

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JULY 3, 1934.

Surprise Appointments Delay New Commission Organization.....	2-6
A-K Executive Questioned In Army Investigation.....	7
Commission Division Directors Uncertain.....	8
Yankee Network Sued For Libel.....	9
Crosley Will Extend Convention Glad Hand.....	9
Business Letter Notes.....	10
Patterson, Paley and McCosker In WNYC Survey.....	11
Decisions Of The Federal Radio Commission.....	11

No. 737

*[Handwritten signatures and initials in red ink]*

July 3, 1934.

## SURPRISE APPOINTMENTS DELAY NEW COMMISSION ORGANIZATION

Because so few members of the new Federal Communications Commission knew in advance that they were to be reappointed, a delay was occasioned in the organization of the Commission. Judge E. O. Sykes, new Chairman, endeavored to get the members together Monday, July 2nd, inasmuch as the creation of the Commission was effective July 1st, but a quorum could not be assembled in Washington on that day. Accordingly Judge Sykes said that it might be a week later before they could organize. Only three members were in Washington at the time.

Although several had been spoken of as possibilities, among those finally chosen, dark horses predominated. These included former Governor Norman S. Case, Republican, of Rhode Island; Paul Walker, Chairman of the Oklahoma Utilities Commission, Democrat, of Oklahoma; Hampson Gary, former Minister to Switzerland, Democrat, of Texas; George Henry Payne, publicist, Republican, of New York, and Dr. Irvin Stewart, of the State Department, Democrat, who hails from Texas. The reappointment of Judge Sykes, Chairman of the Federal Radio Commission, Democrat, of Mississippi, and of Col. Thad Brown, Vice-Chairman of the Radio Commission, Republican, of Ohio, seemed to have been a foregone conclusion.

Judge Sykes was appointed for the seven year term; Colonel Brown for six years; Mr. Walker, five years; former Governor Case, four years; Dr. Stewart, three years; Mr. Payne, two years; and Mr. Gary, one year. At the conclusion of their present terms, they are subject to appointment, if again approved, for a seven year term. All of the present appointments will have to be confirmed by the Senate when it meets January 1st. If any should not be confirmed by the Senate, they will receive their pay from July 1st to January 1st. The present Radio Commission will function until the new Commission is organized.

An idea of the uncertainty as to who would be appointed, which apparently prevailed until the last minute, and the speed with which President Roosevelt moved when he finally made up his mind, is illustrated in the appointment of Mr. Walker. The names of the Commissioners were given to the newspapermen Saturday night for Sunday morning's release but late Saturday afternoon, President Roosevelt was still trying to reach Mr. Walker by long-distance telephone in Oklahoma. The White House was told that Mr. Walker was in Washington sitting with the Interstate Commerce Commission. An hour or so later the President succeeded in reaching Mr. Walker at the Cosmos Club, which is only about a block from the White House. The President asked him if he would accept the position and when the latter assented, President Roosevelt, at the telephone, is reported to have said, "You are appointed."

It is a typical Government Commission in which politics, rather than technical qualifications, predominate. Senators Pat Harrison and Stephens, of Mississippi, are credited with the reappointment of Judge Sykes; former Governor James Cox, of Ohio, and one time Democratic Presidential nominee, was said to have been behind Colonel Brown; and Representative Sam Rayburn, of Texas, is reported to have been the sponsor of Dr. Stewart, who also hails from Texas. Representative Rayburn was the co-author of the Communications Act, and Dr. Stewart, in charge of radio at the State Department, acted as his advisor. Although natives of the same State, they did not meet until several months ago. When Dr. Stewart's name was first mentioned, he seemed to take it lightly and apparently was as surprised as anyone when appointed.

Mr. Walker had the support of Senator Gore and apparently the entire Oklahoma delegation. Mr. Gary, from Texas, was said to have had the backing of Col. E. M. House, and Senator Sheppard, of Texas.

Former Governor Case is said to have been the personal selection of President Roosevelt. They met as members of a conference of Governors when Mr. Roosevelt was Governor of New York. Messrs. Roosevelt and Case were a part of a sub-committee, the other members of which were Governors Pollard, of Virginia; Dern, of Utah, and Woodring, of Kansas. Although of opposite political faith, a close friendship was maintained between Mr. Roosevelt and Mr. Case with the result that the latter has twice been a guest at the White House. Governor Case was described by friends, notwithstanding his appointment by a Democratic President, as "a real Republican".

Considerable comment was occasioned by the fact that Representative Anning S. Prall, of New York, also a personal friend of President Roosevelt, was not appointed to the new Commission. The President, when Mr. Prall was defeated for renomination to the House, appointed him to the Radio Commission but he never took his seat. Under the law, Mr. Prall, having been a member of the Congress which created the Communications Commission, would not be eligible to serve on it until January 1st. His absence from the new Commission gave rise to two stories. One was that Mr. Prall would succeed Mr. Gary at the end of the latter's first term; another was that Mr. Prall would be appointed to the Federal Trade Commission to fill one of the vacancies occasioned by the appointment of Messrs. Healy and Matthews to the Securities and Exchange Commission.

It seemed a certainty that Capt. S. C. Hooper, Chief of Naval Communications, would be appointed a member of the Communications Commission but this was said to have been strongly objected to by one of the large communication companies. Radio Commissioner Hanley was reported not to have been reappointed by President Roosevelt because of the allegations made by the Chicago Tribune that he had changed his vote and swung a decision of the Commission in favor of a Peoria station because the latter

was represented by a lawyer who handled the radio business for the client of Arthur Mullen, of Nebraska, of the Democratic National Committee and floor manager for Roosevelt at Chicago. Mullen was credited with having secured the appointment of Hanley, and Hanley's failure to be reappointed is taken as a further slap by the Administration at Mullen, who was subsequently forced off the Democratic National Committee by the President.

The failure of Commissioner Lafount to be appointed to the Communications Commission is charged to the fact that Mr. Lafount, a Smoot Republican, failed to vote according to instructions from the White House in a case which the Commission had before it concerning two Louisiana stations, KWKH, at Shreveport, and WWL, at New Orleans.

The new Communications Commission brings together men of long experience in public life. Judge Sykes, who is 58 years old, was formerly Justice of the Supreme Court of Mississippi, and was appointed to the Federal Radio Commission by President Coolidge in 1927, and reappointed by President Hoover in 1930. He will have been the only member of the Radio Commission who survived from its start to finish.

Col. Thad Brown, former Secretary of State of Ohio, and campaign manager of President Hoover in that State, began his service in Washington as Chief Counsel of the Federal Power Commission. He was subsequently appointed General Counsel of the Radio Commission in 1929, and later a Commissioner. Colonel Brown is 47 years old, and served as a Captain in the World War.

Mr. Walker was judged to be about 40 years old, and is said to be one of the best known State Commissioners on little understood angles of railway rates. He has served as Special Counsel of the Interstate Commerce Commission, and for the past two years has been Chairman of a section of the Oklahoma Corporation Commission which has been conducting an investigation of the Southwest Bell Telephone rates. He is a member of the Executive Committee of the National Association of State Railroad and Utilities Commission.

According to a friend of Mr. Walker, the latter's appointment was put up to President Roosevelt that the Commission would doubtless be required to have its political appointees, and that for window-dressing, it would be well for the President to appoint someone with Public Utilities experience and to really "do the work." This friend predicted that Mr. Walker would develop into the "Joe Eastman" of the Commission. One of the difficulties which presented itself in the appointment of Mr. Walker, was that it would allow "Alfalfa Bill" Murray, Governor of Oklahoma, to appoint his successor, but President Roosevelt was said to have remarked that he would not allow that to stand in his way.

Dr. Stewart, who is 35 years old, came into the radio picture four years ago when he was appointed to supervise radio matters insofar as they affected treaties. He had previously

served as Assistant Solicitor of the State Department, and after retiring for a couple of years to private practice, returned in 1930 in charge of the radio division at the State Department. He was born in Fort Worth, attended the public schools there, was a student for two years in the University of Oklahoma. Later he received his B.A., M.A., and L.L.B. degrees at the University of Texas, and finally his Ph.D. at Columbia University. He later taught Constitutional Law at the University of Texas. Dr. Stewart served as advisor at the International Radio Conference in Washington in 1927, at the meeting of the International Technical Consulting Committee on Radio at Copenhagen, in 1931, and was a delegate to the International Radio Conference at Madrid in 1932, and finally as advisor to the North American Radio Conference in Mexico in 1933.

Former Governor Case was born in Providence, R. I., and is 46 years old. He received an A.B. degree at Brown University in 1908. He studied law at Harvard from 1909-1911, and received his LL.B. from Boston University in 1912, and LL.D. degrees from Manhattan College in 1930, and Rhode Island State College in 1931. He married Emma Louise Arnold, of Bethel, Vt. June 28, 1916, and they have three children, Norman, John and Elizabeth. Mr. Case was admitted to the bar in Rhode Island in 1911, in Massachusetts in 1912, and the Supreme Court of the United States in 1923. He was a member of the City Council of Providence from 1914-1918, of the Soldiers' Bonus Board of Rhode Island, 1920-1922, United States Attorney, District of Rhode Island from 1921 to 1926. In 1927 he was elected Lt. Governor of Rhode Island and served until 1928, succeeding as Governor of Rhode Island upon the death of Governor Pothier for period ending January, 1929 and has been Governor since that time, his second term expiring in 1933. He was Chairman of the Executive Committee of the Governor's Conference 1930-32. He served as 1st Lt. Troop A, R.I.N.G., Mexican border, 1916; World War service, July 25, 1917 to July 19, 1929, as Capt. Co. A., 103d Machine Gun Batt., 26th Division, and later with General Staff of the A.E.F. He received the Chevalier de l'Etoile Noire (France) in 1918. He is a member of Delta Upsilon, a Baptist and a Mason, and a member of the University Club.

George Henry Payne was born in New York City and is 57 years old. He was a student in the College of the City of New York and later in the College of Pharmacy, and finally studied in the New York Law University. He was married at Dallas, Pa. to Mrs. Emma James Sturdevant, March 9, 1918. Propr. Long Branch Summer Season, 1893, The Gothamite, 1895-96; Associate Editor, Criterion Magazine, 1896-99; exchange editor and editorial writer, Commercial Advertiser, 1895-96; musical and dramatic critic, New York Evening Telegram, 1903-07; political writer, Evening Post, 1909-12. He was a lecturer on history and development of American Journalism, Cooper Union, 1915, and President Direct Nominations Club, 1901. He was a member of the New York County Republican Committee 1906-07 and a candidate for Assembly in 1908. He was Manager, Lit. Bureau for Henry L. Stimson, Republican candidate for Governor in 1910 and one of the New York

7/3/34

campaign managers for presidential campaign of Theodore Roosevelt 1912; also manager of the campaign for George McAneny, President, Board of Aldermen, 1913; now Tax Commissioner of New York City. He was a delegate to the Republican National Convention (floor manager for General Wood), Chicago, 1920. He was a candidate for United States Senator, Republican primaries against James W. Wadsworth, receiving 46,039 votes, in 1920. He was decorated Order of Danilo I (Montenegro), 1921.

Mr. Case is a member of the Metropolitan Club (Washington, D. C.), the Army and Navy Club, City Club, National Republican Club, Park Republican Club, Hardware (New York) Club, Cercle Interallie (Paris, France). He is the author of "A Great Part and Other Stories of the Stage, published in 1901; "The Birth of a New Party", published in 1912; "History of the Child in Human Progress," 1915; "History of Journalism in America", 1919; "England - Her Treatment of America", 1931; also a one-act musical comedy, "In Silver Idaho", 1911, and a one-act play, "The Lightning Stroke", 1915.

Hampson Gary is 59 years old and was born in Tyler, Texas. He was educated in the Bingham School, North Carolina and the University of Virginia; In 1901 he married Bessie Royall, of Palestine, Texas, and has two children, Franklin and Helen. He was admitted to the bar in 1894 and in practice of law at Tyler, Texas until removal to Washington, D. C. in 1914. He was referee in bankruptcy for four years, Standing Master in Chancery; U. S. Court, 2 years and appointed Special Counsel of the Department of State in December, 1914, to assist in the consideration of matters arising out of the war situation in Europe. He was advanced to the regular service and made a Solicitor, 1915. He was diplomatic agent and Consul General to Egypt, rank of Minister Resident, 1917 to 1920. While serving in Cairo, was in charge of American interests in Palestine, Syria, and Arabia. He was at the front beyond Jerusalem with Field Marshal Allenby for a while in 1918. He was called to Paris in 1919 for work with the American Comma. to Negotiate Peace; Minister to Switzerland, 1920-1921.

Mr. Gary has been engaged in general law practice in Washington, D. C. since 1921, and New York since 1931. He was a Capt. U. S. Volunteers Spanish American War, 1898, later Colonel, 3rd Texas Infantry. He was a member of the Texas House of Representatives, 1901-02 and regent, University of Texas, 1909-11. He is a member of the American Bar Association, American Society International Law, University of Virginia chapter Phi Beta Kappa, Alpha Tau Omega, New York Southern Society, S. R. Episcopalian. His clubs are the Metropolitan and Cosmos Clubs in Washington, as well as the Chevy Chase and Lawyers Club of that same city.

X X X X X X X X

7/3/34

## A-K EXECUTIVE QUESTIONED IN ARMY INVESTIGATION

Delving into employment of certain Army officers by outside business interests, Acting Chairman Paul Kvale of the House Military Affairs Investigation Committee today (Tuesday) in Washington behind closed doors questioned Joseph L. Schwank, executive of the Atwater Kent Radio Company.

Schwank was "invited" to give any information he may have regarding services rendered Atwater Kent in 1930 and 1932 by Lieut. Col. Joseph I. McMullen, Chief of the Patents Section of the Judge Advocate General's office of the Army.

The Committee also is in possession of records showing that at least two other Army officers received compensation from business concerns, it was disclosed. Kvale said the names of other officers involved in the records would not be made public until the facts have been thoroughly checked, and unless the findings justify action by the Committee.

He said the Committee desires to ascertain whether the officers were on leave at the time and whether the firms employing them were doing business with the Government at the time.

The Atwater Kent representative was asked to testify by Committee investigators, who spent several days in New York and Philadelphia last week.

The Committee is awaiting a promised second appearance of Colonel McMullen, who already has given sensational testimony. The veteran military lawyer told the committee he would produce personal records as to fees he received from Atwater Kent and from the Cuban-American Manganese Corporation several years ago.

The Committee has indicated it would like to compare Col. McMullen's records with those received from other sources. In his testimony, Colonel McMullen said he received about \$5,000 from Atwater Kent interests for patent services and that he was on the payroll of the Cuban-American Manganese Corporation at a retainer of \$250 a month.

X X X X X X X X X X

7/3/34

## COMMISSION DIVISION DIRECTORS UNCERTAIN

When asked who might serve as the directors of each of the three divisions - broadcasting, telegraph and telephone - which it is expected the Communications Commission will create, Judge E. O. Sykes said that no thought had been given to personnel in this connection and a decision would not be reached until after the Commission met. The only names heard in connection with any of the divisions were W. D. Terrell, present Chief of Field Operations, and Capt. Roger W. Yeomans, formerly with the Army Signal Corps and the A. T. & T.

"We have to get organized before we can work out the divisions", Judge Sykes explained. He added that he was very much pleased with the selection of the Commissioners. At least one person commenting upon this did not agree with him.

"Apparently the President concentrated on the Securities Commission and allowed Farley to have his way with the Communications Commission whose complexion is highly political", the critic remarked.

"One or two politicians may have slipped through", someone commented. "Yes a number of politicians get aboard. There isn't a man on the Commission with technical knowledge of either radio or communications."

A guess as to how the Commission might divide itself to supervise the divisions was as follows: Broadcasting - Brown and Stewart; Telegraph - Case and Payne; and Telephone - Walker and Gary, with Judge Sykes sitting in on all three if he so desired.

Two favorites in the betting were Paul D. P. Spearman for General Counsel, and Dr. C. B. Jolliffe for Chief Engineer. George Porter, Acting General Counsel seeks to head the Legal Division. Miss Fanny Neyman, of the Legal Division, who had Commissionership ambitions, is spoken of as having a chance for Assistant General Counsel; also Ben Fisher, Assistant General Counsel of the Radio Commission.

In the Engineering Division, it is believed places will be found for Ford Greaves and E. K. Jett, who both served under Dr. Jolliffe on the Radio Commission. Herbert L. Pettey, Secretary of the Commission, known as Farley's "fair haired boy", despite the bitter newspaper fire he has drawn, seems to be slated for Secretary of the Communications Commission.

X X X X X X X

## YANKEE NETWORK SUED FOR LIBEL

A libel suit asking damages for \$100,000 from the Yankee Network News Service, Inc., for broadcasting an admittedly false report during the celebrated Millen-Faber murder case has been filed in Boston in Federal Court by Abraham Faber, one of the defendants, since convicted of murdering two policemen during a bank hold-up.

The broadcast in question was made at 9:55 P.M., March 23, and alleged that Faber had made a desperate attempt to escape from the jail at Dedham, Mass., where he was confined during his trial. Stations WNAC and WAAB, operated by the defendant corporation, were used for the transmission of this report.

Richard Grant, manager of the radio news service, according to the Editor & Publisher, admitted under oath in the Dedham court on April 11 that the broadcast concerning Faber's supposed escape was false. The report, prefaced in its broadcasting by the words, "The Yankee News Service has learned exclusively", had not been verified before it was sent out on the air, Grant admitted under questioning by Attorney William R. Scharton, counsel for Faber.

"It was a hoax", Grant said, asked if he had made any retraction. Grant declared that the District Attorney had directed him not to.

The purpose of Scharton's subpoena of Grant to appear in court was to show that the false broadcast had prejudiced the minds of prospective jurors.

Attachment of the property of the Yankee Network News Service was also sought with the filing of Faber's suit. The News Service has 21 days in which to file an answer.

X X X X X X X

## CROSLEY WILL EXTEND CONVENTION GLAD HAND

Powel Crosley, past master at entertaining, has been appointed Chairman of the local Committee at the Cincinnati meeting of the National Association of Broadcasters in September.

E. M. Spence, of Atlantic City, Chairman of the Convention Committee, and Phil Loucks, of the NAB, who visited Cincinnati to look over the ground, are already predicting at least 500 registrations.

X X X X X X

7/3/34

::: \_\_\_\_\_ :::  
::: BUSINESS LETTER NOTES :::  
::: \_\_\_\_\_ :::

The exemption from Federal Tax which affects payments by newspapers to telegraph and telephone companies does not extend to payments made by radio broadcasting companies to those systems of communications, the Bureau of Internal Revenue has ruled.

-----

Station WAAF, owned and operated by the Chicago Drivers Journal, burned out in the Chicago stockyards fire, returned to the air last week with its regular daily schedule. A new transmitter has been constructed on top of the Exchange Building at the yards, and new studios have been acquired at the Palmer House.

-----

Lynne M. Lamm, Washington newspaper correspondent and radio writer is spending his vacation at Mountainville, Orange County, New York. This is not far from Cornwall-on-the-Hudson. Mr. Lamm is accompanied by Mrs. Lamm and will be away about two weeks.

-----

Mrs. Franklin D. Roosevelt is to be featured July 9 in a broadcast program of the Simmons Company, sponsoring Better Bedding Week. Her \$3,000 fee is to be forwarded to a charity to be named by Mrs. Roosevelt.

-----

Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters expects to spend the 4th of July in Minneapolis.

-----

In addition to their regular duties, New York City police radio cars delivered more than 12,000 summonses last month.

X X X X X X X X X X

7/3/34

## PATTERSON, PALEY AND McCOSKER IN WNYC SURVEY

Mayor LaGuardia has named the following prominent radio executives to survey the facilities of WNYC, the Municipal broadcasting station, and to report on methods of expanding its usefulness:

William Paley, President of the Columbia Broadcasting System; Richard C. Patterson, Jr., Vice-President and General Manager of the National Broadcasting Company, and Alfred J. McCosker, President of the National Association of Broadcasters and associated with WOR.

Recently the Mayor set January 1st as the expiration date of a probation period for the station. He indicated that if its usefulness was not fully demonstrated by that time, WNYC would be discontinued and the station sold.

Mr. Patterson has already made a preliminary survey of the city station's technical equipment. As a former city official he is familiar with the city's financial situation and procedure within city departments.

X X X X X X X X

## DECISIONS OF THE FEDERAL RADIO COMMISSION

The Commission did not meet today, either as the Federal Radio Commission or the Federal Communications Commission. The following were some decisions handed down on June 29:

### Action Taken On Examiners' Reports

WBOW, Banks of Wabash, Inc., Terre Haute, Ind., denied C.P. to make changes in equipment, change frequency from 1310 to 1360 kc., increase power from 100 w. to 500 w. night, 1 KW day, unlimited time, sustaining Examiner George Hl Hill; WHBY, WHBY, Inc., Green Bay, Wis., denied C.P. to make changes in equipment change frequency from 1200 to 1360 kc., change power from 100 w. to 1 KW, unlimited time, sustaining Examiner Hill; WSBT, The South Bend Tribune, South Bend, Ind., granted renewal of license, 1230 kc., 500 watts, specified hours, sustaining Examiner Hill; WSBC, WSBC, Inc., Chicago, Ill., dismissed C.P. to change location, install new equipment, change frequency to 1360 kc., and change power from 100 w. to 1 KW night, 1½ KW-LS, from special hours to share with WGES, sustaining Examiner Hill; New, John L. Hopkins, Hammond, Ind., dismissed application for C.P. for new station to operate on 1360 kc., 1 KW, share with WGES, sustaining Examiner Hill.

7/3/34

Also, WSBT, The South Bend Tribune, South Bend, Ind., granted modification of license to change frequency from 1230 kc. to 1360 kc., change specified hours to special hours, facilities vacated by WJKS, 500 watts, sustaining Examiner Hill; WFBM, Indianapolis Power & Light Co., Indianapolis, Ind., granted modification of license to change hours from specified to unlimited (facilities of WSBT); 1230 kc., 1 KW, sustaining Examiner Hill; WGES, Oak Leaves Broadcasting Station, Inc., Chicago, Ill., granted renewal of license, 1360 kc., 500 watts, 1 KW-LS on Sunday, Share with WJKS, sustaining Examiner Hill (The effective date in the above case is July 13, 1934); WJEJ, Hagerstown Broadcasting Co., Hagerstown, Md., denied C.P. to make changes in equipment, change hours of operation from daytime to unlimited and increase power from 100 w. day to 250 w. day, 50 w. night, 1210 kc., sustaining Examiner Ralph L. Walker (Order effective July 6, 1934); NEW - C. C. Morris, Ada, Okla., granted C.P. for new station to operate on 1200 kc., 100 watts, daytime hours, sustaining Examiner George Hl Hill (Order effective July 6).

#### Action On Cases Heard Before Whole Commission

New, Robert Lowell Burch, Salem, Ore., denied C.P. for new experimental broadcast station to operate on 1530 kc., 300 W., experimentally for 2 months, thereafter 1 KW unlimited (order effective July 13); New - General Television Corp., Boston, Mass., denied C.P. for new experimental broadcast station to operate on 1570 kc., 500 w., unlimited time (order effective July 13); also, granted C.P. for new experimental visual broadcasting station to operate on 42000 to 56000, 60000 to 86000 kc., 200 w., unlimited, except for time division with other license, A3 emission (order effective July 13).

#### Miscellaneous

WLBW, Broadcasters of Pennsylvania, Erie, Pa., reconsidered and granted application for increase in night power from 500 w. to 1 KW; WTOC, Savannah Broadcasting Co., Savannah, Ga., reconsidered and granted application for increase in night power from 500 w. to 1 KW; KWCR, Cedar Rapids Broadcasting Co., Cedar Rapids, Ia., The Commission reconsidered its action of April 20 and June 26, and ordered that station KWCR be authorized to use 500 watts daytime power.

X X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JULY 6, 1934.

Prall Communications Commission Status Puzzler.....	2
No Cheers From Radio Industry For New Commission.....	4
Dill Still Undecided With Regard To Running Again.....	5
Radio Manufacturers' Code Hearing Set For July 23rd.....	6
Miss Bellows Weds Philip Pillsbury.....	7
Borah WJAR Cutoff Due To Power Breakdown.....	8
Business Letter Notes.....	9
No More Radio Commission Meetings.....	10
U. S. Will Give Air Forecasts For Aviators.....	10
RCA Connects N. Y. And New Orleans - Chicago Next.....	11
\$200 Television Sets Promised By DeForest.....	11
Report Of Broadcasting Applications Received.....	12
Music Predominates British Programs.....	12
CORRECTION.....	12

No. 738

*W G*

## PRALL COMMUNICATIONS COMMISSION STATUS PUZZLER

A perplexing riddle on the eve of the organization of the new Communications Commission is whether or not Hampson Gary, of Texas, appointed for one year, is only a "straw man" and whether Representative Anning S. Prall, of New York, will not eventually become the seventh member of the Commission.

