

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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## FCC SHAKE-UP SEEN IN CIVIL SERVICE MOVE

A shake-up in three divisions of the Federal Communications Commission will be effected by Chairman Frank R. McNinch if the Civil Service Commission consents to exempt the divisions from the provisions of the Classification Act.

Disclosure late last week of a letter that Chairman McNinch had addressed to the Civil Service Commission has aroused the employees of the three divisions affected - Legal, Examiners, and Public Relations.

Chairman McNinch asked that the jobs be taken out of Civil Service on the ground that they are policy-forming in nature and may be exempted under the terms of President Roosevelt's Executive Order of June 24th last. The employees affected, however, insist that their jobs are not policy-making.

All of the 75 employees involved are said to have been taken from the Civil Service eligible lists.

Critics of the FCC immediately saw in the McNinch letter a move to reopen the Commission's rolls to political appointees. For years, they pointed out, the administrative agency of the radio industry has been a political football and has been packed with patronage appointees. Only recently has the cloak of the merit system been thrown around the employees.

The President in an Executive Order of June 24th blanket-ed a great group of employees into the Civil Service, but permitted heads of departments and bureaus to recommend exemptions for certain policy-forming personnel.

Employees of the Commission have been considerably upset since Chairman McNinch, speaking before the Radio Amateur League here on June 25th, a day after the Executive Order, gave the first inkling that he proposed a shake-up in the Commission personnel.

Certain Commissioners have contended that if any employees in the three divisions are not efficiently performing their duties, they can be dismissed under the Civil Service procedure, which ordinarily is based upon efficiency ratings and longevity credits.

Under Civil Service law the President could put the communication groups in either one of two categories - Schedule B or A. Schedule B positions are filled by non-competitive examinations, while those under schedule A are filled without any examination.

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Under ordinary circumstances, the President would refer to the Civil Service Commission, the request for exemption, and ask the Commission for a report and recommendation. In view of the Civil Service Commission's well-known attitude to make as few exemptions as possible, it was felt that the Commission would oppose the proposed move unless very good reasons were advanced for it.

Chairman McNinch, who is ill in the United States Naval Hospital, said that he did not care to make any statement in connection with his proposal to the Civil Service Commission, but explained the changes were needed because of inability to get from the Civil Service lists of employees of the ability required for carrying out the work of the Commission.

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F.D.R., PRESS CITE ROLE OF RADIO IN CZECH CRISIS

The role of radio in the recent European crisis has elicited favorable comment from President Roosevelt, the press, and leading commentators.

The President at a press conference last Friday observed that the crisis had been speeded to its conclusion by the speed with which radio disseminated information and opinion over the civilized world.

The Chicago Journal of Commerce expressed the point of view of at least one newspaper publisher in an editorial headed "A Victory for Radio".

"Whether or not the Munich conference finally brings a real settlement of the Sudeten question it seems to us that the world can chalk up one overwhelming credit mark to radio for the part it has apparently played in forcing Hitler to call a four-power conference", the editorial stated. "That the radio forced that concession may be disputed but it seems logical to us that no human being, even a madman, could listen to the international debates on this serious matter for the past week or ten days and not feel that he had better look again before leaping.

"The first thing a criminal does after pulling a job is to find out 'what the newspapers said about it'. The first thought that enters a politician's mind when he is planning an ulterior move is, 'How will the press react?' In bringing before perhaps 50 percent of the people of the civilized world the opinions of the American press and the British and French press and the views of leading statesmen everywhere on the threatened invasion of Sudetenland, the broadcasting companies brought a kind of pressure to bear on Mr. Hitler that has never before been brought

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to bear on any militarist at any time in history. Even the Kaiser might have been influenced. Simple logic says therefore that no man could listen long to this recital and not have the fear that he was treading the wrong path.

"And for the first time in history the intended victim got an opportunity to tell the people of the whole world about the merits of its position.

"In a word these international debates served to convey truth to the whole world and, we believe, the whole truth about the rightness or wrongness of Hitler's position. The world now goes forward with a new vehicle for the settlement of disputes. The dictator or the aggressor who dares to defy its message will do so at the peril of world opinion. And those who sit around the conference table will have guidance they have never had before.

