them run wild. There's no telling where this thing might end. It's all right with us if they put on a couple of Army bands, but I want to know how often they plan to do this thing."

"Many people have assumed that Army bands could play when and where the Army desired. Some of our citizens are so naive as to have believed that broadcasting was under the jurisdiction of the Federal Communications Commission. Now we learn that the 'big boss' is, or at least so he thinks, Mr. Petrillo, who was recently given great praise in a nationally circulated monthly magazine.

"It might be well for the Government to adopt the language of Mr. Petrillo with reference to the activities of some of these gentlemen. He said:

"I can't let them run wild. There is no telling where this thing might end.'

"How would it be for the Army and the Navy to get together with the Federal Communications Commission and tell Mr. Petrillo to toot his own horn, at least insofar as the Army and Navy bands were concerned?

"Suppose, as in the olden days, the Army depended on bugle calls; that a war was on and that a charge or a retreat was to be ordered, the orders transmitted through the bugle. Would the Army officer be able to give the order without first seeing Mr. Petrillo? And what a mess we would be in, if Mr. Petrillo or his business agent did not happen to be on the field of battle. There the Army would be, all tied up, the commanding officer unable to tell it whether to go forward or backward until he had heard from Mr. Petrillo.

"Captain Cook, public-relations officer of the Forty-fourth Division, had asked permission to play a brief selection at the opening of the program, a full number at the middle, and a military theme at the end. Petrillo would not permit that. So the captain said that bugle calls would replace the band music. He added that Petrillo had granted a request for 1 minute of incidental music by a regimental band on another program last Thursday.

"There is one thing that the unions seem to have overlooked. A man can still be conscripted without joining and paying an initiation fee."

According to a newspaper dispatch from Chicago the Anti-Trust Division of the Justice Division is making a quiet investigation of Mr. Petrillo.

"This matter is not calculated to make much difference to Petrillo, the world's highest-paid labor leader. (His \$46,000 a year tops the combined salaries of John L. Lewis and William Green)," the dispatch said.

The interest of Thurman Arnold, head of the Anti-Trust Division, in Mr. Petrillo, it was learned, stemmed from the current conflict between the broadcasting chains and the American Society of Composers, Authors and Publishers.

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Officially, the musicians union has taken a hands-off attitude in the radio-music writers battle. Nevertheless, the traditional position of Jimmy Petrillo as the focal point of all conflicts over music brought the Justice Department in for a look at the unions' influence.

Mr. Petrillo said the radio networks had promised that no studio musician would suffer as a result of the Army concerts.

"The federation never denied the Army the right to do their stuff, but these Fort Dix people wanted a blanket waiver for all broadcasts and then on Friday came 24 requests, from the networks, to use Army bands, and I said, 'Gee! Let's keep this thing in status quo till we find out where we're at.' So I got in touch with people. We're patriotic enough to know these things should go on."

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#### ALL SET FOR TELEVISION REPORTS LATTER PART OF JANUARY

Television will again get the spotlight the last week in January when reports of the National Television Systems Committee to the Federal Communications Commission are due. They will be filed just prior to Monday, January 27th, at which a general conference is to be held on television in Washington. Following the conference it is expected the red light which was flashed against the television industry may be switched to green or amber at least.

Nine panels, or committees of the industry will report and even at this late date there may be considerable difference of opinion.

Prior to the Washington conference the Communications Commission Friday, January 24, will make an inspection trip to New York and several other cities so as to have up to the minute information as to what the television laboratories have developed and to see any actual televising that is being done at that time.

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A blackout resulting from trouble at an auxiliary station on the Susquehanna at Safe Harbor, Pa., cut off power from the radio stations in Washington and Baltimore and everything else using electricity last Saturday. An investigation immediately followed to see if sabotage had entered into it.

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## FCC NABS RACING TIP CROONER

A month's search by the Federal Communications Commission for unlicensed radio equipment which broadcast "sure tips" to favored bettors while horse races were still being run was climaxed last night by the arrest of two men and the seizure of illegal apparatus at the Charles Town, W. Va., racetrack.

In early December Commission field men discovered that two portable transmitters were surreptitiously being put to such use. One transmitter concealed under the coat was employed by one of the men in the grandstand to communicate progress of the race to an accomplice in a rented tourist cabin near the track. The latter utilized the second set to flash the expected result to conspirators listening in at outside receiving stations. Under this system, some persons were able to make advantageous bets before the results of the race were generally known.

The method of operation, as determined by Commission inspectors listening in, was this:

At the start of the race a person could be heard whistling on a certain radio frequency, followed by the words "Oh Johnny" repeated several times, and then a few bars from such songs as "Beer Barrel Polka" or "Maryland, My Maryland" would be sung. As the race neared the finish the voice would suddenly cut in with a number, repeated until the race was completed. Immediately after this number was spoken, a stronger signal on another frequency was observed to repeat the same number perhaps 10 or 15 times, followed by such commonplace expressions as "testing" or "testing for modulation", and finally the words, "that is all". On checking the race results it was obvious that the number in question referred to the number of the winning horse.