Mr. Prall was appointed to the Radio Commission by President Roosevelt but never took his seat. Because of the fact that he was a member of the Congress which created the new Commission, Prall would not be eligible to serve until his Congressional term expires January 1st. One theory is that Representative Prall, who is a personal friend of President Roosevelt, will be appointed to the Federal Trade Commission, but another persists that he will later join the Communications Commission.

Color was given to the latter conjecture by the remarks of Representative John J. O'Connor, of New York, Representative Hamilton Fish, Jr., of New York, and others at a luncheon given to Mr. Prall by the members of the House Banking and Currency Committee at the time of his retirement from Congress.

Congressmen are often well informed as to Presidential appointments, and though the luncheon was held before President Roosevelt named the Communications Commission, those who spoke at the luncheon all seemed to take it for granted that Mr. Prall was to be prominently identified with the new radio deal.

"Representative Prall sometime ago was appointed by the President and confirmed by the Senate as a member of the Federal Radio Commission", Representative O'Connor (D) said, "and it is generally understood that with the consolidation of that Commission with the new Communications Commission, he will become a member of that all embracing body."

"I like Mr. Prall for many reasons and for the additional reason that as soon as he takes over his new radio duties, I have his definite promise that he will arrange for free radio service for me as long as I am in Congress", said Representative Wesley E. Disney (D), of Oklahoma.

"My love for Mr. Prall amounts to more than my respect for most men. I know him rather intimately and that knowledge amounts to an enthusiasm, so to speak. It can best be illustrated by a story we heard the other day concerning two boys in Sunday School. It illustrates how a man for no special reason at all will form a judgment of another man and stay by him through all

the vicissitudes and tergiversations. The teacher inquired of one of the boys as to whom God has sent to save the world, and the boy promptly answered. 'President Roosevelt.' The boy next to him nudged him and said, 'No; it was Jesus Christ.' The boy replied, 'Shut up, you damn Republican.'

"We know that Mr. Prall's appointment to the Federal Radio Commission is a credit to the great Democratic Party, to New York City, and to the great Empire State", Representative Hamilton Fish, Jr. (R) of New York, declared. "We Republicans of New York State feel it is a signal honor to our State to be represented on the Federal Radio Commission by Mr. Prall, and it is our hope that he will well look after our domestic affairs."

"While Mr. Prall is leaving Congress, he is entering upon a field of activity as a member of the Federal Radio Commission of equal importance, if not of greater importance, to the country as a whole, than his Committee on Banking and Currency", Representative Reilly (D) of Wisconsin, said. "The radio is in its infancy, and the problems that will have to be solved by the Federal Radio Commission are just as difficult and vital to the future of our country as the problems that have been considered and will be considered by this Committee on Banking and Currency."

"I have no doubt but that Mr. Prall will in his new position be able to render efficient service to the country and that his record on the Federal Radio Commission will meet the highest expectation of his very many friends and admirers and justify the judgment of the President in selecting him for one of the most important governmental agencies."

"Mr. Prall goes to a field of broader opportunity, for the radio in the shaping of public opinion already is one of the most powerful influences in our political and social relations. It is going to become more and more powerful", Representative Robert Luce (R), of Massachusetts said. "Personally I am regretful that we did not follow the English example of keeping the radio completely under governmental control. We have allowed it to remain in private hands and have thereby exposed the country to very serious dangers. I am glad that a man like Mr. Prall is to be one of those who will in the years immediately before us secure us not merely more enjoyable entertainment, not merely pleasure, but shall secure to us an opportunity for the proper direction of public opinion through the presentation of both sides of all great issues by men capable of enlightening and informing the public."

Finally, in responding to these toasts, Mr. Prall himself said:

"The President has honored me by my selection to fill an important post, and here again you may be assured of my unselfish devotion to the work of the Commission on which I will serve, to the Administration that has honored me by appointment, and to the country which I have served in the past."

## NO CHEERS FROM RADIO INDUSTRY FOR NEW COMMISSION

If there have been any cheers from the broadcasters and radio manufacturers over the makup of the new Communications Commission, they have been more of the Bronx character. President Roosevelt was sharply criticized because of the political character of the appointments and due to the fact that there is hardly a single man on the Commission who could technically qualify as a technical expert on the subject of communications.

The old Radio Commission started out with three out of five of its members men who really knew something about the radio business - Admiral Bullard, Chief of Naval Communications; Colonel Dillon, former West Coast Radio Supervisor; and Henry A. Bellows, who was then in charge of Station WCCO, in Minneapolis. But the same could hardly be said to be true with regard to the Communications Commission. To begin with, five out of seven of its members are lawyers. Paul Walker ably qualifies as a utilities expert but George Henry Payne is an ex-newspaper man.

Judge Sykes, who has made an excellent name for himself, could, because of his long experience, certainly qualify as a communications authority. Thad Brown seems to be known more for his political ability, a Republican able to keep afloat just as readily in a Democratic Administration. Disappointment was expressed by many in the industry that Colonel Brown should have been reappointed to the exclusion of Commissioner Harld A. Lafount.

"Admittedly Mr. Lafount was not as good a politician as Colonel Brown", a radio manufacturer remarked, "but he was courageous and approached every question from the angle of public service. Mr. Lafount was also a business man, and had been engaged in the radio business at the time of his appointment, which reminds me that there is not a single business man, as far as I know, on the entire new Commission. They mostly seem to be lawyers. It means that we will have to educate five new men and again go through the same performance we went through with the old Radio Commission and with Congressional Committees having to do with radio."

Commissioner Lafount's only comment when advised that he had not been reappointed was, "What chance had a Smoot Republican in the New Deal?"

"There is an absolute lack of geographical representation on the new Commission", a broadcaster commented. "Radio, because of its character, to say nothing of communications, should be supervised by men from all sections. It was a requirement of the old radio law that each Commissioner had to be a resident of one of the five radio zones, thus they came from every part of the United States. In the makeup of the new Commission, three sections of the United States are not represented. One Commissioner is from Rhode Island, another from New York,

another from Ohio, another from Mississippi, another from Oklahoma, and two from Texas. Thus the great West and Northwest are unrepresented but instead the South, where radio conditions are the poorest, and the Southwest are strongly in the saddle."

A prominent Oklahoma utilities man was quoted as saying that he was delighted with the appointment of Paul Walker, Chairman of the Oklahoma Utilities Commission.

"We will surely be glad to get him out of Oklahoma regardless of whom Governor "Alfalfa Bill" Murray appoints as his successor." The intimation was that Mr. Walker had made the utilities of that State "toe the mark."

If it was the intention of the Administration to curry favor with the newspapers by appointing George Henry Payne, it may be said that his appointment aroused little enthusiasm upon the part of several members of the corps of Washington correspondents who were asked for their opinion of him.

"If I had known they were going to throw jobs around like that", a correspondent remarked sarcastically, "I'd have gone after one of them myself."

Some correspondents, however, did show interest in whether or not Herbert Pettey, Postmaster General Farley's protege, is to be named Secretary of the Commission or Director of Broadcasting. If so, as seems likely, it is almost a foregone conclusion that the new Commission will inherit the animosity of at least two newspapers, the Chicago Tribune, and the New York Herald Tribune, which hammered the Radio Commission in general and Mr. Pettey in particular.

The first formal meeting of the Communications Commission will be held at 11 o'clock Wednesday morning, July 11th. A full membership is expected to be present and after the Commissioners have been sworn in, they will get down to business.

X X X X X X X X X

#### DILL STILL UNDECIDED WITH REGARD TO RUNNING AGAIN

According to the latest advices from Spokane, where Senator Dill, of Washington, co-author of the Communications Act is at present spending his vacation, he is still undecided as to whether or not he will enter the race for re-election. He has until July 15th to file his intentions. President Roosevelt has announced that he will return by way of Washington State and some of Senator Dill's friends believed the impetus the President's visit might give the Senatorial candidate might cause Senator Dill to change his mind. Others believed, despite this, the Senator might decline to make the race.

X X X X X X X

## RADIO MANUFACTURERS' CODE HEARING SET FOR JULY 23RD

A hearing on the application of the Radio Manufacturers for a separate Code has been granted by the National Recovery Administration and will be held in Washington, Monday morning, July 23rd. The radio manufacturers are at present operating under the Code of the Electrical Manufacturers' Industry, and numerous grounds for exemption from this have been presented to Gen. Hugh S. Johnson. The principal objection of the radio manufacturers to the Electrical Code is that the thirty-six-hour maximum week of the Electrical Code has caused serious problems, expense and difficulty for radio manufacturers. According to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, the radio manufacturers have worked under the disadvantages of the thirty-six hour week, losing employees to other industries which enjoy a forty-hour week. The Electrical Code is one of the very few having less than a forty-hour week, and is a severe hardship to radio manufacturers, Mr. Geddes said.

The case of the radio manufacturers will be presented at the hearing by the RMA Code Committee, of which Capt. William Sparks, of the Sparks-Withington Co., of Jackson, Mich., is Chairman, and the other members are James M. Skinner, President of Philco, Philadelphia; A. S. Wells, President of Wells-Gardner Co., Chicago; S. W. Muldowny, President, National Union Radio Corp., New York City; and Arthur Moss, President, Electrad, Inc., of New York City.

It is also expected that Leslie F. Muter, President of the RMA, of Chicago; Arthur T. Murray, United American Bosch Co, of Springfield, Mass., and John W. Van Allen, of Buffalo, General Counsel, of the RMA, will be present at the hearing.

"Our radio code has the unanimous approval of our Board of Directors", Captain Sparks says addressing RMA members, "and also of the recent annual RMA membership convention. It is a radio and not an Electrical Code, designed especially for our own industry and, most important, provides for withdrawal from the Electrical Code and for independence and permanence of the radio industry and the RMA. We also believe it is one of the best codes ever presented to NRA and we already have substantial confidence that we can secure a 40-hour week for our radio factories and employees."

According to the the radio manufacturers, the few trade practices of the approved Electrical Code were not drafted with any consideration of and do not meet the special problems of distribution and merchandising of radio manufacturers' products. They are not adaptable to the radio industry and some of them are unworkable and detrimental. This also applies to many of the proposed trade practices now under consideration by NRA in pending revision of the Electrical Code. Radio manufacturers were not consulted and have had no voice in the additional trade

7/6/34

practices submitted to the NRA by the Electrical Code Authority. The radio manufacturing industry requires special trade practices to fit and meet its special problems of distribution and merchandising, to be coordinated with those of the supplemental Code submitted by the Radio Wholesalers' Association, the national organization of radio jobbers, and recently approved by the NRA. "

The written or telegraphic request for an opportunity to be heard at the forthcoming Radio Manufacturers' Code Hearing, must be filed before noon on Saturday, July 21st, with the Deputy Code Administrator J. G. Cowling, Room 4017, Department of Commerce Building, Washington, D. C.

X X X X X X X X X X

#### MISS BELLOWS WEDS PHILIP PILLSBURY

Of interest to the radio world is the wedding which took place yesterday (Thursday) afternoon in the Plymouth Congregational Church in Minneapolis, when Miss Eleanor Bellows, daughter of Mr. and Mrs. Henry Adams Bellows, became the bride of Mr. Philip Winston Pillsbury, son of Mr. and Mrs. Charles S. Pillsbury, of Minneapolis. The ceremony was performed by the Rev. Harry P. Dewey.

Mr. Bellows is Vice-President of the Columbia Broadcasting System. Mr. Pillsbury is of the noted family of flour manufacturers.

wedding

The/procession was headed by the ushers, who included the bride's brother, Mr. Charles Bellows, and Mr. Pillsbury's brothers-in-law, Mr. John Austin Becker, Jr., of Albany, N. Y., Mr. Oswald Bates Lord, and Mr. Elliott Bates McKee, of New York City.

Gowns of white mousseline de sole and hats to match, were worn by the bride's attendants, Miss Louise Marckwald, of Short Hills, N. J., maid of honor; and the bridesmaids, Miss Harriet Sexton, of Grand Rapids, Mich., and Miss Beatrice Wells, daughter of Mr. and Mrs. Stuart W. Wells, of Minneapolis.

Three brides in the Pillsbury family had previously worn the Patou gown of ivory white panne velvet and the veil which Miss Bellows chose to wear at her marriage. Those young women are Mrs. Lord (Mary Pillsbury), who was married in Minneapolis in December, 1929; Mrs. McKee (Katherine Pillsbury), whose marriage took place in Paris in May, 1930, and Mrs. Becker, a bride of September, 1932.

For an added remembrance the bride wore the bertha collar of duchess lace which had elaborated the gown of her mother, and Mrs. Bellows' mother, the late Mrs. C. R. Sanger, of Cambridge, Mass.

Miss Bellows was escorted to the altar by her father and they were met there by Mr. Pillsbury and his best man, Mr. Robert Watson Pomeroy, of Camden, S. C.

Members of the two families, bridal party, and out-of-town guests attended a wedding reception following the ceremony at the William P. Hallowell home at Ferndale, Lake Minnetonka, where Mr. and Mrs. Bellows have been spending a portion of the Summer.

Mr. Pillsbury and his bride plan to go East on their wedding trip and will make their home in Chicago upon their return.

X X X X X X X

#### BORAH WJAR CUTOFF DUE TO POWER BREAKDOWN

A rumor in Washington that the speech of Senator Borah, broadcast through the National Radio Forum, over the NBC, Fourth of July night had been censored, arose from the fact that a power breakdown in Providence, R. I., prevented Station WJAR in that city from broadcasting it. So far as known, WJAR was the only station out of the 35 to 40 stations in the National Radio Forum network which did not carry Senator Borah's speech. According to an Associated Press dispatch from Providence, WJAR was off the air from 10:26 p.m. until 11:50, E.S.T., and three other programs had to be cancelled in Providence in addition to the Idaho Senator's speech. Senator Borah spoke from 10:30 until 11 o'clock.

Oliver Owen Kuhn, Managing Editor of the Washington Evening Star, in charge of the National Radio Forum programs, said that Senator Borah expressed himself as perfectly satisfied with the explanation from Providence with regard to the mishap. K. H. Berkley, Manager of the National Broadcasting Company in Washington, explained that on a speech Senator Borah had made two or three months ago, there had evidently been some misunderstanding with regard to the size of the network and some persons in the West had missed the speech due to the fact that stations in their vicinity had not been scheduled to carry it. Mr. Berkley said the previous incident had no connection with the Providence breakdown and that both occurrences had been no fault of the NBC.

X X X X X X X

:::  
 :::BUSINESS LETTER NOTES:::  
 :::

Because of time zone differences under daylight saving, the Press-Radio Bureau of the Publishers National Radio Committee will advance the time of its evening news report, according to an announcement by E. H. Harris of Richmond, Ind., Chairman of the Committee. Beginning July 16, he said, the news report will be released for broadcast at 6:30 P.M. instead of 9 P.M., as at present. The morning broadcast will continue to be released at 9:30 A.M.

-----

Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, and Mrs. Geddes will go to Virginia Beach this week for a Summer vacation. They will be accompanied by their son, Gail, who has been graduated with high honors from Dartmouth.

-----

Examiner Walker of the Federal Radio Commission has recommended that the application of Abraham Shapiro, of Astoria, Ore., for a 100 watt station on a frequency of 1370 kc. be denied.

-----

Robert R. McCormick, editor of the Chicago Tribune asserted at a banquet in honor of Ed W. Howe, noted editor, at Topeka Kansas, that the act creating the Communications Commission "and endowing it with all the powers of a star chamber" is "clearly and unmistakably in violation of the first section of the Bill of Rights, which, above all things, was intended to prevent a star chamber in control of speech and the press."

-----

Utica, N. Y. garage owners are tuning in on police broadcasts in an effort to get some business from accidents. This was revealed as a result of tow cars rushing to scenes of accidents and bidding spiritedly for the right to tow away damaged automobiles. Sometimes the tow drivers engage in hot words with one another because of price-cutting tactics.

-----

Two changes in personnel became effective last Monday at Station WMCA. Stanley H. Chambers resigned as Director of Sales Promotion to become National Advertising and Promotion Director of the Hunter Gwynnbrook Distilling Corporation, of Baltimore, Md. His headquarters will be at 76 Beaver St., the New York office.

Bill Williams, former newspaper reporter, recently on the editorial staff of "Billboard", joined the Press Department of WMCA and the American Broadcasting System.

X X X X X X X X

7/6/34

## NO MORE RADIO COMMISSION MEETINGS

There will be no more meetings of the Federal Radio Commission. All pending matters will be passed along to the Federal Communications Commission which will hold its first session Wednesday morning, July 11th.

X X X X X X X X

## U. S. WILL GIVE AIR FORECASTS FOR AVIATORS

Weather forecasts to aviators will be flashed by radio telephone every four hours over the Department of Commerce airways after July 15th.

Planned for 29 stations, including one here and one at Richmond, Va., the service will be extended to others when practicable. It will supplement hourly radio reports of current airway weather now transmitted throughout the Nation by the Department's stations.

Rex Martin, Assistant Director in charge of Air Navigation, explained that forecasts may now be obtained at airports where there are Department of Commerce communications facilities. However, it has not been feasible heretofore to broadcast them in that it would require a long interruption of the radio range beacon signals upon which airmen rely heavily during poor visibility conditions.

These signals are cut off during voice broadcasts as both are transmitted on the same frequency. Now arrangements are being completed to give the forecasts on another frequency so they will not interfere with the radio beacon.

The forecasts will go on the air six times daily immediately following regular 30-minutes-past-the-hour broadcasts of local weather. When the local weather report has been given, the announcer will notify listeners to turn to another dial for the forecasts. The radio signals will then be resumed.

X X X X X X X X

## RCA CONNECTS N.Y. AND NEW ORLEANS - CHICAGO NEXT

An exchange of greetings between Mayor LaGuardia, of New York, and Mayor T. S. Walmsley, of New Orleans, inaugurated yesterday (Thursday) a direct RCA radiotelegraph communication circuit between the two cities. The New York-New Orleans circuit is the latest link in the domestic radiotelegraph service of R.C.A. Communications, Inc., which already connects New York with Boston, Washington, D. C., and San Francisco.

"New York City, already the largest center of radiotelegraph communications in the world because of its international radiotelegraph connections, is becoming more important in that field with the inauguration of RCA's domestic radiotelegraph circuits", according to an RCA announcement. "A direct radiotelegraphic contact to the international circuits is provided to cities on the domestic system. Collection and delivery service of Western Union offices in the cities included in the domestic radiotelegraph network, in addition to the offices maintained by RCA, are available to the public for the sending of radiograms. Chicago will next be added to the RCA network, and within a short time, Seattle, Detroit and Los Angeles, to be followed later by other important cities."

X X X X X X X X X X

## \$200 TELEVISION SETS PROMISED BY DeFOREST

Television receivers will be on the market at from \$200 to \$250 next year, Dr. Lee DeForest of Los Angeles, inventor of the radio tube, declared this week in an interview in Montreal.

"There has been a lot of talk", the inventor said, "that television is still five years away. It is nothing of the sort. It has been an engineering possibility for some time and now I think it is commercially possible."

In the sets which would be placed on the market for home use, the pictures would appear on a screen approximately eighteen inches square.

"Television", he declared, "has now been so much improved that I can pick up outdoor scenes in very bright sunlight with automobiles of recognizable design passing as far as 100 feet away. If they are within twenty-five feet of the apparatus they are reproduced faithfully enough to make the license plate legible."

X X X X X X X X

REPORT OF BROADCASTING APPLICATIONS RECEIVED

July 5 - James F. Hopkins, Inc., Detroit, Mich., WJBK, C.P. to make changes in equipment and increase power from 100 watts to 100 watts night, 250 watts daytime; WSFA, Montgomery Broadcasting Co., Inc., Montgomery, Ala., modification of license to increase power from 500 watts to 500 watts night, 1 kilowatt daytime; KGCU, Mandan Radio Association, Inc., Mandan, N. Dak., license to cover C.P. authorizing removal of transmitter and studio and equipment change; WAAF, Drivers Journal Publishing Co., Chicago, Ill., license to cover C.Pp authorizing rebuilding of station destroyed by fire.

Also, New, Edward Hoffman, St. Paul, Minn., C. P. to erect a new station to be operated on 1310 kc., 100 w., unlimited time; WLBL, State of Wisconsin, Department of Agriculture and Markets, Stevens Point, Wis., modification of license to change hours of operation from daytime to from 8:00 A.M. to local sunset; KGIX, J. M. Heaton, Las Vegas, Nevada, modification of C.P. authorizing removal of station and new equipment requesting authority to move transmitter locally and extend dates of commencement and completion.

X X X X X X X X X

MUSIC PREDOMINATES BRITISH PROGRAMS

The analysis of programs of the British Broadcasting Corporation for the year 1933 is as follows:

	<u>National</u>	<u>Regional</u>		
Music				
Serious . . . . .	16.6		17.9	
Light . . . . .	26.		38.2	
Variety . . . . .	3.1		3.4	
Dance Bands . . . . .	9.6		11.4	
Gramophone Records. . . . .	<u>7.2</u>		<u>7.9</u>	
	62.5		78.8	
Drama . . . . .	1.8	1.8	1.6	1.6
Talks				
Talks and Readings . . . . .	7.3		2.5	
Education. . . . .	8.0		.5	
News and Commentaries. . . . .	<u>7.5</u>	22.8	<u>6.9</u>	9.9
Religion. . . . .	4.7	4.7	3.8	3.8
Children's Hour . . . . .	5.2	5.2	5.6	5.3
Special Transmissions . . . . .	.5	.5	.3	.3
Television. . . . .	<u>2.5</u>	<u>2.5</u>	---	---
	100.00		100.0	

X X X X X X X X X

CORRECTION - On page 6 of July 3rd issue, 2nd paragraph - should read "Mr. Payne is a member of the Metropolitan Club, etc."

X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

## INDEX TO ISSUE OF JULY 10, 1934.

New Commission Looks Good From Job Providing Standpoint.....	2
Eastman-Walker Analogy Reported Pleasing To Roosevelt.....	3
Paul B. Klugh Resigns As Zenith V-P.....	5
Educators Seek Reasonable Share Of Channels.....	5
Judge Sykes Doubtless Holding Tongue In Cheek.....	6
Columbia Charts Its Market Coverage.....	7
Bowen Planning GBI Reorganization.....	8
A-K Will Promote "Robot" Model.....	9
Business Letter Notes.....	10
Questions And Answers Explain RCA Intercity Service.....	11
Applications (Broadcasting) Received.....	12

No. 739

*5/1/34  
Heinl  
for  
7/10/34*

July 10, 1934.

## NEW COMMISSION LOOKS GOOD FROM JOB PROVIDING STANDPOINT

It is predicted that the new Communications Commission organization will be two, maybe three, times as big as the old Radio Commission. The organization will be built up gradually, Commission officials explained warily, depending upon how many people will be needed to carry out the work in hand. Later when Congress adds additional duties, more and more people will have to be taken on.

Enough job seekers have already applied to make up a Commission personnel of almost any size. However, since the bulk of those to be appointed will have to pass Civil Service examinations, the number of eligibles will be greatly reduced. Even so, those seeking positions have been sufficiently large to make life miserable for Judge E. O. Sykes, Chairman of the new Commission, and others who have had to greet them.

The Secretary of the new Commission, the director of each division, of which there are expected to be three, the Chief Engineer and the General Counsel and their assistants are exempt from the Civil Service; also the secretaries to the Commissioners, but outside of that, others taken on must have passed the Civil Service examinations.

Apparently the sky is the limit as to how big the organization may be. As to this the law reads:

"The Communications Commission shall have authority, subject to the provisions of the Civil Service laws and the Classification Act to appoint such other officers, engineers, inspectors, attorneys, examiners and other employees as are necessary in the execution of its functions."

This would seem to make the Commission almost a heaven for political appointees.

The Radio Commission grew until it became an organization employing 116 persons in Washington, and about the same number in the field scattered throughout the United States. The last annual appropriation was approximately \$650,000 so that if the expansion is up to expectations, the Communications Commission will soon be in the \$1,000,000 or more, salary class.

Where the old Radio Commission began its labors "dead broke" due to Congress failing to pass an appropriation, the new Commission will have at least a half a million dollars to draw on from the Radio Commission which it is figured will run

7/10/34

it until Congress convenes in January, at which time there will be plenty more from where the first half-million came from.

Insofar as any actual work is concerned, the members of the new Commission are simply marking time and will continue to do so until sworn in tomorrow (Wednesday morning) when the Commission is formally organized.