"It's a bright chapter in history but let it be said while the people everywhere are rejoicing at the good offices radio has furnished on this occasion that the incident more than ever reveals that the radio ought not to be controlled by any political party. Unless it is as free as the air itself to the venting of opposing views, and impartially shared by political adversaries, it can be used to conceal truth and augment misunderstandings. There is a job still to be done in this respect in our own country."

Fulton Lewis, commentator on WOL, Washington, and former Hearst correspondent, had this to say:

"And if you'll forgive me for injecting a personal observation, there's one angle of this whole affair that seems to me even more important - even more revolutionary and vital for the future - than the mere question of who has won a diplomatic victory, because in the last analysis, it made these victories possible.

"To my mind, if these conferences are a success, it means the dawn of a new era in international relations. It means that secret treaties and secret bartering between nations behind closed doors, is ended forever. It means that the day is gone when a people can be stampeded into way by propaganda.

"And that, ladies and gentlemen, is not due to any one man. Instead, it's due to the funny, mysterious, little box that's before you, at this very minute, The Radio. If war is avoided in these conferences tomorrow, it does seem that radio should be a candidate for the Nobel Peace Prize of 1938."

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FCC EXAMINER HITS WJBL SALE TO NEWSPAPER

Holding that it is not in the public interest for a newspaper to monopolize all sources of public news dissemination, i.e., the only radio station as well as the only newspaper, FCC Examiner P. W. Seward this week urged denial of an application to transfer control of WJBL, Decatur, Ill., to Decatur newspapers, Inc.

Charles R. Cook proposed to sell 51 percent of the station's stock to the newspaper corporation, which owns the other 49 percent, for \$15,000. Examiner Seward approved the price although it included \$3,826.06 profit or "going concern" value.

The transfer, the Examiner held, "would tend to restrict competition in the dissemination of news and information and in advertising.

"The Commission has repeatedly held that it is not in the public interest to grant to the same person or interest, license to operate more than one broadcast station in a particular area, as to do so would tend to restrict competition in program service, which covers the dissemination of news and other information, as well as entertainment, unless there be a compelling reason shown in the record why a second station should be established by the licensee of an existing station."

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CBS BILLINGS GAIN 12.5% OVER AUGUST

Gross billings for the Columbia Broadcasting System, announced this week, total \$1,602,105 for September, a rise of 12.5% over August. First nine months of 1938 represent a cumulative sum of \$19,975,882, slightly below the record-breaking period a year ago.

The summary:

	<u>1937</u>	<u>1938</u>
September	\$ 2,028,585	\$ 1,602,105
1st 9 Months	\$20,775,542	\$19,975,882

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## RADIO-EQUIPPED CLASSROOMS VITAL, SAYS STUDEBAKER

"Bring the world crisis into the classroom", is the suggestion of John W. Studebaker, Commissioner of Education, who is one of the outstanding exponents of the idea of making education vital for young people by bringing the more crucial questions into the classroom via radio for examination by the students.

"It is worth any trouble it takes to rearrange and organize the high school or college schedule these days to enable the students to hear first hand the most important pronouncements being made by history-making leaders. The student who missed hearing Chamberlain or Hitler because he was forced by an inflexible school program to conjugate German verbs or to report on the Elizabethan period of English history was deprived of some real education", said Commissioner Studebaker at the Office of Education, Department of the Interior. "He missed the significant experience as a close observer of a performance which future historians may never quite be able to tell accurately.

"Certainly if radio broadcasters can interrupt profit-making schedules to substitute numerous non-commercial news releases portraying up-to-the-minute changes in world history", said the Commissioner of Education, "and if newspaper representatives can stand by in the four corners of the earth during every hour of the day and night to supply accounts of personal observation of swift-moving world events, those of us in organized education who have not already done so should be able to adapt our traditional schedules to the most vital influences available for educational uses.

"What is happening today is grist for the mill of the teachers of psychology, sociology, civics and history. There is nothing in the text-books to compare with it.