By the use of highly specialized equipment and technique, the party in the grandstand operating the transmitter concealed on his person was finally located. This transmitter was adjusted to an ultra-high frequency and the microphone extended down into the sleeve of the overcoat worn by the operator. To speak into the microphone, he merely raised his hand to the back of his neck and appeared to be conversing with his look-out companion, or shouting for his favorite horse to win. To allay suspicion, he carried a program and consulted it between races.

The grandstand tip-off man had a clear view of the tourist camp in which the high-powered transmitter was located, and received acknowledgments of the reception of his transmission by light signals flashed by the operator at the tourist cabin. On one occasion, the operator in the grandstand remarked on the air that a clothesline obstructed his view of the light. This announcement enabled the inspectors to verify the exact cabin in the group where the presence of the high-powered radio transmitter had been previously located by a radio direction finder, even though the

antenna was concealed. This transmitter was built into a trunk and when the lid was closed gave no semblance of a radio apparatus.

Arrests were made in cooperation with the West Virginia State Police and United States District Commissioner at Martinsburg, after evidence had been presented by members of the Commission's field operations section personnel - Charles Ellert, Supervisor of the Central Atlantic Monitoring Area; Assistant Monitoring Officer Earl M. Johnson, and Radio Operator Kenneth B. Menear.

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### COLLEGES OFFER FREE COMMUNICATIONS DEFENSE COURSE

Four colleges are announcing free communications or radio classes as a part of the 250 short, intensive training courses designed to meet the shortage of engineers for service as designers, inspectors, and supervisors with the industries and Government agencies engaged in the National Defense program.

The all-clear signal for these announcements was given when John W. Studebaker, U. S. Commissioner of Education, reported formal approval of the proposals submitted by these institutions to Federal Security Administrator Paul V. McNutt.

George Washington University in Washington, D. C., will give a radio communications course; Tufts College, Medford, Conn., radio engineering; Duke University, Durham, N. C., Communication engineering, and the University of Puerto Rico, communication engineering.

Prospective students must satisfy the engineering school giving the instruction that they have the requisite technical training and experience to understand the subject and that they are employable in defense work. Applicants will be considered by the schools individually. Those accepted will have their tuition costs paid by the Federal Government. Congress recently appropriated \$9,000,000 to be administered by the U. S. Office of Education, for this purpose.

Director of the Engineering Defense Training program in the U. S. Office of Education is Roy A. Seaton, Dean of the Division of Engineering at Kansas State College since 1920. Assisting him are an advisory committee of eleven nationally known engineering educators headed by A. A. Potter, Dean of the Purdue University School of Engineering. Twenty-two non-salaried regional advisers, working with defense industries and engineering schools, also are assisting. Dean Seaton said that a total enrollment of about 25,000 persons is expected in the Engineering Defense Training courses.

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## NEW WASHINGTON STATION VICTOR

WINX, Washington, D. C.'s newest station, won a court battle last week when U. S. District Court Justice Bolitha J. Laws dismissed a suit challenging the validity of the sale of the building where the radio station is located.

Had the jurist handed down a contrary decision, WINX possibly could have faced the loss of its headquarters if the new owner of the structure objected to the presence of a broadcasting studio.

Harry Sherr, of Orbinsonta, Pa., who owned a \$20,000 second trust upon the building, asked the court last September to enjoin a projected improvement of the building, in addition to setting aside its sale.

On advice of his attorneys, Alvin Newmyer and David Bress, Lawrence Heller, WINX owner and operator, went ahead with his plans in face of the suit. Justice Laws' ruling also disposed of the injunction request.

Located on the northeast corner of Eighth and I Sts., N.E., the building was purchased in a foreclosure sale August 16 for \$35,000 from the Faultless Hosiery Company, by Mrs. Laverne Kiplinger, of Bethesda, Md. Mr. Heller has leased it from her. The sale price covered only the first trust and Sherr realized nothing on it.

Sherr claimed the sale was not properly conducted because it did not bring enough money and he was not notified of the exact date on which it was held.

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## NEW YORK POLICEMEN TEST INDIVIDUAL 2-WAY SETS

New York City is testing a ten-pound two-way radio set by which foot patrolmen may keep in touch with each other.

Patrolman William Proctor demonstrated the set in Mayor La Guardia's office in the City Hall, wearing a brown canvas vest containing battery pockets over his shoulders. The radio transmitter hung over his chest and the receiving microphone was worn on his wrist like a wrist watch. At the Mayor's direction Patrolman Proctor got into communication with Patrolman Herbert Dennet in City Hall Park and had the outside man report his position. Dennet later spoke to Radio Car 10, four blocks away from City Hall, and wound up by getting the exact time from Police Headquarters.

The units now have an effective radius of only 1,000 ft. but that limitation can be expanded through relay systems. G. S. Morris, Superintendent of Police Telegraph, said the radio would be valuable on dangerous arrests, since one policeman inside a building could coordinate and direct the work of all the men outside. The device can be worn either under or outside a regulation police uniform. Its cost is now \$165.

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## CALDWELL FACETIOUSLY FETES FCC BAR GROUP

One of the merriest holiday parties in Washington was the annual cocktail party given by Louis G. Caldwell to the incoming and outgoing presidents and their wives of the Federal Communications Bar Association. On this occasion the honor guests were Mr. and Mrs. Herbert M. Bingham and Mr. and Mrs. Philip J. Hennessey, Jr.