X X X X X X X X

#### EASTMAN-WALKER ANALOGY REPORTED PLEASING TO ROOSEVELT

Some interesting sidelights on the appointment of Paul Walker, Chairman of the Oklahoma Corporation Commission to the Federal Communications Commission are given by Ed Hadley, Washington correspondent of the Daily Oklahoman, who is well acquainted with the new official.

"The expression is understood to have been used at the White House by the Oklahoma delegation in urging Mr. Walker's appointment that 'Walker will become the Joe Eastman (Federal Railway coordinator) of the Communications Commission'", Mr. Hadley said, "and President Roosevelt is reported to have replied, 'that's just the kind of a fellow we need.'"

"Walker's appointment was the direct result of a 'brain-storm' of Representative Wesley E. Disney, of Oklahoma, as Disney himself described it a week ago.

"When he first had the idea, Disney went immediately to the White House and proposed it to the President. He reported that Mr. Roosevelt seemed favorable to the idea and telegraphed Walker that he should come immediately to Washington. The idea of a trip to the Capital coincided exactly with plans Walker had already made, to appear before the Interstate Commerce Commission in a railroad rate case in which Oklahoma was interested, and he arrived here early in the week.

"Wednesday, Disney called upon the President again, having obtained the endorsement of every member of the State Congressional delegation for Walker in the meantime, and came from the White House reporting that President Roosevelt was most 'receptive.'

"Then Senator T. P. Gore, of Oklahoma, took a hand in the matter. He telephoned Postmaster James Farley, Administration patronage-dispenser, urging that Walker be appointed, and asked whether Oklahoma was 'on the black list' as might be judged from the fact that the State has received no important positions in the Administration.

7/10/34

"Disney's drive backed by the entire Oklahoma delegation, with Senator Gore's caustic interpolation timed just right, is given full credit for the Walker choice."

Mr. Hadley said that about six months ago, Mr. Walker was discussed for appointment to the Interstate Commerce Commission, in a place to be vacated by Ezra Brainerd, Jr., whose term of seven years expires January 1st. W. M. W. Splawn, Texas Democrat, author of the now famous Splawn report, was appointed to the place.

"When President Roosevelt first tried to telephone Mr. Walker Saturday afternoon, the call was placed to locate him in Oklahoma City", Mr. Hadley continued. "There the White House was advised that he was in Washington, and finally located him at the Cosmos Club. He accepted the appointment in a direct telephone conversation with the President late Saturday afternoon."

Referring to the appointment, the Oklahoma City Times said editorially, "Paul Walker has grown considerably over the week-end. Last week he was just a Chairman of the Corporation Commission of Oklahoma, sadly out-voted by a majority of two which could be expected to take the play away from him on almost every occasion. This morning Walker is a member of the new Federal Communications Commission. This group will have supervising control over the telegraph, telephone and radio facilities of the nation. His appointment is for a five-year term at a salary of \$9,500 a year. On the State job he has been drawing \$4,000.

"Expert in his knowledge of rates, trained by long experience in the legal end of the Corporation Commission's work, a man of great industry and unquestioned integrity, Walker will be a credit to Oklahoma in his work in Washington."

Whereupon the Times revealed an interesting election situation in Oklahoma, as follows:

"This is the last opportunity we shall have to use our hammer on the other Paul Walker, whose name appears on the ballot you will ponder Tuesday. There is a Paul Walker among the candidates for Corporation Commissioner. He is a shadow name. One of his largest assets is the fact that he has the same name as the present Chairman of the Commission, who has been honored by advancement to the Washington post. All this publicity on the Washington position will confuse many voters when they see Paul Walker's name in connection with the Corporation Commission on the State ballot Tuesday. The Paul Walker who is on this Commission, the Paul Walker who is going to Washington, is not a candidate in this primary. Don't vote for Paul Walker on the theory that you are voting for a man who has been honored for his public service with the Corporation Commission. This guy is trying hard to pull another Will Rogers on the dear people. We hope he misses by a mile."

X X X X X X X X

## PAUL B. KLUGH RESIGNS AS ZENITH V-P

Paul B. Klugh has announced his resignation as Vice-President and General Manager of Zenith Radio Corporation of Chicago. Mr. Klugh, however, continues as a Director and retains his large stock interest in Zenith but will now devote his attention to several projects in which he and Commander E. F. McDonald, Jr., President of Zenith, are jointly interested.

The following officers were elected upon the resignation of Mr. Klugh - Commander McDonald, President, who now assumes the duties of General Manager; Hugh Robertson, Executive Vice-President and Treasurer; E. A. Tracey, Vice-President in Charge of Sales; Arthur Freese, Secretary; R. D. Burnet, Assistant Treasurer, and Assistant Secretary; and Samuel Kaplan, Assistant Treasurer and Assistant Secretary.

X X X X X X X X

## EDUCATORS SEEK REASONABLE SHARE OF CHANNELS

The following resolution was adopted by the National Education Association which met in Washington last week:

"Legislation should be enacted which will safeguard for the uses of education a reasonable share of the radio broadcasting channels of the United States. State and national school officials should develop the technics for using the radio effectively in education."

Speaking of some of the unsolved problems, Dr. Tracy F. Tyler, Secretary of the National Committee on Education by Radio, addressing the educators, said:

"The problems faced by radio in the United States are much more complicated than those in other countries. Many, if not most of them are still unsolved. In most of the other countries radio is controlled either by government or by some quasi-public authority and it is supported through the sale of listeners' licenses. Education in many countries being centralized, the broadcasting of educational programs has likewise been centralized. In England all school broadcasting is carried on by the British Broadcasting Corporation under an organization known as the Central Council for School Broadcasting. This insures a continuity of programs, the use of the hours found best for the broadcasts, and the elimination of any difficulties concerning the broadcasting of advertising into the schools.

"In the United States the control of education has from the beginning been left to the states. For that reason educational broadcasting has never been centralized. Some broadcasts for schools have been provided by the commercial chains but

have not been under the auspices of the responsible educational authorities. Only in a few of the states, such as Ohio, Wisconsin, North Carolina, Oregon, Iowa, Michigan, and Kentucky, have the possibilities of radio for school use been explored. Educators, generally, believe that the responsible state educational authorities must either be permitted to set up adequate broadcasting facilities of their own with sufficient time and power to satisfactorily serve their citizenry or else suitable hours on commercial stations should be set aside and guaranteed as to permanence so that they can accomplish the desired results. When these conditions have been met educators will make a more extensive use of the radio in broadcasts for both school pupils and adults.

"However, even with the more or less formal types of educational radio taken care of, there is another important factor which must be considered. Most of us would probably agree that all radio programs are educational or cultural. That does not mean that they all have positive value. They may be of no value at all or may even be of negative value. For that reason we should all be interested in the whole curriculum of radio, not merely in those programs presented by educational agencies. Radio, like the motion picture, is having a tremendous effect upon the attitudes, the ideals, and the appreciations of all radio listeners.

"If, therefore, radio is to serve the best interests of all the people, old and young, literate and illiterate alike, more attention must be given to eliminating many of the present radio programs. Certainly the false claims of many advertisers and the numerous undesirable programs being broadcast cannot be justified either from the standpoint of public welfare or as making a positive contribution to the raising of cultural standards. These are a few of the problems which we as educators, and others who belong to the so-called "intelligent minority" must aid in solving."

X X X X X X X X X

#### JUDGE SYKES DOUBTLESS HOLDING TONGUE IN CHEEK

Doubtless Judge E. O. Sykes, new Chairman of the Communications Commission, is holding his tongue in his cheek with regard to the outcome of the race former Governor Bilbo, of Mississippi, is making for the Senate. Bilbo's chief opponent is Senator Hubert D. Stephens, of Mississippi, who is backed by Senator Pat Harrison.

Governor Bilbo appointed Judge Sykes to the Mississippi Supreme Court and Stephens and Pat Harrison were responsible for his appointment to the Radio and Communications Commissions.

X X X X X X X X

7/10/34

## COLUMBIA CHARTS ITS MARKET COVERAGE

The latest study undertaken by the Columbia Broadcasting System, "Markets in Radio Homes", has been attractively printed and illustrated for distribution to the trade. This report is a practical application of Columbia's recent analysis entitled "Vertical Study of Radio Ownership 1930-33."

"We determined the distribution by income levels of various higher-priced commodities", John J. Karol, Director of Market Research for Columbia explained. "Having learned the distribution of radio homes by income levels we were able to provide authentic data regarding the degree of coverage of various markets which radio broadcasting over a Columbia coast-to-coast network provides."

Twenty commodities have been listed by Mr. Karol and the percent of the entire market which, according to his tabulation lies in radio homes reached by Columbia follows:

Women's Shoes over \$10	84.1%
Men's Shoes over \$10	79.9%
Women's shoes under \$10	64.3%
Men's Shoes under \$10	65.5%
Men's Suits over \$50	83.3%
Men's Suits under \$50	63.3%
Watches over \$25	80.0%
Watches under \$25	64.8%
Sterling Silverware	80.4%
Plated Silverware	67.9%
Automobiles over \$3,000	86.3%
Automobiles \$2,000-\$3,000	84.6%
Automobiles \$1,000-\$2,000	76.0%
Automobiles under \$1,000	67.4%
Paints and Varnishes	68.1%
Electric Refrigerators	67.4%
Electric Washing Machines	60.9%
Electric Vacuum Cleaners	63.9%
Cameras (except Box type)	78.1%
Life Insurance	72.8%

The average coverage of these 20 commodity markets by the Columbia network is 71.8%, Mr. Karol's tabulation sets forth. The average coverage of these markets by the other media shown, such as a "typical" weekly magazine, a "typical" monthly magazine, 10 class magazine, is 14.9% - nearly a 5-to-1 differential in favor of radio.

X X X X X X X X

7/10/34

## BOWEN PLANNING GBI REORGANIZATION

A reorganization of Group Broadcasters, Inc., the cooperative organization formed last February to help clear up the transcription field and to present group station selling to advertisers, will take place shortly, according to Billboard Magazine, which continues:

"Expected result will be two organizations where one is now, with Scott Howe Bowen, who was a prime GBI mover and who owns the corporate title, continuing in business under that name, and other members of the organization setting up a new outfit. This decision was reached by the Executive Committee of GBI at a meeting in New York a short time before reports were published that the GMI members were going to finance their own production studios after the failure of a deal for a merger with World Broadcasting Studios.

"The proposed WB-GBI deal was only one of several that didn't happen. Another deal whereby GBI would enter the production phase of transcription broadcasting involved Electrical Research Products, Inc., Western Electric, and a banking group, financing, would obtain a controlling interest in GBI. Latter rejected it because of the controlling interest phase. A stock sale to the affiliated stations, said to have been proposed by Bowen, was likewise rejected. It is claimed that after the stations had first okehed the financing plan they switched after reconsidering.

"It is proposed that the new organization will be further stabilized in the chaotic e. t. field and thereby render a greater and better service to all concerned, advertisers and stations alike. A principal hope of GBI had been to realign transcriptions into three broad fields, production, group and spot sales.

"Financing by GBI of itself for going into production involved Scott Howe Bowen's Byer Studios and equipping that laboratory with Western Electric equipment. Bowen last week moved out of his Chrysler Building suite of offices into Byer labs. Bowen had devoted, since GBI was formed, the greater part of his time to that project. His present plans, he said, were to work under the GBI name instead of as before, Scott Howe Bowen.

"GBI had been holding meetings fairly regularly in the merger connection. Next meeting, it is hoped, will be lined up for Chicago at the end of July. Chicago was selected since most of the confabs have been held in New York.

"Set up of GBI had been John Shepard III (Yankee network), President; Bowen, Sales Manager; Chester Dunham, General Manager; A. A Cormier, WOR, Chairman of the Executive Committee,

which also included Arthur Church, KMBC, and I. A. Lounsberry, WGR-WKBW. GBI had sold one contract to Chrysler motors and had \$3,000,000 worth of estimates.

"It is generally agreed that when NBC and CBS went into the transcription field, no aid was offered thereby to GBI."

X X X X X X X X

#### A-K WILL PROMOTE "ROBOT" MODEL

The Atwater Kent radio organization will introduce a new receiver which tunes from station to station at proper intervals during the day to suit the owner's taste in programs - shuts off at bedtime and turns on again in the morning as an alarm clock.

As explained by Orrin E. Dunlap, in the New York Times, the face of an electric clock is above the tuning dial. Radiating from the rim of the clock are tiny holes. They represent the quarter hour periods and serve as the connection links between the tuning mechanism and the timepiece.

The "robot" tuner has sixteen outlets in the form of miniature telephone switchboard cords, two to each of seven stations, and providing for fourteen different program periods, with two extra cords for intermission periods. The cords are plugged into the holes at the desired program period and the machine then operates automatically shifting from station to station and program to program, stopping itself and starting again exactly as scheduled. If the self-tuning mechanism is not turned on it operates like any other radio receiver.

Fourteen different programs can be pre-selected over a twelve-hour period on seven stations. Only two programs to a station can be pre-selected if the choice is spread across the seven stations.

Mr. Kent addressing his distributor and dealer organization at Atlantic City expressed the conviction that "we are past the bottom and on the way up. It would be very bad for business to improve too rapidly, as this might cause an unpleasantly strong recession. But I don't think it is going to improve rapidly, but rather steadily and soundly. There may be minor set-backs, but the trend is certainly upward."

The Atwater Kent broadcasts under the direction of Josef Pasternak will be resumed in the Fall and it is expected that the company will enlarge its advertising and promotion budget.

X X X X X X X

:::  
 :::BUSINESS LETTER NOTES:::  
 :::

The recent and substantial reduction secured by the Radio Manufacturers' Association on shipments of tubes has been made national in effect, according to official advices to Vice Chairman O. J. Davies of the RMA Traffic Committee. It is estimated that savings to tube manufacturers will run into many thousands of dollars each year.

-----

The Rev. Giuseppe Gianfrancheschi, 59 years old has just died after a long illness, in Rome. He was widely known as director of the Vatican's modern radio station. Father Gianfrancheschi also was director of the Vatican's ultra short-wave apparatus installed by Guglielmo Marconi and the first commercial set of its kind in the world.

-----

It would be discouragement enough for an ordinary individual to have his radio stations closed down by the Government of two countries, but old Doc. Brinkley "goat gland" specialist is endeavoring to stage a comeback by running for nomination of Governor of Kansas on the Republican ticket. He was twice unsuccessful as an independent candidate but in one case piled up an amazingly large vote.

-----

John J. Karol, of New York, Director of Market Research for Columbia, has just returned from a six weeks' trip to the Pacific Coast.

-----

WTAR, Norfolk, Va., has been added to the National Broadcasting Company networks.

-----

The Annual Electrical and Radio Show will be held September 19 to 29 at Madison Square Garden.

-----

A facsimile transmitter for WOR is being built by the Freed-Eisemann Radio Corp. at Long Island City. Installation is expected to be made within a few weeks so the station can conduct tests after midnight on its regular wave. Later it is planned to use a short wave under the 10-meter range.

X X X X X X X X X X

## QUESTIONS AND ANSWERS EXPLAIN RCA INTERCITY SERVICE

Sent with the compliments of William A. Winterbottom, Vice President and General Manager of R.C.A. Communications, Inc., is a readable little primer setting forth in question and answer form details of the new Intercity Radiotelegraph service "Via RCA" in connection with Western Union now available between New York, San Francisco, Washington, Boston, New Orleans and soon to be extended to other cities.

The following questions and answers are typical of many which appear in the book.

"Q. - What, if anything, do the advantages of Radio mean to me?"

"A. - Here are concrete examples of the economy of radiotelegraph service between New York and San Francisco, "Via RCA":

<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">15 Word Fast Messate</td> </tr> <tr> <td>Via Wire . . . . .</td> <td style="text-align: right;">\$1.63</td> </tr> <tr> <td>Via RCA . . . . .</td> <td style="text-align: right;"><u>1.20</u></td> </tr> <tr> <td>Saving . . . . .</td> <td style="text-align: right;">\$.43</td> </tr> </table>	15 Word Fast Messate		Via Wire . . . . .	\$1.63	Via RCA . . . . .	<u>1.20</u>	Saving . . . . .	\$.43	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">15 Word Nite Message</td> </tr> <tr> <td>Via Wire . . . . .</td> <td style="text-align: right;">\$.72</td> </tr> <tr> <td>Via RCA . . . . .</td> <td style="text-align: right;"><u>.60</u></td> </tr> <tr> <td>Saving . . . . .</td> <td style="text-align: right;">\$.12</td> </tr> </table>	15 Word Nite Message		Via Wire . . . . .	\$.72	Via RCA . . . . .	<u>.60</u>	Saving . . . . .	\$.12
15 Word Fast Messate																	
Via Wire . . . . .	\$1.63																
Via RCA . . . . .	<u>1.20</u>																
Saving . . . . .	\$.43																
15 Word Nite Message																	
Via Wire . . . . .	\$.72																
Via RCA . . . . .	<u>.60</u>																
Saving . . . . .	\$.12																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">60 Word Dayletter</td> </tr> <tr> <td>Via Wire . . . . .</td> <td style="text-align: right;">\$2.16</td> </tr> <tr> <td>Via RCA . . . . .</td> <td style="text-align: right;"><u>1.80</u></td> </tr> <tr> <td>Saving . . . . .</td> <td style="text-align: right;">\$.36</td> </tr> </table>	60 Word Dayletter		Via Wire . . . . .	\$2.16	Via RCA . . . . .	<u>1.80</u>	Saving . . . . .	\$.36	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">100 Word Dayletter</td> </tr> <tr> <td>Via Wire . . . . .</td> <td style="text-align: right;">\$3.60</td> </tr> <tr> <td>Via RCA . . . . .</td> <td style="text-align: right;"><u>3.00</u></td> </tr> <tr> <td>Saving . . . . .</td> <td style="text-align: right;">\$.60</td> </tr> </table>	100 Word Dayletter		Via Wire . . . . .	\$3.60	Via RCA . . . . .	<u>3.00</u>	Saving . . . . .	\$.60
60 Word Dayletter																	
Via Wire . . . . .	\$2.16																
Via RCA . . . . .	<u>1.80</u>																
Saving . . . . .	\$.36																
100 Word Dayletter																	
Via Wire . . . . .	\$3.60																
Via RCA . . . . .	<u>3.00</u>																
Saving . . . . .	\$.60																

Similar savings between other RCA points."

"Q. - Why do you quote on a 15 word basis when wire telegraph is on a 10 word basis?"

"A. - RCA believes the 15 word basis is the modern basis for domestic telegraph communication. Business becomes more complicated every day. The 15 word basis provides 50% more opportunity to transmit complete specifications, detailed quotations and other information which is commonly an important element of urgent, telegraph communication. Think of the frequent occasions when you have had either to pay for extra words or leave out some information of importance."

"Q. - Is this new service reliable?"

"A. - Yes - for these reasons: RCA has had fourteen years' experience in the international radiotelegraph field. It operates forty, high speed circuits connection the United States with as many different foreign countries. Many of those circuits are thousands of miles long, yet their operation at speeds up to two hundred words per minute is an every-day occurrence. By the speed and reliability of its service in the international field, as well as by its economy, RCA now handles a substantial part of all transatlantic telegraph traffic and a major portion of the transpacific traffic. If

RCA can do this in the international field, surely it can do it over shorter distances in the domestic field."

"Q. -- Are radiograms broadcast like radio programs?"

"A. -- No; the principle is entirely different. In radio communication the energy from powerful transmitters is concentrated into narrow bands and directed, like searchlight beams, on the distant receiving stations, where similar technic is employed to receive the individual beams to the exclusion of others."

X X X X X X X X X X X

C O R R E C T I O N

In the June 22nd issue it was inadvertently stated that F. P. Guthrie, District Manager in Washington of the RCA, had successfully passed the test for an amateur's license.

"Where do you get this amateur stuff?" Mr. Guthrie inquires.

And rightly so, because it was a commercial operator's license which Mr. Guthrie, formerly an expert telegrapher, secured. The RCA has been granted a permit to build a point-to-point commercial station in the Capital and the law requires that the one in charge of such a station shall have a commercial operator's license. Mr. Guthrie now has this and is all set to go.

R. D. H.

X X X X X X X X X X X

APPLICATIONS (BROADCASTING) RECEIVED

The Federal Radio Commission has received the following broadcasting applications:

July 5 -- Irving D. Sisson, Pittsfield, Mass., C.P. for new station on 950 kc., 1 kw, daytime; transmitter site to be determined at or near Pittsfield, Mass; studio located Park hotel, Pittsfield, Mass.; WNYC, City of N. Y., Dept. of Plant and Structures, New York, N. Y. modification of license to increase power from 500 watts to 1 kw; WJAR, The Outlet Co., Providence, R. I., extension of special experimental authority to use additional power at night and 250 watts (licensed already 250 w. night, 500 daytime) for regular license period 9/1/34 to 3/1/34; KGNF, Great Planes Broadcasting Co., North Platte, Nebr., modification of license to increase power (day) from 500 watts to 1 kw; KVOS, KVOS, Inc., Bellingham, Wash., license to cover C.P. to move transmitter and studio locally.

X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



## INDEX TO ISSUE OF JULY 13, 1934.

Commission Believed Buckling On Sword For A. T. & T.....	2
Old Commission Sings Quota Swan Song.....	4
✓ Dill Exit Would Mean New Communications Chairman.....	6
Commission Meets Again Tuesday.....	7
✓ Broadcasting Code Still Under Advisement.....	8
Raguet Becomes Assistant Naval Communications Officer.....	8
✓ Federal Trade Commission Summons 12 Radio Advertisers.....	9
Business Letter Notes.....	11
Schuette N.A.B. Representative Music Code Hearing.....	11
Mackay Radio Gets Site of 1,100 Acres.....	12

No. 740

*Handwritten notes in red ink:*  
JUL 15  
P  
from July 13, 1934

July 13, 1934.

COMMISSION BELIEVED BUCKLING ON SWORD FOR A. T. & T.

The appointment of a man the type of Paul D. P. Spearman as General Counsel by the new Federal Communications Commission, is believed to be the first step in what is predicted will be a very vigorous investigation of the American Telephone and Telegraph Company. It is freely prophesied that if and when the Commission's investigation of the Telephone Company gets under way, Mr. Spearman will play a leading part and the merciless cross-examining, for which he is known, may put his opponents sharply on the defensive.

There is a vast difference between Mr. Spearman's annual government salary of \$9,000, and that of the General Counsel of the A. T. & T. who receives something like \$60,000. It was said, however, the acceptance of the position of General Counsel of the Communications Commission by Spearman is a distinct sacrifice and that his private practice paid him several times the salary he will receive from the Commission.

Regardless of the size of his salary, Mr. Spearman is pointed to as one of the most brilliant trial lawyers in Washington, and according to a man well acquainted with his ability, "no one who has been cross-examined by Paul Spearman has yet asked for a return engagement. In my opinion, he is one of the best qualified men in the United States for his new position as General Counsel of the Commission."

Mr. Spearman is 36 years old, a native of Mississippi and came to Washington in January, 1929, to join the Legal Division of the Federal Radio Commission. He left his position with the Mississippi Railroad Commission to accept the position with the Radio Commission. He resigned as Senior Associate General Counsel of the Radio Commission in September, 1931, and reentered the private practice of law in Washington in partnership with Thomas P. Littlepage and John M. Littlepage.

While with the Radio Commission, Mr. Spearman acted as its chief trial counsel and was responsible for the handling of appeal cases. It is said he has tried more radio cases than almost any other man and that no case which he tried as ever been reversed by an appellate court.

While serving as counsel for the Radio Commission he was drafted by the United States Department of Justice to prosecute criminal violations of the Radio Act, having prosecuted the case of United States vs. Fellows at St. Louis, Missouri, in 1930. Fellows was charged with operating an unlicensed broadcast

7/13/34

station, was indicted, convicted and sentenced to serve three years in Leavenworth Penitentiary, but was deported without being required to serve the sentence. This was the first indictment, trial and conviction under the Act. In every case prosecuted by Mr. Spearman, a conviction resulted, one who knows him said.

Mr. Spearman was active in Democratic politics in Mississippi before coming to Washington, having served as Chairman of his County Committee from 1920 to 1924 and as a member of the State Democratic Committee from 1924 to 1932. He actively supported President Roosevelt's nomination and rendered valuable assistance in this direction at the Chicago Convention. After the Convention he gave much of his time to furthering the election of the Democratic candidate for the Presidency.

Herbert L. Pettey, Secretary of the new Commission, a hold-over from the old Radio Commission, at the same time represents the Democratic National Committee in radio matters for which he has been widely criticized.

"Thus", one critic contended, "the ruling party's 'contact man' with the broadcasting companies is the Secretary of the Radio Commission which holds the power of life and death over every broadcasting station in the land.