"This crisis is a starting point for an investigation into the historic struggles of people of different races in Europe. It furnishes striking illustrations of opposing forms of government at work, as a basis for class discussion on democracy and other political systems. The broadcasts and the newspaper accounts ought to be 'homework' for students these days and much class time should be devoted to a careful discussion of the meaning of it all.

"Our democracy depends not so much on the number of facts our high school or college graduates remember about Queen Victoria or Napoleon, but upon how competent these young people become in thinking through the real issues they themselves are going to confront as adult citizens.

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"Should we permit our sympathies to gravitate toward one side or the other in this crisis? If we do, will this lead us into war, should a war develop?"

"Which national leader seems to present the strongest case, and why?"

"Should America stand aloof and take no part at all? Was the President right in making his statements?"

"What does a change in frontiers do to our foreign trade, to trade agreements?"

"Why do most statesmen seem to agree that no nation can win a war? Was this always believed?"

"These are just a few of the questions which come to mind as the Napoleons and the Alexanders of our day and generation come into our living rooms or our classrooms and speak to us directly. This is a time when the teacher-guides may tap supreme student interest and put it to work in the educative process. I hope millions of our youth experience an acceleration in learning by being stimulated to think and study about today's exciting and thought-provoking pronouncements and events", said Commissioner Studebaker.

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#### MOROCCO CALLED POTENTIAL RADIO MARKET

The U. S. Commerce Department estimates that not more than 25 percent of the total European population of 260,000 in French Morocco are purchasers or potential purchasers of radios. Only a few native Moslems and Jews are interested in radios.

According to the Protectorate's Department of Posts, Telegraphs and Telephones, there were 34,240 licensed sets in use in French Morocco the first of the year. The most popular types of radios are: European makes - 5 to 6 tube sets; American makes - 7 to 9 tube sets, table models, for use with electric current, at prices varying from about 1,800 to 2,500 francs. Dealers expect a general reduction in the sales of all makes of radios during 1938, owing to unfavorable economic conditions, and prospects for American radios in particular are unsatisfactory, owing to the increased cost of such apparatus following recent devaluations of the French Moroccan Franc in 1937 and 1938, which placed the American product beyond the means of the average consumer. Prior to these devaluations of the franc, American radios occupied an enviable position in the market; at present the leading make is the Dutch products, Philips, with German and French radios close competitors. Radios usually are sold on the installment plan to consumers.

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:::: TRADE NOTES ::::  
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The Crosley Radio Corporation this week filed two applications with the Federal Communications Commission requesting assignment of 17,830 and 21,570 kc. to its short-wave station W8XAL, of Cincinnati.

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The National Committee of Independent Broadcasters and the American Federation of Musicians have exchanged contracts and thereby put into effect the independent plan of settlement of a radio-musicians dispute.

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Col. Robert R. McCormick, publisher of the Chicago Tribune and owner of WGN, denied in a radio address last week that the Tribune sponsored a bill in Congress to permit newspaper censorship of radio. The denial was in answer to a charge made by Senator Minton (D.), of Indiana.

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Demand for news photographs of the European crisis has put the central operating office of R.C.A. Communications, 66 Broad Street, New York City, where all prints are received from London and Berlin, on a 24-hour basis, for the first time since overseas photo transmission was started in 1926, according to Editor & Publisher. The exact total of pictures transmitted daily was not available as it was stated the department is too busy at present to keep clerical records. The former record total for one month was set in May, 1937, when the Coronation of King George VI and the wedding of the Duke of Windsor and Mrs. Simpson took place. Transmission of a print three columns by 5 inches requires from 15 to 20 minutes, it was stated, but some time is required for perfect synchronization of the apparatus here and abroad.

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William S. Paley, President of the Columbia Broadcasting System, is on the jury which will select the winners of the 1938 Annual Advertising Awards sponsored by Advertising and Selling.

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Appeals from the twice-decided action of the Federal Communications Commission granting WMEX, Boston, a high-powered regional assignment on 1470 kc. with 5,000 watts full time were filed last week by WAAB, Boston, WLAC, Nashville, and WCOP, Boston.

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Brief statements by the chief executives of RCA and its subsidiaries are contained in an illustrated booklet sent this week to RCA stockholders.