There was a cleverly done Gridiron Club twist to the party with good-natured gibes at the Federal Communications Commissioners and others in which even the lawyers themselves were not spared. One way of carrying this out was by means of signs in different parts of the house, such as "Television Just Around the Corner". Around the corner one found himself in the room where the drinks were being served.

In the midst of the festivities guests were surprised to hear Mr. Bingham's life history coming over the radio. In reality, the program was a transcription, gotten together for Mr. Caldwell by Station WOL. Art Brown of the station was on hand to lead the singing of a special song "Hail to Bingham", which took place in Mr. Bingham's honor. It follows in part:

Forty winters ago, not a prophet did know  
 Who tonight's chief Exhibit would be,  
 But a far-sighted stork took a flight o'er New York  
 And he lit on the Bing family tree.  
 Herb has travelled since then, Culver, Stanford and Penn,  
 It is now Doctor Bing we salute!  
 Having wandered like Wendell, he settled to law,  
 And did rural service at Butte.

When we picked Hennessey, sure we thought we'd be free  
 From Depression with him in the chair,  
 But the darn Irish bloke, every pledge he has broke,  
 And the hearings grow ever more rare.  
 When he failed to appease the procedural squeeze  
 (It attenuates fees, say the boys)  
 They all voted in block for the New Dealer Doc,  
 Who's full of electrical noise.

## Chorus

Now the bench and bar come from near and far  
 To honor Herb the Bing;  
 With three hundred strong, they can't all go wrong  
 With a vagabond for king.  
 Svelte and debonair, with a social flair  
 Which no one can dispute,  
 Who'll serenade this Great Crusade,  
 It's Herb the Bing from Butte.

About 150 attended the party, including Commissioners and high officials of the FCC. Also others of prominence, such as: Mrs. Burton K. Wheeler, wife of the Senator from Montana; Justice and Mrs. Lawrence Groner, Justice and Mrs. Justin Miller, Justice and Mrs. Harold Stephens, Justice and Mrs. Wiley Rutledge and Justice and Mrs. Fred M. Vinson.

Also Commissioners Charles H. March and William S. Culbertson of the Federal Trade Commission; Robert Fleming, President of the Riggs Bank, and Mrs. Fleming, Mark Foote, past President of the Gridiron Club, and Mrs. Foote, and Francis W. Hill, Jr., President of the District Bar Association, and Mrs. Hill.

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#### SUPREME COURT TO REVIEW 2ND ASCAP CASE

With the zero hour of the Composers-Broadcasters music battle only a week away, the U. S. Supreme Court just before recessing for the holidays agreed to review a decision holding invalid a 1937 Florida law directed at monopolistic practices of music copyright owners and parts of a 1939 statute regulating licensing of public performance rights.

Florida appealed from a decision of the Northern Florida Federal District Court, seeking to establish validity of both statutes, while the American Society of Composers, Authors and Publishers, known as ASCAP, appealed from the same decision insofar as it held valid some portions of the 1939 statute.

The high court recently agreed to review a Nebraska decision holding invalid a State anti-monopoly law which permitted the public performance of music whenever the original purchase price had been paid.

The litigation was another phase of the effort of ASCAP to control prices charged for the public playing of popular music under its control. A three-judge Federal court in Nebraska held that the legislation violated the Federal copyright laws.

The Florida statute the Supreme Court promised to review was passed by the Legislature last year, after 1937 law met disaster in the courts. In April, 1939, the Supreme Court affirmed an order of the Northern Florida Federal District Court granting a temporary injunction against the 1937 law. Later the 1939 statute was passed. It also was designed to stop monopolies by ASCAP but was remodelled to suit court objections.

In the meantime the Department of Justice was evidently making the utmost effort to conclude negotiations in the consent decree proposed for ASCAP. Unconfirmed reports were to the effect that there was a hitch in the proceedings but the hope was expressed that the decree might be presented before January 1st when the

ASCAP contracts expire. Even after a consent decree there might follow much litigation but it is believed this would prevent a break and actual hostilities.

Pending this the NBC last Sunday eliminated on most of its commercial programs all music controlled by the Composers, the company's action coming a day earlier than had been announced previously. Only three or four commercial sponsors are expected to use the Society's music this week on the company's Red and Blue Networks, it was said, but they will drop it before January 1, when the present contract between the broadcasters and the Society expires.

The Columbia Broadcasting System intends to weed out ASCAP music on commercial programs beginning Thursday, the belief, as stated above, was increasingly voiced in both radio and music circles that some sort of a truce in the music row would be forthcoming prior to January 1, probably this week. The belief was predicated on the theory that ASCAP would agree to a consent decree in the anti-trust action brought against it by the Department of Justice. Besides the amount of money to be paid for music heard on the air, it was reported that the question of signing a contract with an organization accused of being a monopoly has accounted in part for the refusal of the broadcasters to negotiate with the Society.



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#### NOTES

All America Cables and Radio, Inc. reports that through cable service from New York to the Island of Martinique has been restored. It was interrupted on July 21 and since that time communication service with Martinique has been maintained by radio-telegraph.