"If the Secretary of the Interstate Commission were named by the Democratic National Committee to ask free passes for politicians on the railroads, the case would be analogous."

"By his selection of the personnel of the new Communications Commission, President Roosevelt makes it plain that he has no fault to find with the radio censorship that has existed, and wants the present political control continued and extended to telegraph and telephone", the New York Herald-Tribune writes editorially. "He retains the leading members of the old Radio Commission, as a clear indorsement of their policies. He adds no one of distinguished ability and in one of the Republicans named, Mr. George Henry Payne, he has chosen a politician unadorned. The President could scarcely have made his desire clearer to have Mr. Farley retain his supervision of the board through his Mr. Pettey."

Also Pettey, who is only 29 years old, is charged with being the middle man when allegedly at White House suggestion, the Commission changed its vote three times in the Shreveport case. When Louis Howe, Presidential secretary, got the Radio Commission job for Pettey, he is credited with having remarked that the White House thus would be able to keep track of what was going on in the Commission.

7/13/34

Unless the Administration separates Pettey from the National Committee work, he will unquestionably continue to cause bricks to be heaved at the Commission. However, Pettey, who handled the radio arrangements in the Roosevelt campaign, is apparently so strongly entrenched with Farley that he can do no political wrong. Before the political good luck hit him, he was a salesman for RCA Phototone, Inc., later merged into RCA Victor. Pettey sold theatre talking picture outfits for the RCA in Kansas City, Detroit and Washington. Apparently now that he is in political life, this Radio Corporation part of his career has been stricken from the official record available at the Commission.

"Pettey probably doesn't want anyone to know he was ever connected with the trust", someone observed. He was also once a salesman for Metro-Goldwyn.

Mr. Pettey, a native of Kansas City, received his academic training at the University of Kansas. His office at the Commission is usually besieged by visitors political and otherwise and anyone who expects to wait to see Pettey is advised to take his lunch along.

X X X X X X X X

#### OLD COMMISSION SINGS QUOTA SWAN SONG

The last official act of the Federal Radio Commission was to give out a summary of broadcasting facilities assigned to zones and States so that the new Commission would know exactly where it stood. The summary follows:

	<u>State</u>	<u>Quota Units</u>		<u>Quota Units</u>
		<u>Due</u>	<u>Assigned</u>	<u>under or over</u>
ZONE 1	Connecticut	4.48	4.14	-0.34
	Delaware	0.67	0.53	-0.14
	D. C.	1.35	1.60	+0.25
	Maine	2.22	2.21	-0.01
	Maryland	4.55	5.55	+1.00
	Massachusetts	11.84	11.46	-0.38
	New Hampshire	1.29	0.93	-0.36
	New Jersey	11.26	9.36	-1.90
	New York	35.07	39.24	+4.17
	Rhode Island	1.91	1.40	-0.51
	Vermont	1.00	0.72	-0.28
	P. R.	4.30	1.10	-3.20
	V. I.	0.06	-	-0.06
	Total	80.00	78.24	-1.76

ZONE 2	State	Quota Units		Quota Units under or over
		Due	Assigned	
	Kentucky	7.50	8.50	+ 1.00
	Michigan	13.89	11.02	- 2.87
	Ohio	19.07	20.94	+ 1.87
	Pennsylvania	27.63	27.41	- 0.22
	Virginia	6.95	10.55	+ 3.60
	West Virginia	4.96	5.83	+ 0.87
	Total	80.00	84.25	+ 4.25

ZONE 3	Alabama	7.37	7.02	- 0.35
	Arkansas	5.16	7.42	+ 2.26
	Florida	4.09	9.00	+ 4.91
	Georgia	8.10	9.11	+ 1.01
	Louisiana	5.85	10.90	+ 5.05
	Mississippi	5.60	3.40	- 2.20
	North Carolina	8.82	10.35	+ 1.53
	Oklahoma	6.67	8.54	+ 1.87
	South Carolina	4.83	3.05	- 1.78
	Tennessee	7.29	13.70	+ 6.41
	Texas	16.22	24.29	+ 8.07
	Total	80.00	106.78	+26.78

ZONE 4	Illinois	22.52	27.98	+ 5.46
	Indiana	9.56	8.97	- 0.59
	Iowa	7.30	12.93	+ 5.63
	Kansas	5.55	6.54	+ 0.99
	Minnesota	7.57	9.35	+ 1.78
	Missouri	10.71	12.79	+ 2.08
	Nebraska	4.06	7.83	+ 3.77
	North Dakota	2.01	3.30	+ 1.29
	South Dakota	2.05	2.89	+ 0.84
	Wisconsin	8.67	8.74	+ 0.07
	Total	80.00	101.32	+21.32

ZONE 5	Arizona	2.83	2.68	- 0.15
	California	36.86	40.87	+ 4.01
	Colorado	6.72	9.59	+ 2.87
	Idaho	2.89	3.25	+ 0.36
	Montana	3.49	4.05	+ 0.56
	Nevada	0.59	0.70	+ 0.11
	New Mexico	2.75	4.03	+ 1.28
	Oregon	6.19	9.91	+ 3.72
	Utah	3.30	6.60	+ 3.30
	Washington	10.15	15.76	+ 5.61
	Wyoming	1.46	0.80	- 0.66
	Alaska	0.38	0.48	+ 0.10
	Hawaii	2.39	1.94	- 0.45
	Total	80.00	100.66	+20.66

7/13/34

## DILL EXIT WOULD MEAN NEW COMMUNICATIONS CHAIRMAN

The announcement of Senator Dill at Spokane last week that he will retire at the end of his present term, January 1, 1935 (originally elected in 1922) will mean a new Chairman of the Senate Interstate Commerce Committee which has jurisdiction in the upper branch of Congress over communications.

Senator Dill, who was the co-author of both the Radio and Communications Acts, succeeded Senator Couzens as head of the Interstate Commerce Committee since the advent of the Roosevelt Administration. Ordinarily a change of chairmanship doesn't mean so much but in view of the fact that the Communications Commission is to submit a report to Congress in February and will probably initiate additional legislation, who the new Chairman of the Interstate Commerce Committee is to be will be of vital importance.

The next man in line to succeed Senator Dill is Senator Ellison D. Smith, veteran legislator from South Carolina. Senator Smith, now 70 years of age, is the second oldest Senator in point of service, being succeeded in length of service only by Senator Borah, of Idaho.

Inasmuch as Senator Smith previously has served as Chairman of the Interstate Commerce Committee and now is Chairman of the Senate Committee on Agriculture, coming from an agricultural state and agriculture being a subject very dear to his heart, the question is raised as to whether or not he would accept the Interstate Chairmanship.

In that case, the second person in line to succeed Senator Dill would be Senator Burton K. Wheeler, of Montana. However, Senator Wheeler is up for re-election this year with the usual chances of his face also being missing next session. If re-elected, and if accepting the Chairmanship, Senator Wheeler, a Progressive, would probably play even a more vigorous role, insofar as the Communications industry is concerned than did Senator Dill.

Senator Wheeler is Chairman of the Indian Affairs Committee, is ranking member of the Agriculture Committee, the chairmanship to which he would succeed if Senator Smith accepted the Interstate Commerce Committee, and is third in seniority on the Manufactures Committee.

In case Senator Smith declined the Chairmanship, and either Senator Wheeler declined it or was not re-elected, the third man in line would be Senator Rob Wagner, of New York.

Senator Wagner is Chairman of the Public Lands and Surveys Committee, third in line for the Banking and Currency Chairmanship, and fifth on the Foreign Relations Committee.

Senator Alben Barkley, of Kentucky, would be the fifth to succeed Senator Dill in the Interstate Commerce Chairmanship and Senator Neely, of West Virginia, the sixth.

X X X X X X X X

#### COMMISSION MEETS AGAIN TUESDAY

The Federal Communications Commission will hold its second meeting Tuesday morning, July 17th. The regular meeting days have not as yet been decided upon. In fact, little business was transacted at the first session on Wednesday, July 11th, which lasted only about thirty minutes.

The National Broadcasting Company and the Columbia Broadcasting System were given temporary authority to continue sending programs to Canada. The new law, aimed at Dr. Brinkley's station since closed down in Mexico, prohibits broadcasts originating in studios here being sent to foreign countries for the purpose of being rebroadcast in the United States. Brinkley maintained a studio just across the border in Texas where his broadcasts originated.

Judge E. O. Sykes, Chairman, said that for the time being the Commission was more or less studying the whole situation as a preliminary step towards organizing the different divisions in charge of the specific work set forth in the Communications Act. These groups will concern themselves with broadcasting, telephone and telegraph but Judge Sykes said he wasn't sure whether those would be two or three divisions and that the number would probably be decided at the next meeting.

The Commission, Judge Sykes said, had authority to regulate rates and he hoped if there were cases where they were too high, they would be lowered. However, such a thing could not be done immediately. As a preliminary step the Commission would first have to call for rates and charges now in vogue by the Communications companies and study them carefully to determine whether they are too high or too low. The matter of evaluations might take months, and maybe years. The opinion was expressed that the first six months' work of the Commission would be preliminary and more or less intangible, perhaps merely an assembling of facts.

Judge Sykes would not commit himself as to any proposed investigation of the American Telephone & Telegraph Company but said the law gave the Communications Commission the authority to investigate this company, as it did others, if the Commission chooses to do so.

7/13/34

The first meeting of the Commission was cut short when an army of photographers and newspaper correspondents swooped down upon them. By the time the snapshotting and interviewing had been concluded, the luncheon hour had arrived and Judge Sykes called it a day by adjourning a week hence in order to give the new Commissioners a chance to "get their feet on the ground" and to accustom themselves to Washington's well known "summer resort" weather.

The Commission has taken over the Radio Commission quarters in the new Post Office Department Building at 12th and Pennsylvania Avenue. The telephone number, District 1654, remains unchanged, the switchboard operator when called responding "Communications".

The old seal of the Radio Commission has been brought up to date by adding telegraph poles and wires and has been adopted as the official Communications Commission seal. It also includes a carrier pigeon so that all forms of communication are taken care of.

All the personnel of the old Commission has been retained on a temporary basis for sixty days' at least.

X X X X X X X X X

#### BROADCASTING CODE STILL UNDER ADVISEMENT

The NRA has not as yet been heard from with regard to the Broadcasters' Code on the labor and wage provisions.

While there is nothing tangible to base the opinion on, it is felt that there is a general let-down in the NRA during the present transitory state of its affairs.

X X X X X X X X X

#### RAGUET BECOMES ASSISTANT NAVAL COMMUNICATIONS OFFICER

Commander E. C. Raguet has relieved Commander B. V. McCandlish as Assistant Director of Naval Communications of the Navy Department.

Commander McCandlish first served in the Office of the Superintendent of Naval Radio Service beginning in 1916, as District Communication Office, then again in charge of naval shore radio stations in 1927, and finally in 1932, as Assistant Director.

7/13/34

Commander Raguet served as District Communication Officer, Fifteenth Naval District, beginning in 1915, and again in the Fourteenth Naval District in 1919; Communication and Radio Officer, Destroyer Squadrons, Battle Force in 1921; Communication Officer, Navy Department in 1924; Atlantic Coast Communication Officer in 1925, and as Head of Radio Division, Bureau of Engineering, in 1928.

X X X X X X X X

## FEDERAL TRADE COMMISSION SUMMONS 12 RADIO ADVERTISERS

The Federal Trade Commission has summoned 12 national radio advertisers to appear in Washington next week to justify, if they can, what appears to be false and misleading claims in their advertising.

The names of the advertisers summoned have not been made public. They are the first radio advertisers to come under the provisions of an order recently issued by the Trade Commission.

Beginning July 1, all radio stations were requested to, and are now sending to the Trade Commission copies of all commercial broadcasts. These are being examined by the Special Board of Investigation, and all advertisers that appear to be making false or misleading statements over the air will be notified and proceeded against in the same manner as advertisers using newspapers and magazines to publish their advertisements.

"The spirit of the radio industry, so far expressed, discloses a sincere desire to cooperate with the Commission in eliminating false advertising, and they have every reason to give such cooperation", said E. J. Adams, Chief of the Special Investigation Board of the Trade Commission.

"The Commission thoroughly appreciates this fine understanding and cooperation on the part of the managers of radio broadcasting stations.

"For lack of information, the general public may not appreciate the work done, and being done by the Federal Trade Commission to maintain open channels of competition prevent fraudulent practices, and unfair methods, and protection of the buying public.

"Action by the Commission to put a stop to these offending advertisements over the air will be of great value to all radio station managers, and the industry as a whole.

7/13/34

Unless this false advertising over radio facilities is ended, the value of radio advertising will be utterly destroyed, and the industry as a whole with a few rare exceptions, will suffer a great loss.

"The Federal Trade Commission has power to issue Cease and Desist orders against advertisers that are using unfair methods to induce the public to buy. Such orders are enforceable by the Federal courts.

"In recent years, over 600 radio stations have been organized, and are now in operation. Many advertisers that were refused space in magazines and newspapers have resorted to broadcasting their advertisements over the radio. If the buying public is to be protected, and listener confidence built up or maintained, false advertising on the air must be stopped.

"Thoughtful managers of radio stations realize the value of listener confidence, and only by having this are their facilities of value to advertisers. Competition between radio stations to secure advertising contracts is very keen. The stations need the revenue, and without it cannot survive. Therefore, it puts many managers 'on the spot' when advertising copy must be permitted to go on the air over his station, or refused, and the money he sorely needs, lost."

The Trade Commission hearings, such as the 12 radio advertisers will participate in, result in nearly every case in a stipulation that binds the advertiser to cease and desist making any false or misleading statement, and particularly to stop making the specific representations that are found to be misleading. Upon approval of such stipulations, the matter is closed without prejudice to the right of the Commission to reopen it at any time.

If the advertiser refuses to quit making the false representations found by the Commission to be false or misleading with the capacity and tendency to deceive the buying public, complaints are issued, and the matter is prosecuted in the formal way.

It was explained that less than three per cent of the cases handled by the Special Board of Investigation result in the issue of complaints. The rest are either closed without action, and the data filed for future reference or disposed of by stipulation.

X X X X X X X X

:::  
 :::BUSINESS LETTER NOTES:::  
 :::  
 :::

Former Gov. Norman S. Case, of Rhode Island, Republican, and personal friend of President Roosevelt, is one of the most distinguished of the new Communications Commissioners. Although of different height, he reminded one observer of John V. L. Hogan, noted radio engineer.

-----

Fred Weber, Vice-President in Charge of Operations and Station Relations of the American Broadcasting System, has returned to his headquarters in the WMCA Building, New York, from a trip through the Middle West where he contacted stations and agencies on proposed extensions of the new network.

-----

The application of Rev. C. C. Morris, of Ada, Okla., for a 100 watt station, to be operated on 1200 kilocycles, daytime hours, has been granted.

X X X X X X X X

#### SCHUETTE N.A.B. REPRESENTATIVE MUSIC CODE HEARING

The Music Publishers Code hearing has been set for Thursday, July 26th at the Washington Hotel, Washington, D. C. The broadcasters will file proposed amendments to the song plugging provisions of the Code and will be represented by Oswald F. Schuette.

Mr. Schuette also represented the independent aluminum interests in an action which resulted in the decision by which the United States Circuit Court of Appeals at New York reversed the acquittal of the Mellon aluminum monopoly at New Haven, Conn., last December, and ordered a new trial for the \$9,000,000 triple damage suit brought by the Baush Machine Tool Co., of Springfield, Mass.

"The aluminum decision marks a turning point in the enforcement of the anti-monopoly laws", said Mr. Schuette. "It does not only chart the route for the Government prosecution of this monopoly, as well as of all other violators of the anti-trust laws, but it makes plain and simple the rights which the victims of all trusts have to sue these monopolies for triple damages. No other decision in anti-trust history has swept away at one stroke so many of the technical barriers which monopoly lawyers have built in the lower courts to prevent private litigants from getting the protection which Congress gave them in the Sherman and Clayton laws."

X X X X X X X X

7/13/34

## MACKAY RADIO GETS SITE OF 1,100 ACRES

An 1,100-acre tract, virtually the entire Arbuckle estate at Smithtown, L. I., has been leased by the Mackay Radio and Telegraph Company for the construction of a new and extensive short-wave wireless centre that eventually will become the "hub" of the organization's transmitting activities on the Atlantic seaboard, it was revealed by Ellery Stone, Vice-President.

It is expected that the new operating site will be "on the air" some time this Fall and gradually take over the operations of the Mackay plant at West Sayville, leased from the United States Navy Department.

"The plot at Smithtown will become the centre of all our transmitting activities on the Atlantic Coast, and will afford us adequate space to increase facilities in the expansion of short-wave domestic and international radio telegraph circuits", said Mr. Stone. "Extensive equipment will be installed. We will utilize high power and all the up-to-date apparatus, controlled by wire from the International Telephone and Telegraph Building, 67 Broad Street, thirty-eight miles from Smithtown.

"Tests are under way to examine the feasibility of installing an ultra-short-wave radio link between our New York operating room or central and the plant at Smithtown, to supplement or replace the wire lines."

The site is ten times as large as the present one at West Sayville.

"The transition from Sayville to Smithtown will require two or three years for completion", said Haraden Pratt, Vice-President and Chief Engineer, who will supervise the construction. "We will erect many short-wave aerials. Our receiving station will be continued at Southampton, L. I."

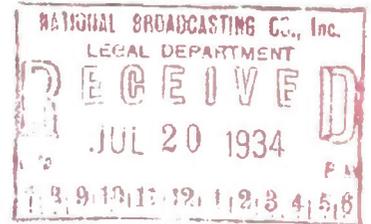
X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



INDEX TO ISSUE OF JULY 17, 1934.

Communications Commission Organizes Three Divisions.....	2
New Divisional Communications Commission Set-Up.....	3
Capital To Have Conscience Voice.....	5
Predice Less Animosity To Commission Than NRA.....	6
Education Gets 50-50 Break, Aylesworth Declares.....	7
Says President Took Farleyesque Commission View.....	8
Business Letter Notes.....	9
Apprehensive Of Too Numerous Administrative Agencies.....	10
Announcer Criticized For Reading Complaint Over Air.....	11
Applications Received By Communications Commission.....	11
Some Recent NBC New And Renewal Accounts.....	12

No. 741

*Handwritten notes:*  
11  
3  
James  
and

July 17, 1934.

## COMMUNICATIONS COMMISSION ORGANIZES THREE DIVISIONS

The Federal Communications Commission organized its Division Tuesday, (July 17) in keeping with the Communications Act. Three divisions composed of three members each were created, with Chairman E. O. Sykes serving on each Division. The divisions and personnel follow:

### Division #1 -- Broadcasting

Commissioner Hampson Gary - Chairman  
Commissioner Thad Brown - Vice Chairman  
Commissioner Sykes

### Division #2 - Telegraph

Commissioner Irvin Stewart - Chairman  
Commissioner George Henry Payne - Vice Chairman  
Commissioner Sykes

### Division #3 - Telephone

Commissioner Paul Walker - Chairman  
Commissioner Norman S. Case - Vice Chairman  
Commissioner Sykes

The Broadcast Division will exercise jurisdiction over all matters relating to or connected with broadcasting.

The Telegraph Division will have and exercise jurisdiction over all matters relating to or connected with record communication by wire, radio or cable, and all forms and classes of fixed and mobile radio-telegraph services and amateur services.

The Telephone Division will have jurisdiction over all matters relating to, or connected with telephone communication (other than broadcasting) by wire, radio or cable, including all forms of fixed and mobile radiotelephone service except as otherwise specifically provided for.

The whole Commission will have jurisdiction over all matters not otherwise specifically allocated to a division; over all matters which fall within the jurisdiction of two or more of the divisions established by this order; and over the assignment of bands of frequencies to the various radio services. In any case where a conflict arises as to the jurisdiction of any division or where jurisdiction of any matter or service is not allocated to a division, the Commission will determine whether the whole Commission or a division thereof will have and exercise jurisdiction, and if a division, the one which will have and exercise such jurisdiction.

The Broadcast Division will hold its first meeting Wednesday morning, July 18; the Telegraph Division will meet at 10 o'clock Thursday morning, July 19; the Telephone Division will meet Friday at 10 o'clock, July 20.

Next week the Broadcasting Division will meet at 10 o'clock on Tuesday, the Telegraph Division at 10 o'clock on Wednesday, and the Telephone Division on Thursday at 10 o'clock. These will probably be the regular meeting days of the Divisions.

It was reported that the positions of W. D. Terrell, Chief of the Field Division, and Ford Greaves, Assistant Chief Engineer had been reclassified, and that their salaries had been reduced. Terrell, who is the oldest radio man in point of service in the country, having been one of the two original radio inspectors of the United States, is understood to have been reduced from \$8,000 to \$5,600 a year, and Ford Greaves from \$7,500 to \$4,000. The latter is said to be slated for a radio inspectorship at San Francisco. Both are Republicans.

X X X X X X X X X

#### NEW DIVISIONAL COMMUNICATIONS COMMISSION SET-UP

The following radio services and classes of stations were allocated to the three divisions established by the new Communications Commission, as follows:

##### I. To the Broadcast Division

<u>Service</u>	<u>Class of station</u>
Broadcast	Broadcast
Temporary	Broadcast Pickup
Experimental	Experimental Visual Broadcast Experimental Relay Broadcast Experimental Broadcast General Experimental (1) Special Experimental (1)

- (1) All matters relating to or connected with this class of station concerning the development of apparatus for any service assigned to the Broadcast Division.

##### 2. To the Telegraph Division

Aviation	Aeronautical Aeronautical Point-to-point Airport Aircraft
Aviation Public	Aeronautical Aircraft

7/17/34

2. To the Telegraph Division (Cont'd)

<u>Service</u>	<u>Class of station</u>
Public Coastal	Coastal Telegraph Coastal Harbor (Telegraph) Coastal Telephone (2)
Private Coastal	Coastal Telegraph Coastal Harbor (Telegraph) Coastal Telephone (2)
Experimental	General Experimental (3) Special Experimental (3)
Geophysical	Geophysical
Fixed Public	Point-to-point Telegraph Point-to-point Telephone (2)
Fixed Private	Point-to-point Telegraph
Emergency	Municipal Police State Police Special Emergency Marine Fire
Agriculture	Point-to-point Telegraph
Marine Relay	Marine Relay
Mobile Press	Mobile Press
Fixed Public Press	Point-to-point Telegraph
Amateur	Amateur
Temporary	Motion Picture
Ship	First Class (4) Second Class (4) Third Class (4)

(2) Stations in Alaska only

(3) All stations of this class except those assigned by designations (1) and (6) to the Broadcast Division and Telephone Division respectively.

(4) Except ship telephone stations connecting through coastal telephone stations with the public telephone network.

3. To the Telephone Division

<u>Service</u>	<u>Class of station</u>
Fixed Public	Point-to-point Telephone
Public Coastal	Coastal Telephone (5) Coastal Harbor (Telephone)(5)
Private Coastal	Coastal Telephone (5) Coastal Harbor (Telephone)(5)
Experimental	General Experimental (6) Special Experimental (6)
Ship	First Class (7) Second Class (7) Third Class (7)

- (5) Except stations in Alaska
- (6) All matters relating to or connected with the research, development and operation of public telephone service.
- (7) Ship telephone stations connecting through coastal telephone stations with the public telephone network.

X X X X X X X X X X

CAPITAL TO HAVE CONSCIENCE VOICE

In addition to a secret voluntary non-paid force of traffic violation spotters in the National Capital, Major E. W. Brown, Chief of Police, will have as an aide in the safety campaign the so-called "Voice of Conscience". The "voice" will consist of an automobile painted white and equipped with a loud-speaker. It will be manned by two traffic officers who will cruise the streets spotting traffic violators and whispering words of caution or reproval into a microphone. The loud-speaker will send their voices booming down the street so that all persons within a radius of a block or more will hear the warning.

The special car is now being painted at a Detroit motor car factory and is scheduled to be delivered not later than July 25. After the car's arrival, it will have to be equipped with a microphone and loud-speaker, but Major Brown said it probably would make its debut about August 1.

Cincinnati already has started a similar campaign and its "voice of conscience" made an initial appearance on the streets there recently. An Associated Press dispatch said there were many "red faces" as a result of the car's activities.

X X X X X X X X

## PREDICT LESS ANIMOSITY TO COMMISSION THAN NRA

The origin of the mandatory order in the Communications Act to go thoroughly into service contracts is traced to the active interest of Congressional leaders and applies principally to the relationship between the Western Electric Company and the Bell System," according to the New York Times.

"The second report required results from the opposition by telegraph interests to the leased wire and telephone-typewriter services of the American Telephone and Telegraph Company, while the third is an outgrowth of opposition, on the part of the Postal Telegraph Company, to the contracts between the Western Union Telegraph Company and numerous railroad companies", the Times goes on.