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Flanked by former service men in uniform, an altar was dedicated Sunday in our Lady of Lourdes Grotto at the Church of the Immaculate Conception, Washington, in memory of the Rev. Francis J. Hurney, former pastor of the church and founder of the Washington Catholic Radio Hour.

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A million dollars worth of radio time will be allowed the University Broadcasting Council for its 1938 programs, according to Allen Miller, director of the non-profit organization incorporated in 1935 to further education by radio at Chicago, Northwestern and DePaul universities.

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#### ARGENTINE CONSIDERS OWN "SCHOOL OF THE AIR"

The Director of Argentine Posts and Telegraphs, who has jurisdiction over radio broadcasting, has submitted enthusiastic recommendations to the Minister of Interior regarding the possibilities of radio in connection with public instruction, the U. S. Commerce Department reports. The report refers to the recent Government decree which criticizes the present cultural aspects of radio broadcasting in Argentina, and which asks for a considerable improvement in the educational standard of local broadcasting programs.

In his latest report, the director of Posts and Telegraphs refers to the rapid growth of the "schools of the air" in Europe, and quotes from studies made on this subject by the Argentine delegates to the recent Cairo radio conference. The latter investigation indicated that the totalitarian states such as Germany and Italy have found the loudspeaker a marvelous means of inculcating their political ideals. The democratic countries such as Britain, France, Switzerland and Belgium, while likewise using the radio to import civic and nationalistic education, have concentrated more on the broadcasting of lessons on specific subjects which make up regular educational courses. Because these lessons utilize music, dialogue, sound effects, and other features, they offer a certain appeal over the ordinary classroom lessons.

In view of the present plans to modify the whole system of Argentine radio broadcasting, the Director of Posts and Telegraphs believes the time opportune for considering "schools of the air", and suggests the designation of a commission to establish such a form of education in all types of Argentine schools.

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## MILLIONS IN U.S. FOLLOW EUROPEAN CRISIS BY SHORT-WAVE

Short-wave reception of foreign stations, which has been growing in popularity in this country for several years, has jumped almost overnight from a hobby to a necessity in thousands of American homes as a result of the threat of another European war, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, stated this week.

For the first time since the development of short-wave broadcasting, international events have been of such significance that news developments in Prague, London and Berlin have overshadowed those in Washington.

Americans, who have been accustomed to tune their all-wave sets to these and other European capitals largely for entertainment, in recent weeks have heard history made as they listened to statesmen and commentators directly.

The center of interest among short-wave listeners in this country has been the station at Prague. Before the Central European crisis, the Czechoslovak station attracted little more attention than a half-dozen others on the continent and was completely overshadowed by London, Berlin, Rome and Paris.

Although the "voice" of a country not much larger than the State of Illinois, the Prague station has answered the Berlin broadcasts "shot-for-shot" and succeeded in making itself as clearly heard in all parts of the United States as the short-wave station of Germany, one of the finest and most powerful in the world.

There never has been a time when so many people are using the short-wave portion of their receiving sets as now, and the number is increasing by leaps and bounds. Mr. Geddes estimates that there are close to 14,000,000 receiving sets in the United States at this time with short-wave attachments capable of tuning in Europe and that about 2,500,000 such sets are being added each year.

The European crisis and short-wave radio have given the average American a close-up personal education in international affairs as it has furnished statesmen a new means of carrying their case by direct conversation to an open forum of world opinion, Mr. Geddes said.

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## CBS BEGINS INSTALLATION OF NEW TELEVISION STATION

A television transmitter which will broadcast a high-definition picture signal as powerful as that of any transmitter now in operation is being installed on the 72nd and 73rd floors of the Chrysler Tower in New York, it was announced this week at CBS headquarters.

After a year's tests, both of the transmitter and of a new type of television antenna for distributing the signal evenly over the entire city and its suburbs, engineers began the process of installing the 100,000-lb. equipment in the site high over Manhattan. Final arrangements also have been made for construction of a coaxial cable connecting the transmitter with the CBS television studios in the Grand Central Terminal Building nearby.