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The Radio Manufacturers' Association has launched its plan to survey industry advertising on a voluntary cooperative basis. Initial steps toward establishment of desirable and technically correct advertising standards and practices were taken up at the first meeting of the new Committee on Advertising held in New York City. Current industry advertising was surveyed and procedure begun to have the Association recommend voluntary advertising standards, similar to the recommended RMA engineering standards, in the interest of the buying public and the trade, as well as manufacturers, and to avoid possible criticism from the public, Better Business Bureaus or Government agencies.

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NOTE - DUE TO THE GOVERNMENT TWO-DAY HOLIDAY, THERE WILL BE NO ISSUE OF THIS SERVICE ON FRIDAY, DECEMBER 27, 1940.

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## HICKOK JOINS NATIONAL DEFENSE COUNCIL

Guy C. Hickok, for the past three and a half years, Director of Short Wave Broadcasting of the International Division of the National Broadcasting Company, has joined the Council of National Defense for the Coordination of Commercial and Cultural Relations Between the American Republics. John F. Royal, NBC Vice-President in Charge of Foreign Relations, in announcing Hickok's new affiliation, said he did so with reluctance at the insistence of Don Francisco, head of the Radio Division of the Committee of Communications.

Under Mr. Hickok's direction, the program service of the International Division won wide acclaim abroad and the mail response from listeners in foreign countries jumped from some 400 letters a month to over 4000 a month. Mr. Hickok will be assistant to Don Francisco. Mr. Francisco is at present on a three month trip to South America. Mr. Hickok returned recently from an inspection tour of the principal Latin American countries.

One of the major duties of the Radio Committee will be the coordination of American short-wave service to Latin America and the promotion of American programs throughout South America.

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## TAXES FORESHADOW 1940 RADIO RECORD

Collections of radio excise taxes last November showed an increase of 37 percent over radio taxes in November, 1939, and insured an all-time high record in the final 1940 radio collections. November radio taxes amounted to \$791,483.01, compared with collections last October of \$703,304.20 and with \$577,776.05 in November, 1939. Refrigerator tax collections last November declined, amounting to \$302,618.83, against \$400,205.55 in November, 1939.

Compilations of Revenue Bureau statistics made by the Radio Manufacturers' Association, presaged total radio tax collections in 1940 of over \$6,750,000, which would be an all-time yearly record since the inauguration of the 5 percent radio tax in June, 1932. Radio taxes already collected, for the eleven months ending November 30 this year, were far beyond the total 1939 radio collections, due in part to the increased rate, from 5 percent to 5-1/2 percent, which became effective last July 1. For the eleven months ending in November, according to computation, the radio tax collections already total \$6,155,895.53, compared with the total 1939 excise taxes of \$5,229,649.14, while the comparative collections for the eleven months of 1939 ending November were \$4,485,525.46, which was 37.2 percent less than the comparative collections for the eleven months this year.

The past record for radio tax collections was reached in 1937 with a total of \$6,658,962.23, but it appeared certain that normal large collections this month (with December excise taxes ranging from \$600,000 and up in past years) would bring the 1940 total to a new high record.

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## NEW LONG LINES HEAD OF A.T. &amp; T.

Frank P. Lawrence, Vice President and General Manager of the Manhattan Area of the New York Telephone Company, was elected Vice President of the A. T. & T. Company and will be placed in charge of the Long Lines Department, effective January 1. Sydney Hogerton, General Manager of the Long Lines Department, will retire on January 31, 1941, and James J. Pilliod, Engineer, will succeed him in that position, effective February 1.

Frank Pell Lawrence was born at Newark, N. J., on October 18, 1886. He was graduated from Newark High School and studied civil engineering at Lehigh University.

The new head of the Long Lines Department spent seventeen years at various posts in the Middle and Southwest. Mr. Lawrence was made Supervising Construction Foreman in July, 1913, District Plant Engineer in January, 1917, and Division Plant Engineer in July of the following year. He transferred to Kansas City on being appointed Division Construction Superintendent in February, 1920, and the next July his title was changed to Division Plant Superintendent.

Mr. Lawrence was transferred to the New York Company in March, 1929, being made General Plant Manager for its Upstate Area. Four years later he went to the Manhattan Area, with the same title. On October 1, 1934, he returned to the Upstate Area as Vice President and General Manager, while on January 1, 1939, he again came to New York, but this time as Vice President and General Manager of the Manhattan Area. Mr. Lawrence was appointed Vice President of the A. T. & T. Company on November 20.

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### COMPENSATION FOR DRAFTED OR ENLISTED WOR EMPLOYEES

Drafted WOR employees or those who enlist in the Army or Navy will receive a financial differential between their civil and military salary for varying lengths of time depending on the term of their WOR employment, Alfred J. McCosker announced last week.

Staff members who have been with WOR for a year or longer will receive the difference between their salaries at the time of leaving and the pay they will receive for military service for a period of three months after leaving the station. Those who have been with WOR for less than one year will receive the difference between their WOR salaries and their military pay for one month.

In addition full salary will be paid for vacations which have accrued to an employee at the time of his leaving for military service.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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NATIONAL BROADCASTING CO.  
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No. 1297

December 31, 1940

## NEW CONGRESS WILL MAKE FCC HOP

Although no drastic legislative action is in sight, with the exception of the possibility of the long expected Congressional investigation of the radio industry, which if it took place would undoubtedly include the deodorization of the Federal Communications Commission, the convening of the new Congress will cause increased activity among government radio officials.