"Thus the Commission finds itself, to some extent, an arbiter between the competing communications interests, where serious consideration of the problems will be required for equitable solution. While the Commission may not have the final word, its reports will have considerable weight.

"Communications leaders predict that less animosity and a greater spirit of conciliation will be displayed by the wire chiefs in the hearings before the new Commission than appeared when the NRA proposed to dictate a code for the telegraph industry.

"Bringing of the Western Electric contract before the new Commission, together with similar contracts of lesser importance affecting other carriers, also will be a momentous development. The issue has been raised frequently in State telephone rate cases, and in the Illinois Bell Telephone Co. case, which was decided recently against the company by the Supreme Court.

"In that case, however, the United States Supreme Court did not pass on the merits of the Western Electric contract, which had been approved by the lower court in all respects save for one price advance in 1930. When this contract last appeared before the highest court, in a Southwestern Bell Telephone rate case many years ago, it was sustained by the Supreme Court."

"Officials of communications companies do not believe that the Commission will find it possible to reach any definite conclusions within the next six months as to how the Act should be modified.

"In addition, there is a vast amount of routine work and investigations to be conducted, any of which probably will require some months to complete."

X X X X X X X X

July 17, 1934.

## EDUCATION GETS 50-50 BREAK, AYLESWORTH DECLARES

Apparently having in mind that the new law makes it obligatory for the Federal Communications Commission to investigate a proposal that Congress, by law, set aside certain frequencies for the broadcasting of educational, religious and other non-commercial programs, M. H. Aylesworth recently discussed the educational broadcasting situation at considerable length.

"We have over 20% education on our networks, that is, programs that definitely have educational purpose", Mr. Aylesworth explained. "We have 30% more of programs that have educational value. That makes 50%. That leaves 50% for entertainment. Education gets a 50-50 break, therefore, over our networks."

Pointing to various examples of educational value of radio, broadcasting executive warned against attempting to move too swiftly to utilize all the possibilities and observed, "We have got to experiment. In order to learn to swim, we must swim. So in order to learn to broadcast, we must broadcast."

"I have long believed that we have not been utilizing the force of education by radio to its greatest advantage", Mr. Aylesworth said. "There is something to be said for the newness of the medium. For over 200 years there has been going on the development of the technique of teaching in the classroom. Compared to this, our experience with radio has spanned only a few short years. It takes time to even train an individual to use this new medium; how much longer it must take to train whole groups of teachers to make effective use of it. As broadcasters, we invite you to join with us in bringing about the most fruitful use of this new medium. As teachers, you are asked to share this responsibility with us."

"We have put every kind of subject on the air to interest listeners", the NBC executive remarked. "Politics, government, economics, psychology, philosophy, art, literature, music, vocational training, law, home economics, and many others. Efforts have been made to publicize these programs - extensive lists of organizations have cooperated by bringing them to the attention of their membership. Printed bulletins, bibliographies, and reprints of lectures have been made available."

"Thousands have written us their appreciation of these efforts. We consciously tried to do a good educational job with the child and the grown-up - with your help we will do a better job."

"Thousands of school systems receive our daily programs, while more than 50,000 schools, representing over 6,000,000 children listen each week to Walter Damrosch and the NBC music appreciation hour."

7/17/34

"Individual school systems have sought and are using the local facilities of our associated stations in many states and cities. We know the limitations of the radio lesson. We know, however, that it supplements and vitalizes any subject which a teacher is struggling to make interesting to a group of young people. It can supply the intellectual urge to make us go on and study for ourselves, which I suppose is the highest accomplishment of any teacher.

"We have yet only touched upon the significance of this means of mass communication as a boon to mankind. In America we are making it a means of public enlightenment. We are proud to join forces with this association to make that purpose more certain and secure."

X X X X X X X X

SAYS PRESIDENT TOOK FARLEYESQUE COMMISSION VIEW

Expressing the belief that politics dominated the appointment of the Federal Communications Commission, the New York Herald-Tribune appears convinced that it was done deliberately.

"Thus the Democratic party faces its first election under the New Deal with a deck of cards much to its liking", the newspaper goes on. "Faith in the radio as a means of political argument has dwindled somewhat. The press still remains the main source of political ideas and the center of political debate. But for what it is worth, Mr. Roosevelt retains control of the radio. Just what his commission can do to the newspapers through its control of telegraph wires and the telephone remains to be seen. The threat is there and calls for alert watching.

"That threat will remain as long as the controlling board is kept a political body. We have already expressed our opinion upon this point. We think the issue of such vital concern to the cause of a free press and free political debate that we wish to reiterate our view. It is that only by elevating the Communications Commission to the level of a high and impartial court can the threat of political censorship be ended. We regret that President Roosevelt has taken the Farleyesque view of the issue. He may gain something temporarily in radio effectiveness for the coming New Deal campaign. What he may thus gain will be more than offset, we are confident, by the dangerous threat to American free speech which he now adopts as his considered policy."

X X X X X X X X



## APPREHENSIVE OF TOO NUMEROUS ADMINISTRATIVE AGENCIES

The judicial branch of the Government is being "rapidly and seriously undermined" by increasing powers delegated by Congress to the growing number of administrative agencies, a special committee of the American Bar Association, headed by Louis G. Caldwell, former General Counsel of the Federal Radio Commission declared. Among the additional members are Felix Frankfurter, of Cambridge, Mass., and others.

"Federal administrative agencies exercising judicial, in combination with legislative and executive powers, are obliterating essential lines of our Government structure", the report said, "and for the original classic simplicity, are substituting a labyrinth in which the rights of individuals, while preserved in form, can easily be nullified in practice."

Presenting tentative conclusions to be considered at the Association's annual meeting in Milwaukee next month, the committee recommended divorcing the judicial functions of administrative agencies from their legislative and executive functions, the abolition of so-called independent commissions and simplification of the procedure and practice of such agencies and corporations as, for example, the 17 created under Title I of the NIRA alone.

"It becomes hopeless for the average citizen to attempt to understand his Government", the committee found.

Creation of a "Federal administrative court" was proposed.

In its conclusion, the report stated:

"Administrative tribunals with judicial power are courts in fact; without adequate judicial review of their decisions they are, potentially at least, courts controlled by the Executive or by the Legislature.

"To the extent that courts are permitted to fall under such control poignant lessons of history have been forgotten, and a fundamental condition to the administration of justice, i.e., the principle of judicial independence, has been sacrificed."

The tremendous volume of administrative orders issued in the past year by NRA and the other new agencies far exceeds all the Federal statutes since 1789 and makes the presumption that every citizen knows the law "more than violent", the report stated.

X X X X X X X

## ANNOUNCER CRITICIZED FOR READING COMPLAINT OVER AIR

As a result of a WJSV announcer in Washington reading a letter of complaint over the air, which he had received from a listener, a listener in wrath wrote the following letter to the Washington Post:

"I have always been under the impression that radio stations welcomed criticism from listeners, but I would be very reluctant to address WJSV of this city, after the dose handed out to one of that station's listeners who recently criticized the manner and attitude of one of its announcers, Arch McDonald.

"The letter was read over the air by McDonald and was ridiculed by him. Mr. McDonald, in addressing the radio audience, stated 'Ladies and gentlemen and Mr. Van Sant.', indicating that the writer of the critical note was no gentleman.

"This is not the first blunder that can be charged to this funny sports announcer, and as the writer of the letter referred to stated, 'this fellow, McDonald, should be curbed or Station WJSV will lose many friends.'"

X X X X X X X X X

## APPLICATIONS RECEIVED BY COMMUNICATIONS COMMISSION

July 16 - WHDH, Matheson Radio Co., Inc., Boston, Mass., modification of license to increase hours of operation from daytime to unlimited with power of 1 KW until sunset at Denver and 500 watts thereafter; WCNW, Arthur Faske, Brooklyn, N. Y., modification of C.P. as modified, authorizing move of transmitter, installation of new equipment and increase in daytime power requesting changes in equipment and extension of commencement and completion dates; Dudley J. Connolly, Chattanooga, Tenn. C.P. to erect a new station to be operated on 1420 kilocycles, 100 watts, unlimited time; WSFA, Montgomery Broadcasting Co., Inc., Montgomery, Ala., modification of license to determine operating power by direct antenna measurement (corrections made); Lakeland Broadcasting Co., Lakeland, Fla., C.P. to erect a new station to be operated on 1200 kilocycles, 100 watts, unlimited time; Carolina Radio, Inc., Anderson, S. C., C.P. to erect a new station to be operated on 1200 kilocycles, 100 watts, unlimited time.

Also, WREC, WREC, Inc., Memphis, Tenn., extension of special experimental authorization to operate with power of 1 KW night, 2½ KW daytime, for period 9/1/34 to 3/1/34; WTRC, The Truth Publishing Co., Inc., Elkhart, Ind., consent to voluntary assignment of license to Truth Radio Corp.; KSO, Iowa Broadcasting Co., Des Moines, Ia., modification of C.P. authorizing installation of new equipment, move of transmitter and increase in daytime power to 500 watts.

X X X X X X X X X

7/17/34

SOME RECENT NBC NEW AND RENEWAL ACCOUNTS

RENEWAL - Northam Warren Corp (Cutex and/or Odorono), 191 Hudson St., New York, N. Y.; AGENCY - J. Walter Thompson Co., New York City; Started June 22, 1934; Fridays 9:00-9:30 PM EDT; Networ - WJZ WBZ WBZA WBAL WMAL WHAM KDKA WGAR WCKY WLS KWK KWCR WREN KOIL KSO CFCF WSYR WSM WSB WAPI WSMB WKY WFAA WOAI KGO KFI KGW KOMO KHQ KOA KDYL; Program - "Let's Listen to Harris" - Phil Harris and his orchestra, Leah Ray, Commercial talk given by "The Fashion Reporter";

RENEWAL - Pacific Coast Borax Co. (20 Mule Team Borax), 51 Madison Ave., New York City; Agency - McCann-Erickson, Inc., Madison Ave., New York City; Started July 5, 1934, Thursdays, 9:00-9:30 P.M. EDT; NETWORK - WJZ WBZ WBZA WBAL WHAM KDKA WGAR WJR WLW WLS KWK WREN KWCR KOIL KWO WMAL WSYR; Program - "Death Valley Days" - Dramatization of Pioneer life in Death Valley, Cal.

NEW - A C Spark Plug Co., Flint, Mich.; Agency - Campbell Ewald Co., Detroit, Mich; Started June 23, 1934, Saturdays, 10:00-10:15 PM EDST; Network - WEAJ WTIC WTAG WEEI WJAR WCSH WFI WFBR WRC WGY WBEN WCAE WTAM WWJ WLW WKBF WMAQ KSD WHO WOW WOC WDAF CRCT CFCF WTMJ KSTP WEBC WDAY WRVA WWNC WFLA WSM WMC WSB WAPI WSMB WSOC WKY KTHS WBAP KPRC WOAI KOA KDYL KGYL KGO KFI KGW KOMO KHQ KTAR; Program - "Raymond Knight and his Orchestra".

RENEWAL - Bristol-Myers (Drugs), 75 West St., New York City Agency - Benton & Bowles, New York City; Started July 4, 1934; Wednesdays 9:00-10:00 P.M. EDST, 12:00-1:00 midnight, EDST; Network - 9-10 WEAJ WTIC WWJ WEEI WJAR WTAG WCSH WLIT WFBR WRC WGY WBEN WCAE WTAM WLW WMAQ KSD (WOC WHO 9:30-10) WOW WDAF WTMJ KSTP WEBC WRVA WPTF WIS WJAX WIOD WSM WMC WSB WSMB KVOO WKY (WFAA 9-9:30) KPRC WOAI KTBS; 12-1:00 KGO KFI KGW KOMO KHQ KOA KDYL; Program - "Hour of Smiles", large musical, Fred Allen, Lennie Hayton's orchestra, guest stars.

NEW - The Studebaker Sales Corp. of America, South Bend, Ind., Agency - Roche, Williams & Cunningham, Inc., Chicago, Ill; Started July 9, 1934; Mondays 8:00-8:30 PM EDST, 1:00-1:30 AM EDST; Network - 8:00 WEAJ WEEI WTIC WJAR WTAG WCSH WFI-WLIT WFBR WRC WGY WBEN WCAE WTAM WWJ WSAI WMAQ KSD WHO WOC WOW WDAH; 1- KGO KFI KGW KOMO KHQ KOA KDYL; Program - "Studebaker Champions" - Richard Himber and orchestra.

NEW - Malted Cereals Co. (Maltex) Burlington, Vermont; Agency - Samuel C. Croot, Co., New York City; Starts Sept. 2, 1934, Sundays 5:00-5:30 P.M. EDST; Network - WEAJ WEEI WTIC WJAR WTAG WCSH WFI-WLIT WFBR WRC WGY WBEN WCAE WTAM WWJ; Program - "Little Known Facts about Well Known People", Dale Carnegie.

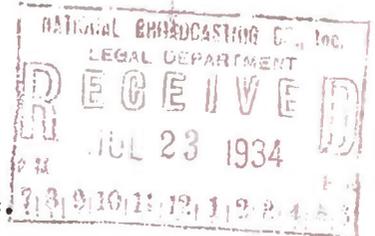
X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



INDEX TO ISSUE OF JULY 20, 1934.

Communications Chairman Disavows Press Censorship.....	2
Radio Wholesale Trade Submits Code Budget.....	6
Would Permit Massachusetts Station To Move.....	6
To Seek Complete Information On The Telegraph Business.....	7
New Commission Acts Upon Middle Western Applications.....	8
Broadcasting Division Organizes.....	9
Commission Girds Itself For Telephone Investigation.....	10
Starbeck Suit Filed.....	11
Business Letter Notes.....	12

No. 742

*Handwritten scribbles and initials at the bottom left of the page.*

July 20, 1934.

## COMMUNICATIONS CHAIRMAN DISAVOWS PRESS CENSORSHIP

Speaking at the first public gathering attended by members of the Federal Communications Commission, Chairman E. O. Sykes vigorously denied that there had ever been any intention of either the old Radio Commission or the new Communications Commission to exercise a censorship on the newspapers.

"There never has been any desire to do this", Judge Sykes continued, "and there never will be. There is nothing in the Communications Act to warrant the censorship accusation and if there were, I can assure you the Commission would have no idea of exercising it.

"It all seems very remote and I have never understood what the basis of the censorship charges were or why there should have been so much excitement about it."

The occasion for the gathering which Judge Sykes addressed was an "initiation dinner" at the Burning Tree Country Club in Washington last Tuesday given to the new Communications Commission and dedicated to "Ye Goode Olde Public Interest, Convenience And/Or Necessity."

The attendance was made up largely of newspapermen, lawyers who practice before the Commission, and Washington representatives of communications organizations. Martin Codel and Sol Taishoff, editors of Broadcasting, were Chairmen of the Arrangements Committee.

In addition to Judge Sykes, all the other Commissioners were present - Col. Thad Brown, of Ohio; Paul A. Walker, of Oklahoma; former Gov. Norman S. Case, of Rhode Island; Dr. Irvin Stewart, of Texas; George Henry Payne, of New York, and Hampson Gary, of Texas. Also former Radio Commissioners James H. Hanley, Harold A. Lafount and Judge Ira E. Robinson. Another guest was M. H. McIntyre, one of President Roosevelt's secretaries.

The menu (a la Kilocycle) was as follows:



Mr. Payne, who is a medium-sized chubby man, has the appearance and manner of speech of what is known as a typical "New Yorker" and wears a moustache and a goatee, seemed about as pleased at the introduction as if he had been dropped from the top of the Empire State Building. Payne, nevertheless, proved well able to take care of himself and lost no time going back at the toastmaster.

"I am only prevented from responding properly by the fact that I am limited to a tomato juice diet", Mr. Payne said, "while Bill Hard is drinking cocktails. However, I may have something to say when the tomato juice ban is lifted. I was surprised to be called upon to speak because when I heard that Hard was to be the toastmaster, I assumed that, as usual, he would do all the talking."

Mr. Payne became so realistic in what appeared to be sarcastic remarks about Mr. Hard that many began to believe that he had taken personal offense at Hard's remarks. What most of those present did not know was that the two men were old friends and their performance was only part of the show.

Hampson Gary, who has the polish which only the diplomatic service can give, and who would be rated a first class after dinner speaker in any company, fared considerably better than his colleague. Nevertheless he remarked, "I never had an introduction quite like that before and don't know yet whether you are serious or whether you are kidding me."

Introducing Commissioner Irvin Stewart, late of the Treaty Division of the State Department, Mr. Hard said, "Dr. Stewart has been a technical advisor at all of the recent international radio conference. A technical advisor at an international conference, I might explain, is a "man whose advice nobody takes."

Dr. Stewart, who is a finished product of the State Department, is soft-spoken and quite youthful in appearance, and was on his feet less than a minute. Commissioner Case, tall, with iron-gray moustache and easily the most distinguished in appearance of any of the new group deftly applied the subject of Communications to telling the diners what Margot Asquith, wife of the former British premier, told Jean Harlow in Hollywood. Whether the former Governor of Rhode Island picked this up by shortwave or permanent wave, he didn't say.

Mr. Hard, introducing Commissioner Walker, small in stature, rather pale and who appears to be regarded as the deep stuff man and the unknown quantity of the new crowd, said:

"As you well understand, there are no politics in connection with the Communications Commission, so since Mr. Walker is to be the head of a division - the telephone division - I need hardly tell you that he is a Democrat."

7/20/34

Just before Judge Sykes was introduced, Mr. Hard remarked that having introduced the newer members of the Commission, he would now present the older ones, Chairman Sykes and Colonel Brown. Whereupon former Commissioner Judge Robinson stopped the show by remarking in a stage whisper, "I've heard them", and then proceeded to walk out.

Commissioner Thad Brown was described by Hard as "a regular and irregular Ohio Republican, a Theodore Roosevelt 'Bull Mooser', originally appointed by Herbert Hoover and reappointed to serve on Frank Roosevelt's Democratic Commission."

"Teddy Roosevelt is my political idol", Colonel Brown replied. "He is the only one I ever had and if he were living today, he would still be my idol."

Paul Spearman, new General Counsel, like Judge Sykes, a native of Mississippi, brought forth the last shaft of the toastmaster who said:

"Two on the Commission are from Mississippi, two are from Texas, and one is from Oklahoma - anything west or north-west of a line drawn from Oklahoma to Ohio in communications doesn't seem to count in the New Deal."

The only one closely connected with the new regime not called upon to make a speech was Herbert Pettey, Secretary of the Communications Commission. Pettey, whose principal job seems to be dispensing political patronage for Farley, and who was described by one correspondent as a "facile denier", evidently isn't expected to make speeches.

X X X X X X X

#### OHIO CORPORATION GETS PICKUP STATION PERMIT

A license for a construction permit for broadcast pickup station WNER, at Russells Point, Ohio, on a frequency of 2060 kilocycles with 100 watts power has been granted to E. S. Howlett, of the Associated Radiocasting Corporation.

X X X X X X X X X

## RADIO WHOLESALE TRADE SUBMITS CODE BUDGET

The Divisional Code Authority for the Radio Wholesaling Trade, a division of the Wholesaling or Distributing Trade, has made application to the Administrator for approval of its budget for 1934, and of the basis of contribution by members of the trade, to the expenses of administering the Code for the period from May 1, 1934, to April 30, 1935.

The total amount of the budget for the period is \$79,994.

The Code Authority has likewise submitted an application for the termination of the exemption conferred whereby members of its trade whose principal line of business is embraced in a trade or industry subject to a Code other than the Code for the trade were exempted from obligation to contribute to the expense of Code administration for the trade.

X X X X X X X X

## WOULD PERMIT MASSACHUSETTS STATION TO MOVE

It has been recommended to the Federal Communications Commission by Examiner Ralph L. Walker that Albert S. Moffat be authorized to move Station WLEY from its present location at Lexington, Mass., to Lowell, Mass., without change of operating assignment.

Examiner Walker's conclusion in the case follows:

"Lexington, Massachusetts, the present location of Station WLEY, now receives consistently satisfactory service from several stations located elsewhere, while Lowell, Mass., and vicinity, does not receive consistently satisfactory service from any existing station. It appears, therefore, that there is a greater need for the services of WLEY in Lowell than in Lexington. From a commercial viewpoint, Lowell affords greater opportunity for the successful operation of Station WLEY. The applicant is qualified in all respects to construct and operate the station at the new location and to render the service needed in that area.

"While under average conditions it would be expected that the operation of WLEY at Lowell would result in objectionable interference with other stations, it appears from the evidence that actual conditions of propagation are less than average and that Station WLEY can be operated in the proposed location without causing objectionable interference to existing stations.

X X X X X X X X

7/20/34

TO SEEK COMPLETE INFORMATION ON THE TELEGRAPH BUSINESS

At its first meeting last Thursday morning, the Telegraph Division of the Communications Commission composed of Commissioners Irvin Stewart, Chairman, George Henry Payne and Judge E. O. Sykes, canvassed the duties with which it is charged under the Act with a view to determining the order in which it will take up various matters assigned to it.

The Commissioners decided that under the Act, communication companies are required to file with the Commission schedules of charges and information relating to charges within a reasonable time to be designated by the Commission.

Paul Spearman, General Counsel, has been instructed to study the question of the type of information which the companies should file with the Commission in connection with the schedules of charges.

The Division will seek complete information on the telegraph business in all its phases, for use as a basis upon which to lay out its future course of action.

The following new shortwave applications were granted:

Aeronautical Radio, Inc., Los Angeles, Cal., construction permit, frequencies 2930, 6615 kc., 400 watts; Town of Harrison, N. Y., Harrison, N. Y., construction permit 30100, 33100, 37100, 40100, 86000-40000, 401000 kc., and above, 50 watts; Same, Portable-Mobile, 4 applications, same except 9 watts power; City of Atlantic City, N. J., construction permit, frequencies 30100, 33100, 37100, 40100, 86000-400000, 401000 kc. and above, 50 watts; Same - Portable-Mobile, 2 applications, same except 4.5 watts power; Durward J. Tucker, Dallas, Texas, construction permit 33100, 35600, 37600, 41000 kc., 40 watts.

Also, Borough of Kenilworth, Police Dept., Mobile, construction permit 30100, 33100, 37100, 40100 kc., power .5 watts; Westinghouse Electric & Manufacturing Co., Portable-Mobile, license to use transmitter now in operation under W10XAV, 62000 kc., 500 w.; Same - Portable-Mobile, license to use transmitter, now in operation under W10XAT, 62000 kc., 500 watts; Bell Telephone Laboratories, Inc., Portable-Mobile, principally in State of New Jersey, license 51400, 75000 kc., 1 KW; City of Fairmont, W. Va., construction permit 2490 kc., 30 watts; City of Pomona, Calif., construction permit 1712 kc., 50 watts;

X X X X X X X X

## NEW COMMISSION ACTS UPON MIDDLE WESTERN APPLICATIONS

Transacting its first regular business, the Communications Commission disposed of the applications of several Middle Western stations. The application of WHBY, Green Bay, Wis., 100 watt station to change operating assignment to 1360 kilocycles and increase power to 1,000 watts, unlimited time, was denied. Also the application of Station WBOW, Terre Haute, Ind., asking for 1000 watts daytime and 500 watts nighttime was denied. These stations asked for the facilities of Station WGES, Oak Leaves, Chicago, together with those formerly used by Station WJKS (now WIND, of Gary), as did WSBT, South Bend, Ind., which also asked for a renewal of license. The South Bend applications were granted with modifications.

Station WFBM, of Indianapolis, which heretofore had been operating on specified hours, was granted unlimited time. The application of Station WGES, Chicago, to continue operation upon its present assignment, three-sevenths time, was granted. The applications of John L. Hopkins, to construct a new station at Hammond, Ind., and WSBC, Chicago, for authority to move their station to Hannond, were dismissed.

Grounds for the Commission's decisions was set forth as follows:

That WHBY, Inc., provides a meritorious local broadcast service in the operation of Station WHBY, Green Bay, Wis., but that this applicant has not made as effective use from a technical standpoint of the present frequency and power assignment of WHBY as might be made; that the proposed change in the operating assignment of Station WHBY would cause increased and objectionable interference in the reception of other broadcast stations, particularly Station WFBL, Syracuse, N. Y.

That no such need for the additional facilities applied for has been shown as would warrant the deletion of Station WGES.

That Banks of Wabash, Inc., (WBOW), Terre Haute, Ind., provides a good local type of broadcast service but that it does not appear that this applicant has adequate financial ability to make proper use of the additional facilities applied for and that no such showing has been made in support of this application as would warrant the deletion of Station WGES.