Columbia's schedule calls for completion of the installation early in 1939, but since additional time will be required for final tests, no date has been set for the broadcasting of visual programs. When the new station goes on the air next year, it will climax almost a decade of television experimentation by Columbia which, in 1931, broadcast the first regular schedule of television programs undertaken in this country. In contrast with the early, 60-line transmission, the new station will send out images of 441-line definition. This seven-fold increase in the number of lines has required more than a fifty-fold increase in width of the transmitted frequency band.

The new CBS television transmitter, built at a cost of approximately \$500,000, will cost another \$150,000 to install. From its vantage point in the Chrysler Tower, which was picked as the ideal location after careful study of the whole New York skyline, the station will provide primary coverage within a radius of about 40 miles over a total area of about 4,800 square miles.

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I. T. & T. STOCKHOLDERS TO MEET NOV. 22

Stockholders of the International Telephone and Telegraph Corporation, at a special meeting at Baltimore, November 22nd next, will be asked to approve an agreement between the I.T.T. management and the bondholders committees of Postal Telegraph and Cable Corporation, which provides for the future operation, under common ownership, of the properties of All America Cables and Radio, Inc., Commercial Cables and Mackay Radio and Telegraph. Notices for this special meeting were sent out last Friday.

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## MANY RADIO TYCOONS IN RARIFIED "WHO'S WHO" ATMOSPHERE

There was a time - and not so long ago - when you would have to look for a leader in the radio industry with a microscope in the exclusive listing of "Who's Who in America". An idea of the importance of this newest of the great industries, and how quickly many of its leaders have been recognized nationally, is gained from the recognition given to it in the 1938-1939 edition of Who's Who", just out.

Among those in the radio world who are listed are the following:

On the Federal Communications Commission - Chairman Frank R. McNinch, who got his start as Mayor of Charlotte, N.C.; Judge E. O. Sykes, of Mississippi, who was appointed to the old Radio Commission by President Coolidge, because the latter felt that the Commission needed a good lawyer to keep it straight; Commissioner Tunis Augustus Macdonough Craven (better known to many as "Tam"), retired Naval officer, who served as radio officer in the United States Fleet, and whose first names are not really "Tangier, Algiers, Morocco", as some seem to think; Commissioner George Henry Payne, who came into the national lime-light in 1912 as one of the New York campaign managers for the Bull Moose candidate, former President Theodore Roosevelt; Commissioner Paul A. Walker, formerly Chairman of the Oklahoma State Corporation Commission; Commissioner Norman S. Case, three times Republican Governor of Rhode Island; and General Counsel Hampson Gary, formerly United States Minister to Egypt and at the front beyond Jerusalem with Field Marshal Allenby for awhile in 1918.

Those connected with the Radio Corporation of America who are mentioned include Gen. James G. Harbord, Chairman of the Board, Pershing's Chief of Staff in France, famous Commander of the U.S. Marine Brigade at Chateau Thierry; David Sarnoff, President of RCA, who started in the old Marconi Company in New York, a little Russian boy who could hardly speak English; Col. Manton Davis, General Attorney, who served overseas and was later Legal Advisor to the Inter-Allied Rhineland High Commission; Edward F. McGrady, Vice-President, formerly Assistant Secretary of Labor in charge of labor relations; Oswald F. Schuette, former President of the National Press Club in Washington, correspondent of the Chicago Daily News with the German Army in the World War, and who coined the political phrase "the steam-roller"; Dr. C. B. Jolliffe, in charge of RCA Frequency Bureau, formerly Chief Engineer of the Federal Communications Commission; Vladimir Kosma Zworykin, born in Russia, RCA television expert; and George K. Throckmorton, President of RCA Manufacturing Company, who years ago began to

work his way up as time-keeper in the Link Belt Company at Chicago. Also, Gen. Charles G. Dawes, former Vice-President, is an RCA Director.

Maj. Lenox R. Lohr, President of the National Broadcasting Company, who served overseas in the regular Army, and was General Manager of "The Century of Progress Exposition" at Chicago; Judge A. L. Ashby, Vice-President and General Counsel, NBC, formerly Assistant General Attorney for the Westinghouse Company and author of many legal publications; Frank E. Mason, Vice-President of NBC in charge of International Broadcasts, formerly Berlin correspondent and then London Manager and finally President of the International News Service; Franklin Dunham, Educational Director, NBC, who before that was Educational Director of the Aeolian Company, New York; Dr. James R. Angell, Educational Counselor, NBC, former President of Yale University; and Dr. Walter Damrosch, NBC Musical Counselor.