The first thing probably that will receive Congressional attention will be the belated monopoly report which will be lucky if it isn't greeted with a shower of brickbats. The FCC Committee preliminary monopoly recommendations met with such a warm reception on the Hill that it is believed an entirely new report is now being written.

Only the Mutual Broadcasting System, among the major networks, supported the FCC Committee's conclusions that networks be licensed, that exclusive affiliate contracts be banned, and that the FCC in effect supervise the dealings of stations and networks.

One prediction is that the upshot of the whole thing will be the FCC reporting to Congress that it has no commercial jurisdiction over the chains, and if this opinion is upheld, would have no power to act in the matter.

Senator Wallace White, Republican, of Maine, early in the session will renew his efforts for an inquiry into, or a survey of, the entire radio situation. It may be accompanied by a resolution proposing a reorganization of the FCC. If so, he probably would be backed up by Senator Burton K. Wheeler, Democrat, of Montana, Chairman of the Senate Interstate Commerce Committee, the most relentless investigator in the Senate and Senator Tobey, Republican, of New Hampshire, the stormy petrel in the Thad Brown hearings.

The Department of Justice cracking down on both the Broadcasters and the Composers thereby keeping the financial side of radio in the limelight, may prove to be quite a factor in bringing on a Congressional investigation. The criminal proceedings which Attorney General Jackson has ordered will focus public attention on the profits made by the networks and all this may prove alluring to Congress always eager to investigate. On the other hand, it may be disastrous to the industry if it winds up in network restrictions or a heavy tax on network stations.

The Senators may have something to say when and if a new FCC Commissioner is named to succeed Colonel Brown. Also if instead of filling the vacancy President Roosevelt decides to reorganize the Commission perhaps along the lines of the Civil Aeronautics Authority

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The FCC will likewise come to the attention of the new Congress in the matter of the Commission's 1942 budget. Although definite figures have not as yet been made public, the Commission is said to be asking for something more than \$4,000,000 for overall activities from July 1941-42. Base appropriations for the current fiscal year amounted to over \$2,000,000. During the year the Commission received \$1,600,000 from the President's National Defense Fund and \$175,000 for relocation of monitoring stations. A large item in the 1941-2 appropriation is national defense.

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#### DEFENSE COMMUNICATIONS BOARD TO MEET

Further indication of tightening up all along the line in national security will be the first general meeting of the Defense Communications Board in Washington Monday, January 6. Chairman James Lawrence Fly and associate members have been at work for several weeks on the preliminaries. Those with him in this were Major Gen. Joseph O. Mauborgne, Chief Signal Officer of the Army, Rear Admiral Leigh Noyes, Director of Naval Communications; Hon. Breckinridge Long, Assistant Secretary of State in Charge of the Division of International Communications; Secretary Herbert E. Gaston, Assistant Secretary of the Treasury in Charge of the Coast Guard. Also a Coordinating Committee composed of E. K. Jett, Chief Engineer, Federal Communications Commission, as Chairman, Francis C. de Wolf, State Department; Maj. W. T. Guest, War Department and Commander J. F. Farley, Chief of Communications, U. S. Coast Guard, Treasury Department.

Due to the fact that there are eleven subcommittees the sessions will be held in the large hearing room of the Interstate Commerce Commission but only committee members will be admitted and the public excluded.

The Committees are Law, Labor, Industry, Amateur Radio, Aviation, Cable, Domestic Broadcasting, Interdepartmental Radio, International Broadcasting, Radiocommunications, State and Municipal Facilities, Telephone, Telegraph, and U. S. Government Facilities. No indication has been given as to the length of the meeting, but it is assumed that it will not last more than a day.

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"Radio War on the U.S.A." (Berlin's "bombs for the mind") is the title of an article in the January issue of "American Mercury".

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## GOVERNMENT SUIT BAD BREAK FOR RADIO

Whether or not the suits are ever prosecuted, Attorney General Jackson so unexpectedly cracking down on the Broadcasters was a bad break for them. President Neville Miller of the National Association of Broadcasters had been enthusiastically prodding the Department of Justice to prosecute ASCAP and probably was the most surprised man in Washington when the Attorney General landed on BMI with equal force.

It was a surprise move which newspapers all over the country played up on the front page bringing the copyright war to the attention of millions of radio listeners who probably never heard of it. Without this publicity the Broadcasters could have slipped in the BMI music without listeners knowing the difference. One big network broadcaster told this writer that there hadn't been a single complaint from listeners on BMI music.

ASCAP had well laid plans to arouse the public, but anyone who has had any experience with arousing the public knows this is a most difficult thing to do. If Attorney General Jackson had singled out ASCAP for prosecution this, of course, would have attracted attention and might have gained sympathizers though people are not quite so quick to sympathize when a criminal charge is involved. However, in taking a crack at the Broadcasters as well, the Attorney General brought the fight to the attention of the entire listening public and put them on guard in a manner it would have been utterly impossible for ASCAP to have done. Altogether it was a great publicity break for the Composers who made no effort to conceal their satisfaction at the turn events had taken.

Well informed observers in Washington believed that there is still a chance that the suit will be settled before the Department of Justice files criminal proceedings in Milwaukee.