That the Oak Leaves Broadcasting Station, Inc., (WGES), Chicago, Ill., provides a broadcast service which serves the interests of the public of its service area and that this applicant is able and qualified to continue the service of Station WGES in an acceptable manner.

That the South Bend Tribune (WSBT) and the Indianapolis Power & Light Co. (WFBM) render meritorious regional broadcast service in the South Bend and Indianapolis areas, respectively,

and that each of these applicants is well qualified to continue the service of its station upon either the present or proposed operating assignment in a proper and efficient manner; that the operation of Station WSBT upon the frequency of 1360 kilocycles, hours not assigned Station WGES, as proposed herein, would serve to substantially increase the service area and materially improve the service of the station to the convenience and interest of the population of the second largest metropolitan area of the State of Indiana.

That the granting of a license for the full time operation of Station WRBM, Indianapolis, would enable the licensee thereof to render a more complete service and to render a greater public service generally than it has heretofore been able to render on account of the limitation upon the station's hours of operation; that the full time operation of Station WFBM would serve the interests of residents of the largest community and most populous area of the State of Indiana.

X X X X X X X X X X

#### BROADCASTING DIVISION ORGANIZES

The Broadcasting Division of the Communications Commission did little more than to organize at its first meeting last Wednesday (July 18). It is composed of Hampson Gary, Chairman, who is understood simply to be filling the position until Representative Prall is appointed to the place when his Congressional term expires January 1st, Col. Thad Brown, Vice-Chairman, and Judge E. O. Sykes. No light was thrown on who was to be selected as Director of Broadcasting.

"I believe Farley is still out of town", one man remarked when the question was brought up.

With regard to announcing additional personnel of the Commission itself, it was said that there would be no blanket or sweeping changes but that the appointments would be announced as decisions were reached from time to time.

Paul Spearman, General Counsel, said the names of none of his assistants had as yet been decided upon.

There appears to be some question as to whether or not Dr. C. B. Jolliffe will be reappointed as Chief Engineer of the Commission. His friends confidently predict that he will pull through but the Commissioners in whose hands his fate rests are silent with regard to the matter. There seems to be a feeling that Dr. Jolliffe, because of his outstanding technical qualifications, will be taken care of, but exactly how, no one appears to be certain.

X X X X X X X X

## COMMISSION GIRDS ITSELF FOR TELEPHONE INVESTIGATION

The Telephone Division, composed of Commissioners Walker, Chairman, Case and Sykes, held its first meeting today (Friday) and took the following action:

### Order No. 1

Pursuant to section 203(a) of the Communications Act of 1934 (approved June 19, 1934), IT IS ORDERED that every telephone carrier subject to this Act, shall, on or before September 1, 1934, file with the Commission, schedules showing:

- (a) all charges for itself and its connecting carriers for interstate and foreign telephone communication
  - (1) between different points on its own system, or
  - (2) between points on its own system and points on the system of its connecting carriers, or
  - (3) between points on its own system and points on the system of any other carrier subject to this Act, when a through route has been established, whether such charges are joint or separate.

and showing the

- (b) classifications
- (c) practices, and
- (d) regulations affecting such charges.

### Order No. 2

Pursuant to section 211(a) of the Communications Act of 1934 (approved June 19, 1934), IT IS ORDERED that every telephone carrier subject to this Act shall, on or before September 1, 1934, file with the Commission verified copies in duplicate of

1. contracts
2. agreements, or
3. arrangements

with other carriers, or with common carriers not subject to the provisions of this Act, in relation to any traffic affected by the provisions of this Act, to which it may be a party.

### Order No. 3

Pursuant to Section 215 of the Communications Act of 1934, (approved June 19, 1934), IT IS ORDERED that every telephone carrier subject to this Act, shall on or before September 1, 1934, file with the Commission a verified statement in duplicate showing

- (1) the names of all persons or corporations in which such carrier may own stock or in which such carrier has any interest whatsoever because of common or interlocking directorates, officers, or otherwise;

- (2) names and addresses of all officers and directors of said telephone carrier and of any person corporation in which such carrier may have any interest whatsoever as defined in paragraph (1) of this order;
- (3) the outstanding capital stock of all other corporations in which such carrier may be interested through stock ownership, common officers or interlocking directorates, or otherwise, or over which such carrier may have or exercise any control whatsoever so far as said corporation or corporations (in which such carrier may be interested) may be engaged in the manufacture or furnishing of apparatus, equipment or supplies used or useful in the operation, maintenance or improvement of telephone systems or any experimental research or investigation work looking to or contemplating the development or improvement of equipment or apparatus used or useful in the operation, maintenance or improvement of any telephone system which may be subject to the provisions of the Communications Act of 1934.

The Telephone Division granted the following applications:

KQH, RCA Communications, Inc., Kahuku, T. H., modification of license to change frequency from 15985 to 14920 kc.; W2XAC, New York Telephone Co., New York City, general experimental license, frequencies 31600, 35600, 38600, 41000 kc., 50 watts power, for period ending June 1, 1935; W1XH, New England Tel. & Tel. Co., Boston, Mass., construction permit to change transmitter locally in Boston.

X X X X X X X X

STARBECK SUIT FILED

William D. L. Starbeck filed suit for divorce in Reno, according to an Associated Press Dispatch, against Mrs. Frances Sayre Starbeck, New York social registerite, charging separation for more than five years.

The Starbecks married August 28, 1926, in New York City, the papers said. Mrs. Starbeck now makes her home in New Canaan, Conn.

-----

The name William D. L. Starbeck is not known in Washington, but W. D. L. Starbuck, was a former Radio Commissioner from New York, who failed of reappointment.

X X X X X X X X

7/20/34

::::  
::::BUSINESS LETTER NOTES::::  
::::

To the line of Arcturus tubes have been added the special Majestic spray-shield types. These tubes come equipped with a glove-fitting metal shield, soldered in place with proper ground connection, and are identical in characteristics and interchangeable with the spray-shield tubes.

-----

Canadian Marconi Company (Controlled by Canmar Investment Co., Ltd.) - For 1933: Net loss \$173,524, against \$188,086 loss last year.

-----

An application of Station WJEJ, of Hagerstown, Md. to increase its daytime power to 250 watts and to give the station unlimited hours of operation with a nighttime power of 50 watts has been turned down.

-----

The resignation of Eugene V. R. Thayer as a Director of the American Telephone and Telegraph Co., an office he has held since 1910, was accepted at the regular meeting of the Board in New York on Wednesday. Mr. Thayer, who recently became a partner in Herrick, Berg & Co., resigned because of the company's policy not to include members of Stock Exchange firms on its Board.

-----

James H. Hanley, Federal Radio Commissioner, who it had been expected would be appointed to the Federal Communications Commission, has decided to remain in Washington. He will practice law with the firm of Mason, Spalding and McAtee and will specialize in radio, telephone and telegraph.

-----

Apparently an effort will be made to revive the National Radio Editors' Association at the Cincinnati meeting of the National Broadcasters' Association September 17. E. L. Bragdon, Radio Editor of the New York Sun is President, and Darrell V. Martin, of Pittsburgh, is Secretary.

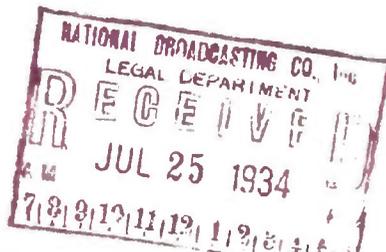
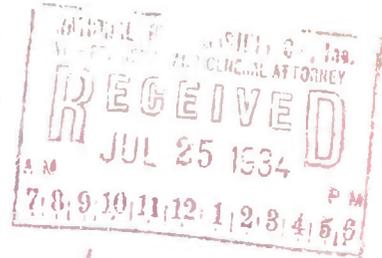
X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



INDEX TO ISSUE OF JULY 24, 1934.

Broadcast Advertising Gains Substantially.....	2
Capt. Sparks Leads Fight For Radio Manufacturers' Code.....	3
World Has 42,540,239 Radio Sets; 18,500,000 In U. S.....	7
Commission Personnel Changes May Go Over Until August.....	8
Broadcasting Division Acts On Routine Matters Only.....	8
Ground Broken For New WOR 50 KW Plant.....	9
Urges Synchronized Broadcasting.....	9
Big Roundup For Ranch House Studios Dedication.....	10
Provide Printing System For Police Radio.....	11
May Ask Code Authority To Stop Song Plugging Graft.....	12

No. 743

*Handwritten notes and signatures in the bottom left corner.*

## BROADCAST ADVERTISING GAINS SUBSTANTIALLY

Gross sales of time over broadcasting stations and networks during May just reported on by the National Association of Broadcasters, amounted to \$6,922,395, a gain of 3.8% over the April level and closely approximating the March high point. Seasonal trends were in part offset by a cyclical upswing in various parts of the industry. National network declines were less than the usual amount to be expected at this time of the year. Individual stations revenues increased 9.7% partly due to seasonal and partly to cyclical reasons. Local station advertising rose 21.3%.

All sections of the country experienced gains in volume of non-network business, the heaviest increases occurring in the East and Middle West. Stations in the 5,000 watt and over class experienced an 11.7% increase in revenues, all other stations gaining except those in the 100 watt class. Electrical transcription volume dropped 15.9% due to national spot declines, while live talent volume rose 25.3%, marked gains occurring on both the national spot and local fields. This trend seems to indicate that the truly national users of spot broadcasting, who most consistently employ electrical transcriptions, are beginning to withdraw for the summer season.

Marked gains were experienced in a number of fields of sponsorship. Heaviest gains included a 23.1% rise in beverage advertising, an 18.8% increase in department and general store advertising, and marked rises in the automotive, accessory, soap and household supply and amusement fields. The automotive rise was due to a 60.7% in national spot business in this field. Amusement advertising, almost exclusively local rose 66.4% as compared with April. The May advertising follows:

National networks	\$3,728,481.00
Regional networks	44,559.00
Individual stations	<u>3,149,090.00</u>

Total \$6,922,395.00

Season tendencies are in evidence, though they are partly offset by a general seasonal upswing. The national network decline is considerably less than normal for May. On the other hand the 9.7% increase in individual station non-network revenue is probably considerably more than normal, station revenue seemingly tending to rise during May due to seasonal reasons. The individual station rise has been due to a 21.3% increase in local radio advertising sponsorship as compared with April. Regional network volume decrease approximately 28% due mainly to seasonal forces. National network volume during May is especially encouraging being 2.6% ahead of May 1932, and 64.0% higher than May, 1933.

X X X X X X X

1724/34

## CAPT. SPARKS LEADS FIGHT FOR RADIO MANUFACTURERS' CODE

With the same assurance with which he commands his famous company of Zouaves, Capt. William Sparks, of Jackson, Mich., led a spirited fight for a separate Code for the Radio Manufacturers at the public hearing in Washington yesterday (Monday, July 23). Captain Sparks, dressed in a white linen suit, the only person in the room who kept his coat on during one of the Capital's hottest days, sat calmly in the thick of the fray, listening intently and seldom taking his eyes from his opponents.

At present the radio manufacturers are operating under the Electrical Code, the same as that governing the National Electrical Manufacturers' Association. In the effort to withdraw from the Electrical Code, Captain Sparks, as Chairman of the RMA Code Committee, met with opposition from representatives of the Electrical Manufacturers' Association so strong at the hearing that at times the exchanges became highly acrimonious.

Bond Geddes, Executive Vice-President of the RMA, and John W. Van Allen, General Counsel of the Association, likewise participated in the fireworks. A flareup between Mr. Van Allen and Frances E. Neagle, counsel for NEMA, caused by Judge Neagle turning on the former with, "Will counsel please quite interrupting me?" had to be calmed down by Deputy Administrator Cowling.

Among those in attendance representing the radio industry were A. S. Wells, Chicago, of the Wells-Gardner Company; Arthur Moss, New York, Electrad Company; Leslie F. Muter, President of the RMA; Arthur T. Murray, Springfield, Mass., United American Bosch Company; H. E. Ellig, Cincinnati, Crosley Radio Corporation; H. H. Eby, Philadelphia, Eby Company; George B. Deming, Philadelphia, Philco; and Fred D. Williams, Indianapolis, past President RMA.

A number of telegrams addressed to Col. J. G. Cowling, Deputy Administrator, who presided at the hearing, were received from concerns favoring a separate Code for the radio industry. Among these were Atwater Kent, American Electric Metal Corporation, Hammerlin Mfg. Co., Pilot Radio Corporation, Ferguson Radio Corporation, Fairbanks Morse Home Appliance Division, R. K. Laboratories, Stewart-Warner, and the Continental Carbon Co.

The meeting was recessed subject to the call of the Administrator at about five o'clock in the afternoon, after having continued all day. No one would venture a guess as to when the NRA officials might reach a decision but the general opinion seemed to be that it would be at least two weeks and maybe considerably longer.

One got the idea, listening to the testimony, that the Electrical manufacturers were trying to use the Code Administration as a lever to increase their membership. At any rate,

there were echoes of old differences which the two associations seemed to have had. Captain Sparks was heard to remark, "This is really a divorce trial." The analogy was completed by Mr. Geddes, who said, "RMA wants a divorce from NEMA and they will not give it to us."

Captain Sparks said that RMA membership numbers 110 companies and there are approximately 100 or more (mostly small) non-member concerns. By volume of sales the membership of the Radio Manufacturers' Association represents at least eighty to eighty-five per cent or more of domestic manufacturers of various radio and television products. Annual sales volume (retail value) of the industry's products in 1933 were over \$200,000,000. Between 40,000 and 50,000 persons are now employed in the industry.

The Jackson radio manufacturer took issue with NEMA by declaring that several years ago the organization voluntarily and entirely withdrew from the radio industry and has carried on no radio activities or services to members until it secured authority under the Code.

"The Radio Division of the NEMA was formally abolished about four or five years ago after negotiations between committees of NEMA and RMA", Captain Sparks continued. "Its original Radio Division never had more than twenty-five or thirty members as against a peak of 340 members in the RMA during the prosperous era of a few years ago. The only service ever instituted and not completed by the Radio Division of NEMA was partial work on radio standards, an unsuccessful attempt to secure industry statistics and an unsuccessful attempt to hold radio trade show exhibitions. The existence of the Radio Division was such a point of conflict between NEMA and RMA that in the interest of harmony between the electrical and radio industries and after negotiations of the joint committees, the NEMA Board of Governors abolished the NEMA Radio Division and entirely withdrew NEMA from all interests or activities in the radio industry, since left entirely to the jurisdiction and service of the RMA."

"We cannot now be said to be a self-governing industry because the Code Authority of the Electrical Manufacturing industry is the National Electrical Manufacturers' Association upon whose board the radio industry has no representatives nor do we have any voice in our own destination, nor vote in connection with any Code matters or its administration, the final authority resting with an Association with which we have no problems in common, nor would it be possible for the radio industry when combined with such large and diverse products as represented in the National Electrical Manufacturers' Association, to be any more than a small minority with no final authority in the determination of its own self-government. We would be but one of many (approximately 160) sections and groups."

Captain Sparks said that of 460 Codes, less than 30 were under 40 hours, yet the radio industry has to compete with this condition.

Mr. Cowling had read into the record a letter from former Deputy Administrator Allen in which he flatly denied ever having threatened the industry with an 18 or 21 hour week or that he ever used any "undue" influence to persuade them to place themselves under the Electrical Code, as Captain Sparks charged.

"The Radio Manufacturing Industry", said W. J. Donald, Executive Secretary of the Electrical Code, "and the definition proposed by the Association in a code which they propose to submit, providing they secure exemption from the Electrical Code, would make their Code a horizontal one, which would cut across the electrical manufacturing industry and also the furniture manufacturing industry in particular and a number of other codes such as metal stamping, screws, molded products, etc."

Mr. Donald said a substantial number of radio manufacturers would be adversely affected having to operate under two codes. He said the Radio Manufacturers' Association devoted itself almost entirely to trade shows and manufacturers exhibits.

"The RMA is not an industry", Mr. Donald declared, "but an aggregation of employers trying to take jurisdiction over products of the electrical and furniture industries. It takes more than a group of employers to constitute an industry. Without the cooperation of the electrical industry, the so-called radio industry could not exist."

Mr. Donald said the present Electrical Code was less expensive for the radio manufacturers than a separate Code would be. He criticized the "Buy RMA" campaign.

Judge Neagle, for NEMA, opened by attacking the annual sales volume of the industry, set at \$200,000,000 by the members of the Association. That, he said, was the retail volume and computed the sales volume of the manufacturers as about \$61,000,000.

He charged more than once that the statements in the proponent brief were misleading and said once, "RMA should be ashamed of itself for making such statements."

Judge Neagle submitted that 60 percent of everything in a radio set is electrical.

"All the RMA is, is an assembler of products", Judge Neagle went on. "Of the 30 members of the RMA Board, 23 are small or medium sized manufacturers. The difficulty is not with the Electrical Code but with RMA's desire to get out from under."

"RMA is not in any sense representative of the parts going to make up a radio set. NEMA, on the other hand, is representative of the parts which go to make up a set."

To the latter Judge Van Allen, for RMA, shot back:

7/24/34

"I assume the NRA Board hearing this case is not so stupid as to know what Atwater Kent makes, what Crosley makes, and what RCA Victor makes!"

"If RMA became a subdivision of NEMA, what autonomy could you give it", Deputy Administrator Cowling inquired.

"There is no method to provide for membership by associations", Judge Neagle replied. "A section of NEMA is largely autonomous and largely operates as a trade association.

David A. Trilling, of Philadelphia, President of the Radio Wholesalers, urged that the exemption be granted RMA for the sake of the whole industry.

Joseph G. Mitton and Samuel Nesin, speaking for organized labor in the industry, also urged approval of the exemption request, basing their pleas on the wage provisions of the Electrical Code, and making it evident that they hoped for better minimum wage provisions from a code to be submitted by the radio manufacturers if their exemption request is granted.

W. C. Holden, speaking for the Metal Trades Division of the American Federation of Labor, urged a separate code on the grounds that such an all-embracing code as that for the electrical industry did not provide for adequate protection for labor in any subdivisions which might be formed.

Mr. Geddes, in response to questions by the Deputy Administrator, estimated that the difference in cost of code administration to his industry as a separate entity or as part of the electrical industry was the difference between \$45,000 and from \$100,000 and \$150,000.

A. T. Murray, administrative officer for the radio group, told Mr. Cowling that he had been one of those at first in favor of placing the industry under the Electrical Code, but that the past nine months have shown him his mistake. Speaking of the cost of code administration, he stated emphatically that there would have to be rank extravagance if the annual cost of administering a code for the radio manufacturing industry was to exceed \$5,000.

X X X X X X X X

## WORLD HAS 42,540,239 RADIO SETS; 18,500,000 IN U. S.

The United States far outdistances any other world political subdivision in the number of radio broadcasting stations and radio receiving sets being credited with 585 of the world's 1,497 medium wave stations and 18,500,000 of the estimated 42,540,239 radio receiving sets throughout the world, according to a study by Lawrence D. Batson, Electrical Equipment Division, Department of Commerce.

The regional distribution of radio receiving sets throughout the world shows North America first-ranking with a total of 19,769,045. Europe is second-ranking with 18,594,605 sets and is followed in order by Asia, 1,982,712; South America, 909,867; Oceania, 639,338; Europe-Asia (Russia and Turkey) 605,500; and Africa, 93,072.

The United Kingdom with 6,124,000 radio receiving sets ranks second to the United States and is followed by Germany with 5,424,755; Japan, 1,739,160; France, 1,554,295; Canada, 1,100,000; Spain, 700,000; Sweden, 666,368; Czechoslovakia, 620,000; Argentina, 600,000; Russia, 600,000; Denmark, 551,681; Austria, 507,459; and Australia, 500,341.

Medium wave broadcasting stations are shown by the study to number 805 in North America; 215 in Europe, 199 in South Africa; 115 in Asia; 94 in Oceania; 52 in Europe-Asia; and 17 in Africa.

Canada is showing ranking next to the United States in the number of stations operated with 75 being credited to the province. China is shown with 72 stations and is followed in order by Mexico, 64; Australia, 61; Chile, 57; Russia, 52; Cuba, 49; Brazil, 42; Argentina, 40; Uruguay, 35; New Zealand, 32; France, 29; Sweden, 28; and Germany, 26.

The study records the existence of 140 short wave broadcasting stations throughout the world.

Figures for radio receiving sets used in the study are trade estimates and are believed to represent a possible minimum. Mr. Batson stated that it is believed impossible to arrive at a strictly accurate figure for receiving sets because of the use of many unlicensed, and consequently unrecorded, receiving sets in those countries where a listeners' license is required.

Exports of radio equipment from the United States during 1933 were valued at \$16,125,729, Commerce Department statistics show.

X X X X X X X X

## COMMISSION PERSONNEL CHANGES MAY GO OVER UNTIL AUGUST

Due to the fact that Commissioner Paul Walker has gone to his home in Oklahoma and probably because of the absence from the city of Postmaster General Farley, who generally approves patronage positions, it is believed that further major changes in personnel at the Federal Communications Commission will not be made before August 15th.

This will no doubt include the appointment of aides by Paul Spearman, General Counsel, Herbert L. Pettey, Secretary, and the position of Director of the Broadcasting Division. Also the question as to whether or not Dr. C. B. Jolliffe will be appointed to Chief Engineer of the Commission still remains in status quo. Regardless of the political angle, it is not believed any important appointments will be acted upon during the absence of Commissioner Walker.

X X X X X X X X

## BROADCASTING DIVISION ACTS ON ROUTINE MATTERS ONLY

No matters of policy were taken up by the Broadcasting Division of the Federal Communications Commission at its meeting Tuesday. The Division confined itself entirely to the consideration of routine applications and took the following action:

Applications Granted

WLBL, State of Wisconsin, Dept. of Agr. & Markets, Stevens Point, Wis., modification of license to change hours of operation from 6 A.M. to LS to: 8 A.M. to LS; KGNF, Great Plains Broadcasting Co., N. Platte, Neb., authority to install automatic frequency control equipment; KSD, The Pulitzer Publishing Co., St. Louis, Mo., authority to determine operating power by direct measurement of antenna; Westinghouse Electric & Manufacturing Co., (New), Pittsburgh, Pa., C.P. and license (Spec. experimental), 60000 kc., 150 watts.

Action On Examiners' Reports

New, E. L. Landsberg & K. V. Martin, Las Vegas, Nevada, denied C.P. for new station to operate on 1420 kc., 100 watts, unlimited time, sustaining Examiner R. L. Walker; KGIX, J. M. Heaton, Las Vegas, Nev., granted renewal of license to operate on 1420 kc., 100 watts, specified hours, Examiner Walker sustained; New, Frank Wilburn, Prescott, Ariz., denied C.P. for new station to operate on 1500 kc., 100 watts, unlimited time (facilities of KPJM), sustaining Examiner Walker; KPJM, d/b as Scott & Sturm, Prescott, Ariz., renewal of license granted, 1500 kc., 100 watts, unlimited time, Examiner Walker sustained.

X X X X X X X X

## GROUND BROKEN FOR NEW WOR 50 KW PLANT

Ground was broken for the new WOR 50,000-watt transmitter at Carteret, N. J., yesterday, July 23. Employing a crew of sixty mechanics and technicians in its construction under direction of J. R. Poppale, Chief Engineer of WOR, the plant will be ready to go on the air toward the end of November. Engineering surveys concluded after months of research indicate that the \$300,000 station will have three times greater coverage of large population areas.

The site adjacent to the Rayway River, is twelve miles from Newark, and eighteen miles from Columbus Circle, N. Y.

The building, a one-story structure 60 foot by 66 feet, will house in addition the 5,000-watt set now in use, for auxiliary purposes, airway radio-beacons and a short-wave transmitter.

Two radio towers, each 385 feet high, form what is known as a "three array" antenna system, a new development having its first application in other than short-wave transmission at this time. One tower is located in Carteret and the other in Woodbridge. They will be equipped with special lights approved by the Department of Commerce to guide aviators. On the roof of the building is to be an electric sign, visible for miles, also to guide fliers, bearing the letters, "WOR, Carteret, N. J.", and an arrow pointing due north.

The entire plant, including aerial and ground installations, will occupy thirty-four acres. The network of ground wires also will cover ten acres, part of which will be laid in the Rahway River.

X X X X X X X X

## URGES SYNCHRONIZED BROADCASTING

Expressing the hope that the new Communications Commission will be more receptive to new ideas and technical developments than was the old FRC, O. H. Caldwell, former Radio Commissioner advocates the synchronization of broadcasting stations.

"Today equipment is all ready, complete experiments have been made, and several successful individual installations are in use", Mr. Caldwell said. "Synchronizing is now a demonstrated fact.