John G. Paine, General Manager of the American Society of Composers and publishers, declared:

"Even up to the last minute, if the chains show the inclination, something may be worked out in a few hours so that the public might continue to hear the music over the air."

The dispute centers around the five-year contract which expires today (December 31). The Society's new contract asks  $7\frac{1}{2}$  per cent of the gross income from all commercial programs, while the broadcasters offer payment on a per program basis if ASCAP music is used.

Despite the Government action, it is evident at this writing that Broadcasters intend to go ahead with their plan to put on BMI music.

Present ASCAP contracts have been renewed on the new terms by only a minority of radio stations and it is alleged that more than 600 stations have subscribed to the rival music copyright service. Washington radio attorneys disclosed that many independent stations over the country are hopelessly confused by the latest development and are preparing to obtain both ASCAP and BMI licenses to avoid any danger of copyright infringement.

The law prescribes a \$250 fine for each infringement of musical copyrights, and even NAB officials admit that it's not going to be easy to avoid mistakes.

ASCAP and BMI, on the other hand, have their worries. Should either or both be convicted of anti-trust activities, as alleged by the Justice Department, they would be liable to triple damage suits from their licensees.

One rumor in Washington was that the Department of Justice really proposed to go through with the ASCAP-BMI prosecution and that it was not merely a bluff by Attorney General Jackson to bring about a settlement. Furthermore, it was said that the Justice Department also proposed to give some attention to the activities of James C. Petrillo, the \$46,000-a-year music "czar" of the American Federation of Labor who recently issued an ultimatum regarding broadcasting by Army bands.

Headed "Department of Justice Confused" the National Association of Broadcasters issued the following statement:

"Further evidence of misunderstanding by the Department of Justice concerning BMI's set-up was the Department's reference to ASCAP and BMI 'members'. ASCAP has members. BMI has no members. ASCAP is a 'protective society'. BMI is a musical publishing house.

"For example, in the lowest paid ASCAP membership group, a member pays a \$10.00 annual dues fee to the society against his average annual receipts of \$20.00 paid by ASCAP to the 'member' for all rights to his music.

"In contrast, BMI makes no restricted contracts with composers. Nor does it receive any form of 'dues' from any author or composer. BMI merely publishes their compositions, pays them royalty fees and, in addition, pays them for the use of compositions over the air in exact ratio to the number of performances.

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NOTE - DUE TO THE NEW YEAR HOLIDAY, THE REGULAR FRIDAY ISSUE WILL BE OMITTED THIS WEEK.

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## 1940 MAGICAL SAYS TIMES EDITOR REVIEWING YEAR

If 1940 was magical, T. R. Kennedy, Radio Editor of the New York Times observes the new year is destined to be even more so. Reviewing the past year, Mr. Kennedy writes:

"More than 11,000,000 receivers came off the factory work benches - 2,000,000 of them for automobiles....The industry now pays its 500,000-odd workmen at the rate of more than \$500,000,000 annually, an increase of 15 to 20 percent over 1939.

"Effective last July, the Federal Communications Commission required American short-wave broadcasters to maintain a minimum power of fifty kilowatts - equal to the largest transmitters of foreign countries. Sponsored programs were authorized.

"On radio waves regarded in the early Nineteen Twenties as practically useless, 1940 saw the inauguration of a whole new method of broadcasting known as FM. A dozen transmitters went on the air within a few months - recently twenty-five such stations were authorized to install high-power apparatus and to operate 'as soon as possible' on a business par with existing long-wave broadcasters. . . .

"A recent survey disclosed at least 7,000 FM receivers operating daily in the Greater New York area; 12,000 in cities along the Atlantic Coast. More than fifteen large set makers were producing receivers as 1940 drew near its end, and four or five other plants were building the needed transmitters. . . .

"Much technical progress was made in television during the latter part of 1940, while its operation 'marked time' at the request of the FCC, to effect a standardization of transmission and reception systems. This work, now being finished by the National Television Systems Committee, is scheduled to go before the FCC by January 27.

"Devised by Dr. Alfred N. Goldsmith, New York consulting engineer, a novel method of utilizing many small cathode-ray tubes instead of a single large one to increase the size of projected television images, is designed to be plugged into existing home television sets, or to be utilized for large screen views in theatres.

"Color television received the attention of experimenters. It seems safe to predict that color will be featured on the video bands within a few years as the result of basic tests made in 1940. High among the list of such experimenters was Dr. Peter Goldmark, Chief Television Engineer of the Columbia Broadcasting System, who introduced outside pickups and scenes from films through the utilization of vari-colored whirling disks. . . .

"Tiny waves less than a meter long, in two ethereal hops linked the Empire State televue station with an RCA receiving depot at Riverhead, L. I., eighty miles distant. . . .

"Encouraged by the success of the tests, NBC began construction of a new television unit at Washington, later to be joined in a tri-city system - New York, Philadelphia and Washington. . . .

"Camera-size radios came into vogue during the past twelve months, aided by the creation of special dry batteries capable of operating new thimble-size vacuum tubes for many hours. Home recording gained in popularity; nearly 750,000 units were built. With the gaining popularity of radio-phonograph combinations and record players came phonograph record sales for 1940 exceeding the 75,000,000 mark.