"Synchronizing, indeed, seems the only ultimate avenue for solution of a whole group of problems that are facing broadcasting. Here are some of the needs for which synchronizing

supplies prompt answers:

"Wider channels (15 to 20 kc.) for high-fidelity broadcasting; Efficient use of broadcast channels; Channels to meet demands of Canada, Mexico and Cuba; Common-frequency broadcasting by chain stations with high fidelity; Positions in the spectrum for stations requiring good local coverage; Higher wattage on channels, but distributed among synchronized transmitters.

"In fact, all the present 'headaches' of broadcasting seem to find their solution in this panacea of synchronizing, intelligently applied."

X X X X X X X X

#### BIG ROUNDUP FOR RANCH HOUSE STUDIOS DEDICATION

Styled the "First Roundup", 4,000 persons helped dedicate the new Ranch House studios of Station KRGV, at Weslaco, Texas. The station crew was in appropriate regalia, with a "chuck wagon" and all of the things to make a true Western setting. Needless to add, this included six shooters, chaps, spurs, 2-gallon hats, lassos, and everything necessary for riding herd.

"Great interest has been displayed in the station since the move, and a nice increase in business has already been evidenced, to say nothing of the clearly improved financial condition this move placed us in", M. S. Niles, President of KRGV writes, sounding an optimistic note. "Barring any more catastrophies, such as floods and hurricanes, and with the gradually improving economic conditions, we feel that KRGV will again come into its own now as it is in smooth water.

"At the present time, the cotton crop of the Lower Rio Grande Valley looks the most promising of any we have had in eight years, and if we can escape any heavy rains from the next four to six weeks, this crop will tide us over nicely through the Summer."

X X X X X X X X X X

The studio building of STAR, Norfolk, Va., was all ready for NBC even before the station became associated with the networks. Door panels and elevator boys' uniforms alike were adorned with NBC monograms. Advance information of the coming network affiliation was not the cause, however. It was due to the fact that the new studios of WTAR are located in the National Bank of Commerce building in Norfolk.

X X X X X X X X

7/24/34

## PROVIDE PRINTING SYSTEM FOR POLICE RADIO

At a meeting of the Radio Club of America in New York, the first public disclosure of a simple automatic printer for police radio service was made by W. H. G. Finch.

Mr. Finch's work has developed out of his extended research into printing telegraph systems for the daily newspapers which have in successful operation a number of radio circuits on a basis providing competition with existing wire circuits, transmitting daily thousands of words of press matter.

The device of particular interest to police, or other mobile services, because it provides a permanent record, is a printer weighing 8 pounds, operating from the 6-volt automobile car battery, printing 35-40 words per minute on a tape. Thus the officer in the car need not worry about local audible interference; and his memory need not be taxed or handicapped by other local circumstances. This device, when properly actuated by the distant transmitter, will print out the message from headquarters and retain it as permanent proof that it was actually received in the car.

This printed tape record, proceeding behind a simple lens or other projection system, is magnified so that it can be easily read by those in the police car.

Signals from the transmitter, which need be no more powerful than present voice-modulated apparatus, may be coded automatically, changed from day to day if desirable, and decoded automatically at the receiver in the mobile installation. Others listening in could not unravel any of the messages from headquarters, insuring secrecy with advantages to the police system that are obvious.

The applications, as an automatic printer, to the dissemination of weather reports to aircraft in flight, or to inter-vessel communication in a fleet, such as the fishing fleet off Grand Banks, or among Naval vessels or Army networks -- in other words to all mobile or stationary points to which teletype might be employed are but natural extensions of the police radio usage.

X X X X X X X X X

7/24/34

## MAY ASK CODE AUTHORITY TO STOP SONG PLUGGING GRAFT

The Music Publishers' Protective Association has carried its campaign against song plugging bribery to the band leaders themselves, Variety asserts.

"John G. Paine, Chairman of the MPPA Board, has notified some 15 bandmen that unless they cease the practice of insisting on gratuities for playing a tune over the air, complaints against them will be filed with the Radio Code Authority and stations through which they clear their programs", the theatrical magazine goes on.

"In his letter to these leaders, Paine declared that unless he was immediately assured, in writing, that they were prepared to cooperate with the publishers toward the elimination of bribery practices, he would take whatever enforcement steps he deemed necessary under clause 4a of the trade practice provisions of the Radio Code. This clause stipulates that 'no broadcaster or network shall accept or knowingly permit any performer, singer, musician, or orchestra leader to accept any money, gift, bonus, refund, rebate, royalty service, favor or any other thing of value from any music publishers, composer, author, copyright owner, or the agents or assignees of any such persons, for performing, or having performed, any musical or other composition for any broadcaster or network when purpose is to induce such persons to sing, play or perform, or to have sung, played or performed such works.'"

Still aiming to curb song plugging, the Music Code to be considered at the hearing July 26, would prohibit series of hotly-argued trade practices over which wide disagreement developed last year. Proposed agreement would bar publishers from paying for plugging; purchasing of benefit tickets or advertising for purpose of influencing performers to plug songs; publishing special arrangements without written okay of copyright owners; paying royalties to performers who are not bona fide composers, arrangers or writers; publishing books, pamphlets or sheets of songs or lyrics without special permission of various copyright holders, and from abusing privilege of sampling.

Two code authorities would be established to heal the breach between major factions, each having five members. A co-ordinating committee would be composed of two members from standard and two from popular divisions with a fifth member named by this group, forming a super-code authority.

X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

RATING  
VOICE  
JUL 28 1934  
A.M.  
7 8 9 10 11 12 1 2 3 4 5 6 P.M.

NATIONAL BROADCASTING CO., Inc.  
LEGAL DEPARTMENT  
**RECEIVED**  
JUL 30 1934  
7 8 9 10 11 12 1 2 3 4 5 6 P.M.

## INDEX TO ISSUE OF JULY 27, 1934.

Commission Orders Telegraph Companies To Submit Data.....	2
Charges Music Publishers' Code Entrenches Monopoly.....	3
Radio Sales Put At 4,550,000 Sets.....	5
Commissioners Appoint Secretaries.....	6
Open Meeting To Discuss Code At Cincinnati.....	7
Believed Ford Will Fight License Denial.....	7
General Hammond Radio Wholesaling Code Authority.....	8
Gas Station Radios For Motorists' Weather Information.....	8
Favors Newport Station If Providence Station Changed.....	9
Business Letter Notes.....	10
Telephone Division Marks Time Awaiting Data.....	11
Televisions Without Lenses Visible Three Sides Promised.....	11

No. 744

*Handwritten notes and signatures at the bottom left of the page.*

July 27, 1934.

COMMISSION ORDERS TELEGRAPH COMPANIES TO SUBMIT DATA

The first Federal move toward regulation of the record wire industry was ordered Wednesday by the new Communications Commission in instructions sent all telegraph companies, radio as well as wire.

Following the lead of the commission's telephone unit, the Telegraph division ordered telegraph companies by September 15 to submit copies of contracts with other carriers, and a cross section of their corporate and stock connections.

Preliminary to the commission's study of merger possibilities in the telegraph field, involving Western Union, now controlling 75 per cent of the telegraph business, and Postal Telegraph, 24 per cent, the division asked full information of the record wire financial set-up. The International Telephone & Telegraph Co. was among those queried.

Commissioner Irvin Stewart, chairman of the telegraph division of the commission called on the telegraph companies operating by radio, landlines and cables to list the names of all persons or corporations in which such carrier may own stock or in which such carrier has any interest whatsoever because of common or interlocking directorates, officers, or other wise; the total capital stock of each such corporation and the amount held by or on behalf of such carrier; and the names of such common or interlocking directors or officers and the positions held by them. Also the names and addresses of all officers and directors of said telegraph carrier and of any person or corporation in which such carrier may have any interest whatsoever; together with a statement of the manner and extent of such interest.

The order likewise called for the outstanding capital stock of all corporations in which such carrier may be interested through stock ownership, common officers or interlocking directorates, or otherwise, or over which such carrier may have or exercise any control whatsoever so far as said corporation or corporations (in which such carrier may be interested) may be engaged in the manufacture or furnishing of apparatus, equipment or supplies used or useful in the operation, maintenance, or improvement of telegraph systems or any experimental research or investigation work looking to or contemplating the development or improvement of equipment or apparatus used or useful in the operation, maintenance or improvement of any telegraph system which may be subject to the provisions of the Communications Act of 1934, together with a statement of the manner and extent of such interest or control.

Also the names and addresses of the 30 largest holders of each class of stock of such carrier and the amount of stock held by each; if such carrier is a subsidiary corporation, the name and address of the controlling or parent corporation, and if the controlling or parent corporation in turn is a subsidiary, the name and address of each corporation to and including that having final control.

And finally the names and addresses of all persons or corporations under direct or indirect common control with such carrier, and the name and address of each person or corporation possessing such direct or indirect common control.

The telegraph division granted the following new radio telegraph applications:

City of Jersey City, Dept. of Public Safety Portable-Mobile (12 applications) construction permit (Exp. Gen. Exp.) frequencies 30100, 33100, 37100, 40100, 86000-400000, 401000 kc., and above, power 4.5 watts; City of Wheaton, Wheaton, Ill., C.P. (Gen. Exp.) 40100 kc., 50 watts; Same - Portable-Mobile (2 appls). same except 5 watts power; City of Springfield, Ohio, Police Dept., C.P. frequencies 30100, 33100, 37100, 401000, 86000-400000, 401000 kc. and above, 50 watts; Same - Portable-Mobile (10 appls), same except 9 watts; Radiophone Corp. of America Portable, C.P. 1614, 2398, 3492.5, 4797.5, 6425, 8655, 12862.5, 17310, 23100, 31600, 40600 kc., 100 watts.

X X X X X X X X

#### CHARGES MUSIC PUBLISHERS' CODE ENTRENCHES MONOPOLY

Charging that the Music Publishers' Code was written "to entrench the monopoly of the Music Publishers' Protective Association and the American Society of Composers, Authors and Publishers", Oswald F. Schuette, copyright advisor of the National Association of Broadcasters, presented the objections of the broadcasting industry to that code at the public NRA hearing before Deputy John E. Williams yesterday (Thursday, July 26).

Mr. Schuette offered a series of amendments to the code. One of these would take from the Board of Directors of the Music Publishers Protective Association - which presented the code - the right to name the code authority for the popular music publishing industry. Another would forbid copyright contracts designed to hinder broadcasts of the works of independent composers and would prevent the beneficiaries of such contracts from participating in the code authority or in its selection.

Another amendment provided that the immunity from the operation of the anti-trust laws, granted by Section 5 of the National Industrial Recovery Act, shall not be applicable to any practices of the Music Publishers Protective Association or the American Society of Composers, Authors and Publishers now under investigation by the government.

The amendments which Mr. Schuette follow:

On page 4, Article VI, amend Section 1(b) by striking out the provision that the code authority shall be elected by the Board of Directors of the Music Publishers Protective Association and substitute therefor the names of five members of the popular music publishing industry who shall be truly representative of the membership of that industry and not more than two of whom shall be members of the Music Publishers Protective Association. Also strike out the words at the end of this section "within thirty days after the effective date of this code." The code authority should take charge at once.

Also on page 4, Article VI, amend Section 1(a) by striking out the words "to be selected by the Board of Directors of the Music Publishers Association of the United States" and substitute therefor the names of five members of the standard music publishing industry who shall be truly representative of the membership of such industry and not more than two of whom shall be members of the Music Publishers Association of the United States. Also strike out the words "within thirty days after the effective date of this code."

Amend Section 2, of Article VI on page 4, by increasing the number of administration members from one to three (necessary to protect the public, competitors and consumers against this monopoly power.) Also strike out all of Section 3. There is no need for any interim code authority - and if there were, this power should not be entrusted to committees of the MPPA or the MPA.

On page 9, at the end of Section 4, of Article VIII, put a semicolon and add the following language: "Nor shall any member of the industry grant a license for the public performance of copyrighted works, under terms, conditions, or agreements, the effect of which is to deny to other copyright owners the equal opportunity to obtain the public performance of their works through the facilities of such talking machine company, radio broadcasting or television station, electrical transcription company, motion picture company, or place of public entertainment."

Also on page 9, at the end of Section 5, put a semicolon and add the following language: "nor shall any license for public performance of copyrighted music be so worded as to exact or collect a royalty for the use of music not controlled by the licensor."

Add a new section to Article VI on page 4, as follows: "No members of the industry shall be eligible for election as a member of either of the foregoing code authorities, or of the Music Publishers Coordinating Committee hereinafter provided for in Article VII or to participate in the election of a member, stockholder, associate, or participant, directly or indirectly, in any capacity, in any corporation, club, partnership or association composed of copyright owners and/or composers and/or publishers of music, the purpose, effect or result of which is to engage in any of the practices condemned in Article VIII."

On page 11, at the end of Article XI, add the following sentence: "The immunity from the operation of the anti-trust laws, granted by Section 5 of the National Industrial Recovery Act, shall not be applicable to any practices of the Music Publishers Protective Association or the American Society of Composers, Authors and Publishers now under investigation by any governmental agency."

X X X X X X X X

#### RADIO SALES PUT AT 4,550,000 SETS

Interest in radios now has reached the highest pitch in several years, and some retailers describe current demand as measuring up to that when satisfactory sets were first so widely distributed back in 1924, according to Dunn & Bradstreet, Inc.

"Instead of the usual summer lull, the trend of sales continues steadily upward, although at a slower rate than during the first six months of the year."

"For wholesale and retail volume during that period rose 50 to 75 per cent above the level reached during the comparative months of 1933, and with some of the large distributors the increase ran as high as 100 to 150 per cent for several of the Nationally known sets."

"This substantial gain is not attributable to the stimulus of low prices, as these have held steady, but almost entirely to the widening popularity of the radio, aided by the constant improvement in the entertainment provided by broadcasting companies, the achievement of manufacturers in bringing the short-wave sets within the reach of the average buyer, and the possibility of enjoying satisfactory programs throughout the entire 24 hours of the day."

"Based on the advanced inquiries for new merchandise, volume during the second six months of the current year will run ahead of the comparative figures for 1933 by 25 to 40 per cent, despite the smaller returns from the drought-stricken areas, as retailers in all parts of the county are expecting demand to swing abruptly upward as soon as the new models will have been displayed."

"This will bring sales for 1934 to a conservatively estimated total of 4,500,000 sets as compared with the record of the peak year of 1929, when 4,438,000 sets were sold, with a retail value of \$592,068,000 less tubes. Sales of automobile radio sets alone are expected to run to 750,000 units."

X X X X X X X X

7/27/34

### COMMISSIONERS APPOINT SECRETARIES

Secretaries were appointed by three Communications Commissioners this week, Brown, Payne, and Case. Each secretary is to receive a salary of \$4,000. Colonel Brown's secretary is Joseph E. Keller, 27 years old, a lawyer of Dayton, Ohio. Mr. Payne will have as secretary, Abraham Miller, formerly of the Treasury Department, and Henry M. Barry, formerly secretary to Senator Bingham will serve as Governor Case's secretary.

Mr. Keller graduated at the University of Dayton Prep School, in 1924, and secured an A.B. degree at the University of Dayton, 1928 and LL.B. degree in 1930, from the same university. He was admitted to practice of law in Ohio in 1930 and in Federal Courts in 1933. Mr. Keller was a law instructor for four years at University of Dayton Law School, and was associated in an editorial capacity for eight years with Dayton Daily News, Dayton Herald and Dayton Journal. He was acting judge of the Oakwood Court, Oakwood, Dayton, Ohio, and served as Editor of the University of Dayton News, two years, and Associate Editor, The Exponent Magazine, University of Dayton, and acted as publicity director, University of Dayton for four years.

Mr. Miller taught Economics, History and English in private preparatory schools in New York City.

From 1908 to 1934, except during a period of about three years, he held administrative positions in the Bureau of Internal Revenue and in other bureaus of the Treasury Department. While in the U. S. Government service, he trained and directed many men and reorganized a number of divisions. He directed successfully numerous important investigations for the Government. He has had much investigative experience.

Mr. Barry was born in Vermont. He graduated from Vermont Academy, Saxton's River, Vt., and Brown University (A.B. 1894 and A.M., 1895); engaged in newspaper work in Providence, R. I., chiefly on Providence Journal; Secretary to Mayor Henry Fletcher of Providence, 1909-1912; Clerk of State Harbor Improvement Commission; Secretary to United States Senator LeBaron B. Colt of Rhode Island, 1913-1925; Secretary to United States Senator Hiram Bingham, Conn., 1925-1933; clerk of various Senatorial standing committees and certain special Congressional commissions, including Insular Reorganization, District of Columbia Airport, Aircraft in National Defense, etc.

X X X X X X X

OPEN MEETING TO DISCUSS CODE AT CINCINNATI

What will virtually amount to adding an additional day to the National Association of Broadcasters' convention at Cincinnati, September 16-19, will be an open meeting of the Code Authority for the Radio Broadcasting Industry, Thursday morning, September 20th. As explained by James W. Baldwin, Executive officer, it was decided to hold the meeting at the conclusion of the NAB gathering so as to make it possible for a maximum attendance at a minimum inconvenience to industry members.

The meeting, which will be opened by the Chairman, John Shepard, 3rd, will be conducted under the following rules:

The meeting will be open to any member of the Radio Broadcasting Industry who is complying with all of the provisions contained in the Code of Fair Competition for the Radio Broadcasting Industry. This includes the payment of at least the first three quarterly instalments of the assessments levied by the Code Authority to defray the costs of administration.

Also, each member qualified to participate shall be entitled to one vote. Proxies will not be allowed.

A member in good standing may, in writing, designate a regular staff employee to represent him and his vote shall bind such member, and a member desiring to make a motion or to offer a resolution shall be required to submit a copy of the same to the Presiding Officer in order to gain recognition.

X X X X X X X X

BELIEVED FORD WILL FIGHT LICENSE DENIAL

Following the denial of the Telegraph Division of the Federal Communications Commission of the applications of the Ford Motor Co. for renewal of licenses of three special experimental radio stations, W8XE and W8XC, at Dearborn, Mich. and W9XH, at Lansing, Ill., it is expected Mr. Ford will carry the case into the courts.

The Telegraph Division followed recommendations of Examiner Ralph L. Walker, who reported the Government departments were faced with an acute shortage of frequencies in the band between 200 kilocycles and those well over 400 kilocycles. The three Ford stations are in the 389-kilocycle class.

Walker added: "Station W8XE during its period of transmission blankets the reception of communications on the frequency used by vessels on the Great Lakes for distressed traffic. The

importance of these communications cannot be overestimated. They involve safety of life as well as property.

"The experimental work now being carried on through the medium of Station W8XC to test the durability of equipment, may be accomplished by using a dummy antenna and without actual transmission. Station W9XH, has not been in operation for a period of months. When used, its activities were substantially the same as those of Station W8XC."

X X X X X X X X X X

#### GENERAL HAMMOND RADIO WHOLESALING CODE AUTHORITY

Gen. Thomas S. Hammond, at present with the Whiting Corporation, Harvey, Ill., has been appointed Administration Member of the Divisional Code Authority for the radio wholesaling trade.

General Hammon has been a member of the NRA Regional Labor Board in Chicago, and was chief of the NRA Blue Eagle Division from July until November, 1933. He is a former president of the Illinois Manufacturing Association, commands the 66th Infantry Brigade, 33rd Division, Illinois National Guard, and was graduated from Michigan University where he was an All-American football player.

The Radio Wholesaling trade has submitted an amendment to its code that would make mandatory on members of the industry contributions to the costs of administering the code.

X X X X X X X

#### GAS STATION RADIOS FOR MOTORISTS' WEATHER INFORMATION

Intermediate wave radio receivers at filling stations and other points along highways to obtain weather information for motorists were suggested by the Bureau of Air Commerce. Every hour from the sixty-eight airways broadcast stations scattered throughout the United States along the Federal Airways System weather reports are sent out on the air to assist flyers, and small receiving sets with a range of from 200 to 400 kilocycles could make this information available to motorists.

This service, if organized, could be made available to the transient motorist in the form of small bulletin boards to be placed in conspicuous places in service stations, bus stations, and local automobile clubs and associations on heavily traveled highways where an attendant could post the weather broadcasts as soon as they were sent out on the air. This would be of particular importance in the more rugged and mountainous sections of the country, where a fog may mean delay, a heavy rain a washout, and a snow an impassable section of roadway.

X X X X X X X X X

## FAVORS NEWPORT STATION IF PROVIDENCE STATION CHANGED

Examiner George H. Hill has recommended to the Federal Communications Commission that the application of S. George Webb, for a construction permit for a 100 watt station, nighttime, and 250 watts daytime, on 1200 kilocycles be granted if, and when, Station WPRO, at Providence, R. I. is given the regular assignment to operate on the 630 kilocycle frequency, and when Station WORC is given the regular assignment to operate on the 1280 kilocycles frequency. Otherwise the application should be denied.

The conclusions of Examiner Hill were: The applicant, S. George Webb, is legally qualified and has sufficient financial backing to construct and operate the proposed station. There is adequate local talent available to serve the needs of the proposed station. The Newport area is now inadequately served by existing radio stations. No objectionable interference would result from the granting of the application, provided Station WPRO is regularly assigned to the frequency 630 kilocycles and Station WORC is regularly assigned to the 1280 kilocycle frequency, but should Station WPRO operate on the frequency of 1210 kilocycles serious interference would result.

It was set forth in the report that the applicant, S. George Webb, is the public relations manager of the Newport Electric Corporation, in charge of publicity work for that concern. In the event of the granting of the application, the applicant proposes to form a corporation in order to finance and operate the proposed station. The applicant would purchase stock of the corporation to the amount of \$5,000, and Ralph S. Hollis, Henry Horgan and Glen A. Bissell would each subscribe to a like amount of this stock. In addition to this \$20,000, the President of the Newport Electric Corporation, William P. Sheffield, has assured the applicant the sum of \$20,000 would be procured and made available for the construction and operation of the station immediately upon the granting of the application.

Mr. Sheffield is an attorney-at-law and identified with a number of business enterprises. The applicant testified that while Mr. Sheffield was a man of large means, he could not give a definite statement of his net worth, but he testified that Mr. Sheffield was amply able to put up the \$20,000, which he had agreed to make available for the construction and operation of the proposed station and that the Newport Electric Corporation would not in any way be identified with the construction and operation of the proposed station.

X X X X X X X X X X

: : : :  
 : : : : BUSINESS LETTER NOTES : : : :  
 : : : :

George B. Storer, President of the American Broadcasting System, has announced the appointment of Burt McMurtrie as Director of Program Operations of the ABS network, effective August 5.

Mr. McMurtrie was formerly director of the Commercial Program Department of the Columbia Broadcasting System.

-----

William F. Melia has also joined the staff of the American Broadcasting System-WMCA network. His activities will include remote controls and special events. With WMCA since 1929, Mr. Melia transferred to another New York station earlier this year. He will continue to announce only one program, "The Radio Party", on WMCA locally.

-----

A lease has been signed which will provide Station KDKA, Pittsburgh with completely modern new studios and offices, which will occupy the entire third floor of the Grant Building in that city.

"The Westinghouse Electric and Manufacturing Company and the National Broadcasting Company are cooperating to make the new KDKA studios one of the finest broadcasting plants in America", said Richard Patterson, Jr. of NBC. "The present plans call for six studios, each of the largest of which will be adequate to accommodate a huge symphony orchestra. Two other studios will be large enough for small musical ensembles; another will be designed primarily for speakers, and the sixth for electrical transcriptions"

-----

Because the local Kuomintang considers that radio broadcasting of songs and entertainment programs "has a tendency to subvert the thoughts of the people", the Bureau of Education has decided to organize a censorship committee in Shanghai.

The foreign-owned broadcasting stations situated in the International Settlement and the French Concession will not come under the new regulations.

X X X X X X X X

TELEPHONE DIVISION MARKS TIME AWAITING DATA

Due to the absence from Washington of Chairman Paul Walker, who has returned to Oklahoma to pack up and to bring his family to Washington, there was no meeting Thursday of the Telephone Division of the Federal Communications Commission.

Commissioner Case, Vice-Chairman of the Commission said that nothing of a pressing nature pended before the Telephone Division at this time and therefore no meeting was held.

It was said in another quarter that the Telephone Division would be apt to mark time until returns began coming in from the telephone companies who have been ordered to submit data with regard to rates, contracts, agreements, and so on.

Telephone companies have been given until Sept. 1st to furnish this information.

X X X X X X X X

TELEVISION WITHOUT LENSES VISIBLE THREE SIDES PROMISED

Television images, visible in a lighted room, and capable of being viewed simultaneously by an audience of several dozen persons through a system of wide-angle projection achieved without lenses or prisms, were shown Wednesday in New York by the National Television Corporation at 52 Vanderbilt Avenue.