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#### REDUCED CHANNEL SEPARATION PROPOSED IN AVIATION

A progressive schedule of installation of ultra high frequency apparatus has been provided in a proposed amendment to Part 9, Rules and Regulations Governing Aviation Services. The proposals are based on the recommendations of Subcommittee No. 9 of the Radio Technical Committee for Aeronautics and discussions held between representatives of the Commission, other government departments and licensees. They involve the use of the ultra high frequencies for airport control purposes.

A reduced channel separation between the frequencies assigned for airport traffic control has been set up with consequent increase in the number of assignable frequencies and amplitude modulation rather than frequency modulation is adopted for the aviation service.

Any who are interested in the adoption of these proposed rules are invited to comment to the Federal Communications Commission upon any specific provision or on the proposal as a whole. It is requested that comments be submitted by letter to the Secretary on or before January 31, 1941.

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#### IOWA STUDENT WINS BURKAN COPYRIGHT COMPETITION

Winners of the 1940 Nathan Burkan Memorial Competition inaugurated by the American Society of Composers in memory of its former General Counsel, were Frank R. Miller, State University of Iowa, Iowa City, Iowa, "A Re-Examination of Literary Piracy", Frank D. Emerson, Western Reserve University, Cleveland, Ohio, "Public Performance for Profit: Past and Present"; Calvin Welker Evans, University of Arizona, Tucson, Arizona, "The Law of Copyright and the Right of Mechanical Reproduction of Musical Compositions"; Irving Propper, Brooklyn Law School of Sa. Lawrence University, Brooklyn, N. Y., "American (Popular) Music and the Copyright Law"; Robert W. Bergstrom, Chicago-Kent College of Law, Chicago, Ill.; "The Business man Deals

With Copyright"; Howard B. Pickard, University of Oklahoma, Norman, Oklahoma, "Common-Law Rights Before Publication"; Milton Harold Aronson, Washington University, St. Louis, Missouri, "The Development of Motion Picture Copyright".

Forty law schools participated in the competition in 1938 and eighty-one in 1940.

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#### ANOTHER SUSPICIOUS NATIONAL CAPITAL POWER BLACKOUT

Following closely a blackout of power on all Washington and Baltimore radio stations and everything else in these cities using electricity a wire placed by an unknown person on the main Virginia Public Service Co. power line between Alexandria and Arlington, Va., just across the Potomac from Washington, D. C., last Wednesday cut off current to the naval radio station in Arlington - which transmits signals to ships at sea - and blacked out more than 1,000 homes.

At the Navy Department, it was said that the interruption of current caused only momentary inconvenience at the naval radio station. It was explained that the station has auxiliary power, and any failure in the public supply merely prompts an engineer to throw a switch turning on the emergency unit.

Although sabotage was denied in the first blackout power, company officials admitted the possibility of sabotage in the second instance, "in which case the trouble probably would be repeated", but were more inclined to believe a prank was intended.

The wire, several feet long and not insulated, was placed on the line at the top of a pole at South Seventh Street and Washington Boulevard, Arlington. Officials believed it was thrown from the ground or placed by a person who climbed the pole and handled the wire with gloves. The spot is at the south end of Arlington National Cemetery - a sparsely settled section.

A short circuit became evident at the Alexandria power-house at 11:33 P.M. and the current went out in the Aurora Hills and Virginia Highlands communities in Arlington County and the Del Ray and Roscmont suburbs of Alexandria. A trouble crew was sent out to locate the trouble and service was resumed at 12:28 A.M.

Arlington firemen put out flames at the top of the pole, caused by the short circuit.

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::: TRADE NOTES :::  
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A streamlined annual report of the Federal Communications Commission, brought up to date but half the size of last year's, will be released Thursday, January 2.

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Five stations in an Oklahoma regional network will become affiliates of the National Broadcasting Company January 1. They are KADA, Ada; KVSO, Ardmore; KCRC, Enid; KBIX, Muskogee, and KGFF, Shawnee.

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Television will be discussed at the Fourth Annual Engineering Conference of Ohio State University at Columbus on February 10 to 21. Among the speakers will be Dr. W. R. G. Baker, Director of the RMA Engineering Department, who will discuss the work of the National Television Systems Committee. Chief Engineer E. K. Jett of the Federal Communications Commission will discuss national defense problems in the communication field, and other speakers will include Major E. H. Armstrong on frequency modulation.

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The National Broadcasting Company networks accounted for 118 of the 172 programs and personalities voted "tops" in Radio Daily's Annual Poll of radio editors, according to a NBC press release.

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A hearing has been set for Friday, February 21, on the application of WMBG, Havens and Martin, Richmond, Va., for 5 KW day and night unlimited time.

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Harry L. Erlicher, purchasing agent of General Electric since 1931 and an employee of the company 40 years, was elected a Vice-President at a meeting of the Board of Directors in New York. He will continue to be in charge of the company's purchasing activities.

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Ultra high frequency will be used in 1941 by American Airlines. A station is being erected between New York and Boston.

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Denying him the privilege of operating Station W2XEN on a commercial basis the Federal Communications Commission granted special temporary authority to Major Edwin H. Armstrong to operate a high frequency experimental broadcast station on 42800 kilocycles, 4000 watts power at Alpine, N. J.

The Zenith Radio Corporation has been granted special temporary authority to operate a high frequency experimental broadcast station on 42800 kilocycles, 5000 watts, special emission for frequency modulation with transmitter located at 505 N. Michigan Avenue, Chicago

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Station WOR has abandoned its practice of maintaining a skeleton office staff on Saturday mornings. Hereafter the offices will be closed from Friday afternoon to Monday morning.

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Rufus C. Maddux has been appointed Director of Sales of WOR. He was Director of Advertising and Publicity for the New England Council.

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Major John A. Holman, General Manager of KDKA, has received orders from the War Department to report for active duty.

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An 8-page Radio and Theater tabloid section was started recently as a regular Sunday feature of the Chillicothe (Ohio) Gazette and News Advertiser. A complete weekly radio schedule is offered with copy restricted in order that it might be laid-out around radio programs.

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#### ALTERS WPA RADIO POLICY

The Work Projects Administration in Washington states that no WPA musical programs would be broadcast after December 31 until such time as schedules could be rearranged to insure widest possible reception of its concert music.

"WPA has decided", an official said, "that it is a waste of time and effort to fill the air at random with whatever music the various units are prepared to offer. After the first of the year no programs will be broadcast until worthwhile concerts can be given on regular schedules."

Local officials of the major broadcasting chains said that so far as they knew there had been no WPA programs on the networks. Broadcasts, it was said, have been handled by some individual stations.

The WPA did not explain just what arrangements it desired before resuming broadcasts, but an official said it was hoped something "entirely new" would be worked out whereby WPA concerts would be broadcast at regular periods.

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## FCC AMENDS RULES REGARDING APPLICATIONS

The Federal Communications Commission has amended Section 1.72 of its Rules and Regulations to read as follows:

S. 1.72 - Defective applications -- (a) Applications which are defective with respect to completeness of answers to required questions execution, or other matters of a purely formal character will not be received for filing by the Commission unless the Commission shall otherwise direct.

(b) Applications which have been received for filing but which are not in accordance with the Commission's rules, regulations or other requirements will be considered defective. If an applicant by specific request of the Commission is required to file any documents or information not included in the prescribed application form, a failure to comply therewith will constitute a defect in the application. Such defective applications will not be considered by the Commission.

The Commission also adopted new Sections 1.76 and 1.77 to its Rules and Regulations, reading as follows:

S. 1.76 Withdrawal of papers - The granting of a request to dismiss or withdraw an application or a pleading does not authorize the removal of such application or pleading from the Commission's records. No application or other document once officially filed shall be returned unless the Commission shall, for good cause shown, authorize such return.

S. 1.77 Failure to prosecute applications not designated for hearing - The following provisions shall apply to applications which have not been designated for hearing. An applicant not desiring to prosecute his application may request the dismissal of same without prejudice. A request of an applicant for the return of any application which has been officially filed will be considered as a request to dismiss the same without prejudice. Any application which has not been designated for hearing and which by reason of failure to respond to official correspondence or otherwise is subject to dismissal for non-prosecution will be dismissed without prejudice.

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## GETS LEAVE TO ASSIST ROCKEFELLER

James W. Young, former advertising executive, who became Director of the Bureau of Foreign and Domestic Commerce in 1939, has been granted indefinite leave of absence by Secretary of Commerce Jesse H. Jones. Mr. Young leaves the Commerce Department for an indefinite period to carry out his duties as Chairman, Communications Division, of the office of Nelson Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics. Carroll L. Wilson, Assistant Director of the Bureau, will become Acting Director. He was formerly associated with Scudder, Stevens and Clark, New York, investment counsel.

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## SARNOFF EXPRESSES HOPE IN AMERICAN INGENUITY

Research and American ingenuity form an unbeatable combination for the advance of science, David Sarnoff, President of the Radio Corporation of America, declared in a year-end statement.

"Opportunities for radio to progress are as unending as the years", Mr. Sarnoff said. "As Time turns the calendar to 1941, the New Year brings promise of advances all along the line of communications. Research and engineering, working with such forces and tools as electrons and the vacuum tube, can be depended upon to deliver new achievements in radio within the year."

"The New Year inherits from the Old, new and powerful short-wave transmitters, prominent among them two modern installations now being put on the air at Bound Brook, N. J., by the National Broadcasting Company. These stations, operating with directional beam aerials, are designed to increase the dependability and clarity of reception throughout Latin America.

For home reception too, American broadcasters constantly are improving their transmitters by taking advantage of the latest devices. An outstanding example in this field of development is WEAF's new transmitter at Port Washington, Long Island, which sprays its clear-toned waves over an all-water route to New York as testimony of the effectiveness of modern radio.

Experiments in television and frequency modulation will be continued as the engineers test new devices and explore the possibilities in both fields. A demonstration of large-screen television in a New York theatre is one of the early prospects of the New Year. The camera-eye of television is being made more sensitive; it becomes effective without intense illumination. Through research on improvement of the optical system, progress is being made in enlargement of the pictures without loss of definition.

The unfathomed science of electronics is such a part of radio that the directions in which it may advance are unlimited. Today inventions in radio are spreading their usefulness in other industrial fields. Among the paramount research developments of 1940, which will be extended to 1941, is the electron microscope developed in the RCA Laboratories.

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