The apparatus was developed under the direction of Arno Zillger, Chief Engineer, and John W. McKay, Vice-President of National Television. The receiver will be ready for manufacturing this Fall. Mr. McKay said, "provided suitable television broadcast programs are available on the air."

Two models will be made, one a small cabinet for use on the living-room table, incorporating both receiver and picture mechanism. The other a large floor-type machine of the console variety. Space will be available in the large model for installation of a sound receiver.

The entire radio receiver and picture-producing mechanism is housed in a space 13 by 15 by 22 inches. The unit produced black and white pictures about six inches square. Operation is from ordinary home-lighting alternating current power and the entire set consumes about as much current as an ordinary electric lamp.

A novel picture illuminating lamp, from the rays of which the images are created, is part of the picture machine. The bulb is actuated by the output tube of the ordinary short-wave receiver.

Instead of coming through a scanning disk, the rays of the "picture lamp" play against a revolving "mirror drum", made of small metal reflecting surfaces assembled in the form of a spiral. The eye reconstructs the intercepted view when the observer gazes at the rapidly turning drum. No lenses or prisms are used. Pictures can be seen from three sides of the device. This permits a large group to view the picture without looking over the shoulders of others. Only two control knobs are used.

The concern also has developed compact sound-sight transmitting equipment for use by broadcasting stations, capable of sending out aural-visual programs either from direct studio pick-up or motion-picture films.

-----

Assuming that practical receiving sets for television can be retailed at \$300 a set, at least 700,000 sets would have to be sold to the public at an initial investment of \$210,000,000 before the nucleus of television broadcasting as an industry would be laid.

This declaration has been made by Alfred J. McCosker, head of WOR, Newark, and President of the National Association of Broadcasters, in a reply to a questionnaire submitted by Leon Litt, television researcher, who has been checking official opinion as to the claimed possibility of practical television late in 1935.

McCosker's estimates are that 80 transmitting stations would have to be established to service a television-equipped public and that the capital investment required for these transmitters would be \$40,000,000, while the programming of these outlets would cost \$58,000,000 annually. WOR alone, if operating on a television basis, would have to prepare 21,000 shows of 15 and 30-minute duration per annum.

Thus McCosker's estimates of the preliminary financial investment confronting television can be summed up:

Sets . . . . .	\$210,000,000
Stations . . . . .	40,000,000
Programs . . . . .	<u>58,000,000</u>
	\$368,000,000

It is stated that broadcasting today operates on capitalization of about \$25,000,000.

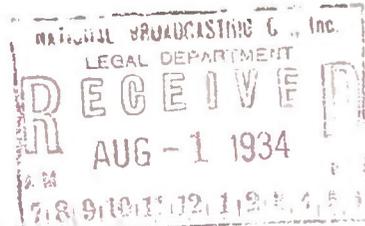
X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



*Handwritten notes in red ink:*  
see  
Edward  
W. P. - 5.

INDEX TO ISSUE OF JULY 31, 1934.

100

	Page
Commission to Hear Ohio-Mich Stations Applications . . . . .	1
Education & Religious Stations Hearing Oct 1 . . . . .	1
WJSV Announcer Believes Critic Poison Pen Writer . . . . .	2
Believes New Amateur Regulation Unenforceable . . . . .	3
Entire Commission May Consider Appeal Case Only . . . . .	5
Charging Radio Talk Banned, Candidate Sues . . . . .	5
Another Shake-up in Commission Office Arrangement. . . . .	6
Reduced Rates Granted to Cincinnati Convention . . . . .	7
RCA Public Relations Expert Turns Military Writer . . . . .	7
Geographic Official Praise radio's Part in Strato- sphere . . . . .	8
Business Letter Notes . . . . .	9
New Gilliam Virginia Station Call Letters WSWA . . . . .	10
Declares Dill Means Business and Will Not Run . . . . .	10
Texas Editors Bar Election Broadcasts . . . . .	10
Bogus John B. Kennedy Presents Himself . . . . .	11
Mutual Broadcasting Chain for Chicago Area? . . . . .	11

No. 745.

*Handwritten signatures and initials at the bottom of the page.*

COMMISSION TO HEAR OHIO-MICHIGAN STATIONS APPLICATIONS

The applications of several Ohio and a Michigan station to change their frequencies have been deemed of such importance that the entire Communications Commission will hear the arguments September 24th.

The stations seeking relocation are: WKBN Youngstown, which asks to change its frequency from 570 to 610 kilocycles, with 500 watts power nighttime and 1000 watts daytime, WAIU Columbus, from 640 Kilocycles to 570 kilocycles with increase of power from 500 to 750 watts night, 1,000 watts daytime to share with WUSU, Columbus; and WJAY, Cleveland from 610 to 640 Kilocycles with increase in power of 500 watts to 1,000 watts and specified hours.

In connection with the proposed shift WXYZ, the Kunsy Trendle Broadcasting of Detroit has applied for a new station to operate on 640 kilocycles, 10,000 watts, and the Portland Broadcasting System of Portland, Me. has applied for a new station to operate on 640 kilocycles with 500 watts power.

After disposing of the above matter the Broadcasting Division granted the following applications:

Beard's Temple of Music, Jonesboro, Ark. Granted Mod. of CP to extend completion Date to October 1, 1934. Montgomery, Ala. Montgomery Broadcasting Co. Inc., Granted Auth to determine operating power by direct antenna measurement. Orlando, Fla. Orlando Broadcasting Co., Granted Spec Temp Auth to operate with additional power of 750 watts at night for a period ending 3 AM Sept 1. Joplin, Mo. Joplin Broadcasting Co. granted Spec Temp Perm to operate from 9:30 PM to 12 midnight CST August 7th. Iowa City, Ia granted Spec Temp Auth to operate from 9:30 PM to midnight CST Aug 3rd.

X X X X X X X X

EDUCATIONAL AND RELIGIOUS STATIONS HEARING OCT 1

The Broadcasting Division of the Federal Communications Commission has set Monday October 1st for a hearing in the question of allocating fixed percentages of broadcasting facilities to religious, educational and other types of non-profit stations. Written notice of those who intend to appear must be furnished to the Commission by September 20.

The Commission is required to submit its recommendations to Congress in this matter February 1st.

X X X X X X X X

July 31, 1934.

WJSV ANNOUNCER BELIEVES CRITIC POISON PEN WRITER

Always desirous of stating the facts and never of intentionally doing an injustice to anyone, it is a pleasure to present here a self-explanatory letter received from Arch McDonald, announcer of station WJSV in Washington.

"In your Radio News Service of July 17th, you reprinted a letter written to the Washington Post by an unsigned listener and published by that paper a few days earlier." Mr. McDonald writes, "I feel that the re-publication of the Post letter was unfair to me since I was not asked to present my side of the controversy at the time; the letter merely being reprinted without comment."

"I have been adverse to criticism over the air and have tried to benefit by the suggestions offered. On the other hand, I have never read over the air, one single communication in which I was praised by a listener and I think you will agree that every person in radio gets one of these letters occasionally.

"The writer of the letter referred to, made a false statement when he said, - - 'The letter was read over the air by McDonald and was ridiculed by him. Mr. McDonald, in addressing the radio audience, stated "Ladies and gentlemen and Mr. Van Sant," indicating that the writer of the critical note was no gentleman.'

"What actually happened was this. I read the letter of criticism and then followed it with this lone comment. 'Ladies and gentlemen and especially Mr. Van Sant. Whether this man is right or wrong, I'll have to admit he certainly got me TOLD.' - and this statement can be verified by any person who was listening to the baseball broadcast that afternoon.

"May I also add that this letter was not the only one sent by this person who signed the name Van Sant. This station, myself personally and two newspapers, all received letters of the same nature but signed with different names. We compared five of these letters and found that every one was written on the same stationery, using the same phrases, misspelling the words and signed in the same handwriting and typed on the same typewriter.

"What malice or hate this anonymous poison pen writer has against me, I do not know. But I do know this. I have always shot straight from the shoulder, done my own thinking and conducted my broadcasts without fear or favor, simply 'calling them as I see them', - to use a baseball expression. This I shall continue to do and I have no fear of the outcome. May I thank you in advance for the same courtesy extended the other letter, in the presentation of my side of this matter?"

July 31, 1934.

BELIEVES NEW AMATEUR REGULATION UNENFORCEABLE.

It is the belief of Col. Clair Foster, W6HM, prominent West Coast amateur radio operator that the Communications Commission's regulation that copies of amateur radio operators messages must be made and filed would be held "unreasonable" by the courts and therefore unenforceable.

The new regulation, a part of Rule 386, reads as follows: "Message traffic handled. If record communications are handled in the regular message form a copy of each message sent and received shall be entered in the log or retained in file for at least one year."

"Some amateurs handle many hundreds of messages a month for the public," Colonel Foster declared. "Of course all on their own time and at their own expense. I myself have handled as high as 687 separate radiograms in one month, many of them of over 100 words; and mine are all trans-Pacific. We have no time to be making and preserving copies of messages. If we do that then we simply must cut down the service and handle only about half as many."

"Many amateurs will stop their service altogether rather than conform to this new pronouncement. And that is the purpose of this commercially inspired regulation. There is no earthly reason for applying commercial practice to an amateur service that is costing the beneficiaries not one penny."

Colonel Foster, who has been at odds with the American Radio Relay League, a national amateur organization sharply criticizes Kenneth B. Warner, secretary and general manager of the organization, in the July issue of Radio Magazine published in San Francisco.

Mr. Warner was hired as a Secretary of the American Radio Relay League in April 1919, at \$30 a week, plus a bonus of 25 cents on each yearly dues from members, plus again 25 per cent of the net monthly profits of QST, the ARRL Magazine."

Colonel Foster writes, "At that time the members were licensed amateurs, in accordance with the fundamental purpose of the ARRL - a league of transmitting amateurs. There were subscribers to QST who were not members, including commercial radio people and other non-amateurs. From these subscribers, of course, there were no "yearly dues" on which Warner could levy. At that time the "net monthly profits" of QST were little or nothing. Nevertheless, Warner's extra money above his salary up to November 1 of that year amounted to \$898. Keep in mind

7/31/34.

that at this time all of the ARRL's assets, including QST, were the property solely of the amateurs. By the beginning of 1920 Warner had a plan under way for switching things around so that everybody who subscribed to QST should become thereby a "member" of the ARRL and the subscription money of each should become "yearly dues" and thus subject to the yearly levy under the wording of Warner's contract.

"Then the switch made subscription money "yearly dues" and the scheme worked so well that Warner took from the treasury in 1920 in addition to his salary, \$3,715. And it worked so well that the next year, 1921, he took out, in addition to his salary, \$5,972. And it worked so well that in the following year, 1922, in addition to his salary, he took out \$10,255. And it worked so well that the next year, 1923, he took out, in addition to his salary, \$10,322. And it worked so well that in the first six months of the next year, 1924, in addition to his salary, he took out \$5,699.

The new deal, effective July 1, 1924, prescribed a salary of \$600 a month plus 10% of the net profits of the whole organization.

"Warner's additional perquisites for the first half of 1924 were \$5,699. His commissions for the second half under the new arrangement were \$1,035. His total salary and all, for the year amount to \$11,114.

The next two years there were no profits, so Warner had to struggle along on \$600 a month. But in 1927 he drew down a total of \$9,364 and in 1928 a total of \$9,978.

"At the 1929 meeting of the board Director Babcock moved to give Warner a straight salary to begin January 1 of that year with no commissions. Counsellor Segal, who was then a director, jumped up and moved to amend by striking out the \$10,000 and making it \$12,000. Nobody bit, so it had to stay at \$10,000 for that year. At the 1930 meeting somebody moved to make it \$11,000, together with a boost of \$500 a month for A.A. Hebert, Treasurer of the ARRL. The depression was well under way and thousands of fine radio men with families were walking the streets with no jobs at all, so Paul Segal, Counsel of the organization, no doubt felt that Hebert could make out on \$500 a month; but he moved to amend by giving Warner \$12,000.

"Throughout the past four blighting years, 1930-1933, most of those fine radio men with families are still hunting jobs while during that time Warner drew out of the ARRL treasury just \$44,206.03! I hate to make myself niggardly by mentioning those 3 cents but I must do so in the name of accuracy."

X X X X X X X X X X

July 31, 1934.

ENTIRE COMMISSION MAY CONSIDER APPEAL CASES ONLY

Although the divisions are now scheduled for regular meetings, the Broadcasting division, Tuesday, the Telegraph division Wednesday, and the Telephone division, Thursday, there have thus far been two meetings of the entire Communications Commission and these were largely for the purposes of organization.

Evidently, at present at least, it is the intention of only assembling the full Commission in the case an applicant desires to appeal from the decision of a division chairman. As yet no case considered by the new divisions has reached the point of an appeal and until then it is believed the Commission as a whole will not be called together unless other matters demand its attention.

Commissioner Paul Walker, Chairman of the Telephone division, is still in Oklahoma and is not expected to return to Washington until about August 15th.

X X X X X X X X X X

CHARGING RADIO TALK BANNED, CANDIDATE SUES

Charging censorship of a campaign speech, Paul Stewart, publisher of the Antlers (Okla) American, state senator and candidate for corporation commissioner, Monday filed suit in district court in Oklahoma City for \$30,022.40 damages.

Stewart made WKY Radiophone Co., Mistletoe Express Service and the Oklahoma Publishing Company, publishers of the Daily Oklahoman and Times, joint defendants.

The suit resulted from action of WKY authorities Saturday night in requesting Stewart to delete portions of a radio address scheduled for 9 P.M. When Stewart refused to make changes, station officials gave him a refund on his contract for the fifteen minute broadcast.

He charged in his suit that WKY "unwarrantly, without justification or any lawful authority" sought to strike from his speech "certain references to the Oklahoma Publishing Company."

In publishing a statement by Stewart as a "Letter to the Editor", the Oklahoman Monday said Stewart was "asked to delete certain phrases regarding his opponent held to be libelous," and that when he refused, WKY refunded his money. Stewart declared this as untrue. He said the objectionable phrases concerning his opponent were cut out and that the station's real objection was to his reference to the Oklahoma Publishing Company.

He said the dispute was over this paragraph:

"The Oklahoma Publishing Company, a foreign Corporation, which owns WKY, the Oklahoma Farmers-Stockman, the Daily Oklahoman, the Times, and the Mistletoe Express, have opposed me through their newspapers in their editorials. A few years ago the Federal Trade Commission made the utilities go out of the newspaper business and it is my humble judgment that the Oklahoma legislature and the state corporation commission should make the newspaper go out of the utility business. I pledge an earnest effort to this end."

His suit asked for \$2,240 which he said paid for newspaper advertising to advertise the speech. He asked \$5,000 for "irreparable damage" for "being deprived of his right of public address," and charged that "multiplied thousands of people who would have listened were deprived of their right of hearing his remarks.

He asked \$25,000 punitive damages "on account of the unwarranted, unjustified, unlawful and malicious acts of said defendants."

"I have no statement to make," Edgar T. Bell WKY radio station manager and business manager, Oklahoman and Times, told Editor & Publisher when asked for a statement on the Stewart suit.

X X X X X X X X X X X

#### ANOTHER SHAKEUP IN COMMISSION OFFICE ARRANGEMENT

Just about the time visitors were beginning to be able to find their way about the Federal Communication's Offices, in the immense new Post Office Building, without the aid of a guide there has been another shakeup in the location of the Commission offices. The Legal Division has been moved to Room 5321, the Engineering Division to Room 7213, and the Press Division to Room 4207. Commissioner Case has been moved to Room 6241, but the offices of the other Commissioners are unchanged, Judge Sykes in 6207, Colonel Brown 6209, Dr. Stewart 6235, Mr. Walker 6235, Mr. Gary 7240, and Mr. Payne 7241.

The new arrangement scatters the Commissioners over four floors, the fourth, fifth, sixth and seventh, with the License Division in the Interstate Commerce Building, which may be reached from a hallway of the Post Office Department building on the seventh floor. It is a very inefficient arrangement as some of the offices in addition to being on different floors are almost a city block apart.

The latest story having to do with the size of the two-block square Post Office Department building is about a stenographer who went out to lunch, couldn't find her way back to the office, and finally went across Pennsylvania Avenue to a pay telephone and called up her division chief for instructions

how to locate her office. To add to complications on one of Washington's hottest days, the air-cooling system failed to work, for a time the water supply was cut off and to complete the jinx the elevators began to act up.

The air-cooling failure caused particular discomfort because the building is not ventilated like buildings which are not air-cooled and employees sweltered. It is reported that it costs the Government \$900 a day to operate this system.

One of the elevators which jammed caught Judge E.O. Sykes, Chairman of the Federal Communications Commission half-way up as he was ascending to his office on the sixth floor.

X X X X X X X X

### REDUCED RATES GRANTED TO CINCINNATI CONVENTION

A record attendance at the National Association of Broadcasters Convention has been assured by the railroads granting a reduced rate, according to Philip G. Loucks, Managing Director of the Association.

"We had about 300 at St Louis in 1932, about 350 at White Sulphur Springs in 1933" Mr. Loucks said, "but inasmuch as Cincinnati is in the center of the heaviest station population in the United States, with the South, East and middle West to draw from, I believe the attendance in the Ohio City in 1934 will be close to 500."

It is believed that the new WLW 500,000 watt station will be a drawing card for many broadcasters who will feel that it is worth a trip to Cincinnati to see this station alone.

The 50,000 watt WLW transmitter which we once thought was a giant looks like a midget" Mr. Loucks declared, "I really believe you could put old WLW transmitter in one of the panels of the new station."

X X X X X X X X

### R. C. A. PUBLIC RELATIONS EXPERT TURNS MILITARY WRITER

In last Sunday's Washington Post appeared the first of a series of vividly descriptive and historically accurate articles on military engagements in which the city of Washington was the prize to be won or lost. The writer was none other than Glenn I. Tucker, director of Public Relations of the Radio Corporation of America.

July 31, 1934.

Mr. Tucker was formerly with the New York World and his hobby is military strategy and history.

Tucker's initial article dealt with 1814 when following the Battle of Bladensburg the National Capital was defenseless. He told how the victorious British swarmed into the City and pillaged and fired its public buildings. Also how scarcely two hours before Dolly Madison had fled to the protecting hills of Virginia, and in the deserted White House, Admiral Cockburn dined sumptuously by the flickering lights of the blazing City.

X X X X X X X X

#### GEOGRAPHIC OFFICIAL PRAISES RADIO'S PART IN STRATOSPHERE

Regarding the radio broadcast of the National Geographic Society-Army Air Corps Stratsphere Flight, Dr. John Oliver LaGorce, vice president of the National Geographic Society said to-day:

"The short-wave radio broadcast arranged by the National Broadcasting Company for the National Geographic Society-Army Air Corps Stratosphere Flight was one of the most noteworthy examples of radio engineering it has been my good fortune to hear."

"Officials of the Geographic and Army Air Corps were afforded the unusual privilege of hearing the entire handling of the broadcast through special lines, which were run by the NBC into the auditorium of the National Geographic Society and into offices of the Chief of the Army Air Corps in Washington. In Rapid City, representatives of The Society, The Army Air Corps and the wives of Major Kepner and Captain Anderson were able to listen in by means of a similar hookup.

"I am sure that radio communication with the stratosphere flyers was of value to them because they were constantly able to obtain accurate weather reports and the velocity of ground wind along their course. They were also in a position to consult their superiors in the Army Air Corps office, and to ask for advice or aid, if needed.

"Personally I have never heard a more intensely dramatic broadcast than that last three-quarters of an hour when the flyers were in trouble and none of us on the ground knew what might happen. No professional "thriller program" ever was able to achieve a greater measure of agonizing suspense.

"The cheer that greeted the brief announcement that the flyers had jumped and were safe was a genuine expression of the joy we all felt that the drama had ended happily for the three men concerned."

.....  
..... BUSINESS LETTER NOTES .....  
.....

A public hearing on a code of fair competition proposed by the advertising agency trade will be conducted in the Hall of Nations of the Washington Hotel, Tuesday November 7. William P. Farnsworth, Acting Division Administrator will be in charge.

The proposed code has been submitted by the American Association of Advertising Agencies.

-----  
Gen. Warner L. Wilkerson of the Confederate Army, a resident of this city more than 65 years, died yesterday at the home of his daughter, Mrs William D. Terrell of Livingston Heights, Va., where he had lived since becoming ill three months ago. Mrs Terrell is the wife of the Chief of the Field Division of the Communication's Commission.

General Wilkerson was 88 years old. As a boy of 14 he ran away from home enlisting as a private, served during the entire Civil War and subsequently arose to the command of General.

-----  
WDAE, the Tampa Daily Times radio station has completed the installation of new equipment and is operating on the increased power recently granted. The station now has 2,500 watts during the day and 1,000 at night

-----  
Appeals have been filed in the D.C. Court of Appeals by T.G. Roberts against a grant to KWKH, Shreveport, La., allowing it to change its frequency from 850 to 1100 kilocycles and against granting Station WWL, New Orleans, La., unlimited time on 850 kilocycles.

Mr. Roberts was at one time interested in KWKH, but since no longer connected with the station, it is likely that the Commission will ask that the Appeals be dismissed.

-----  
X X X X X X X X

The President is very persuasive in such matters and should he really want Senator Dill to run again he may, of course, do so. I am confident, however, if Senator Dill follows his own inclinations he will not seek re-election."

X X X X X X X X

BOGUS JOHN B. KENNEDY PRESENT HIMSELF

The NBC Press Department has sent the following:

CONFIDENTIAL NOTICE TO RADIO EDITORS:

"We are informed that an individual representing himself as "John B. Kennedy of Collier's editorial staff" has victimized a writer in an Ohio City by passing a worthless check. This man talks familiarly about well known newspaper and radio people, and claims to be writing a series of articles on midwestern cities on which he is consulting newspaper men and historical authorities in these cities. He has no connection whatever with John B. Kennedy, former editor of Collier's, and now special news commentator for the National Broadcasting Company. This notice is given you for your information and assistance in apprehending the imposter."

X X X X X X X X

MUTUAL BROADCASTING CHAIN FOR CHICAGO AREA?

In announcing its decision not to affiliate with the new American Broadcasting System network at the present time, the management of WGN revealed that a number of advertisers, as well as several outside radio stations, have sought to get WGN to join in a mutual chain broadcasting operation. Such an arrangement has good program possibilities, with resultant low costs for advertisers, it was stated. This plan of mutual operation is in the foreground for further consideration.

"The only thing WGN can be interested in from a chain standpoint," the management said, "is in additional sustaining and a few commercial programs of exceptional quality. Extensive chain programming will not offer to WGN at this time as much as it is able to make from its own programming activities. WGN is not opposed to good net-work broadcasts, but during its past affiliations with both of the major net-works they have always wanted to give WGN more programs than it wished to take."

Frederick H. Weber, formerly stations relations director for NBC, is vice-president in charge of operations and station relations of the new network.

July 31, 1934.

## NEW GILLIAM VIRGINIA STATION CALL LETTERS WSWA

The new daytime station authorized by the old Radio Commission to be operated by M.K. Gilliam at Staunton, Virginia, will be known as WSWA. It will operate on 500 watts on a frequency of 550 kilocycles. Mr. Gilliam, formerly part owner of WMCA, New York, now resides in Washington.

X X X X X X X X

## TEXAS EDITORS BAR ELECTION BROADCASTS

The Texas Election Bureau, operated by the Texas Managing Editors Association for more than twenty years as a cooperative agency for gathering election returns for newspaper use, has announced that hereafter returns supplied by it may not be broadcast or placed on bulletin board in or outside of Texas.

The announcement of the bureau, which was incorporated on July 10, said:

"In the past few years election news gathered by the bureau has been used so largely by persons who contributed nothing to the expense as to destroy its value to the papers which do contribute.

"This election news has been obtained from bulletin boards and from broadcasts. Attorneys advise that when news is broadcast or put on bulletin boards it becomes public property. Hence, to protect its rights in this news, the bureau has prohibited the use of its returns on bulletin boards, and incorporated so that it may assert in court its property right in whatever news it supplies to its members.

"The ban on broadcasts and bulletin boards is merely a move to preserve the only agency we have for gathering returns at all on election night."

X X X X X X X X

## DECLARES DILL MEANS BUSINESS AND WILL NOT RUN

Notwithstanding the report that Senator Dill of Washington, co-author of the Communications Act, might decide to seek re-election despite his declaration that he would retire, a friend of the Senator's in the Capitol said he felt certain Mr. Dill would not make the race.

"While Senator Dill has until August 11 to formally file his intentions, I am of the opinion that he will not run again despite considerable pressure which is being brought to bear upon him to do so," this friend said. "It is expected that Senator Dill will discuss the situation with President Roosevelt, while the latter is on the west coast and of course