William S. Paley, President of the Columbia Broadcasting System, who in spite of his great success is only 37 years old, and who began as Production and Advertising Manager of the Congress Cigar Company of Philadelphia; Cesar Saerchinger, European Director of the CBS, who had previously been the Berlin correspondent of the New York Post; Dr. J. H. Dellinger, Chief of the Radio Section, U. S. Bureau of Standards, who for a time served as Chief Engineer of the Federal Communications Commission; and Neville Miller, former Mayor of Louisville, now President of the National Association of Broadcasters.

Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation of Chicago, noted explorer and twice with MacMillan to the Arctic, and who was appointed by President Roosevelt Vice-Chairman of the Mount Rushmore National Commission, the massive sculptoring project of Gutzon Borglum in South Dakota; Powel Crosley, Jr., President of the Crosley Radio Corporation, owner of the Cincinnati baseball team, and Col. Robert R. McCormick, owner of Station WGN, Chicago, and publisher of the Chicago Tribune; O. H. Caldwell, former Radio Commissioner, and now editor of "Radio Today"; Orrin E. Dunlap, Jr., Radio Editor, New York Times, who served as radio operator in the U. S. Navy in the World War, author of numerous radio books, including "Marconi - His Life and His Wireless"; Martin Codel, publisher of Broadcasting Magazine, a native of Duluth, Minn., later with the Detroit News and the Associated Press in New York and the North American Newspaper Alliance, and Lynn M. Lamm, radio writer and formerly City Editor of the Washington Post.

Thomas P. Littlepage, radio counselor, of Washington, former President of the Washington Chamber of Commerce, who received a gold medal "as citizen who performed most outstanding unselfish service to City of Washington during 1934"; Louis G. Caldwell, formerly General Counsel, Federal Radio Commission, awarded Croix de la Guerre in France in 1918; and Frank D. Scott, radio counselor, formerly Congressman from Michigan and Chairman of the House Merchant Marine Committee.

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## AMATEUR RULES ALTERED BY FCC ORDER

The Federal Communications Commission this week revised its regulations governing amateur radio stations and operators, effective December 1, 1938.

The changed regulations recognize the increasing importance of operation by the amateurs in emergencies affecting domestic communication facilities. The new rules provide for the use of specified frequencies in handling emergency communications and require all amateur stations in the affected area not engaged in relief work to discontinue operation on these frequencies during the emergency period.

The new rules specify higher technical standards for the operation of amateur stations to reduce possibility of interference to other services as well as improving the amateur service. Under the revised rules the amateur station is not permitted to transmit music although the transmission of single audio-frequency tones is permitted for testing.

An amateur station causing general interference, or violating certain rules may be silenced for specified hours, which may be increased in the event that corrective measures are not immediately applied.

The holder of Class C privileges may be called upon to appear for Class B examination and any Class C holder who moves within 125 miles of an established examining point will automatically be required to appear for the examination within four months.

Any amateur or applicant failing an examination may be re-examined after two months instead of the previous requirement of three months.

An amateur station may not be operated on the special frequencies granted to holders of Class A privileges unless the station licensee himself holds Class A operator privileges.

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## BUSINESS BUREAU HITS "BALLAST TUBE" ADS

The National Better Business Bureau, Chrysler Building, New York City, has just addressed a letter to 28 radio receiver manufacturers regarding the use of such descriptions as: "6 tubes (including one ballast tube), according to Radio Today. George L. Burkle of the Bureau points out that since, by RMA definition, a ballast unit cannot be correctly defined as a "tube", such description as above is misleading. The Bureau has asked for RMA action in this situation, threatening to put the issue before the Federal Trade Commission, and has received the support of individual manufacturers in agreeing to desist.

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## STATIONS CALLED FASCIST CARRIERS IN HOUSE PROBE

Four radio stations in or near New York City were charged with broadcasting Fascist and anti-Semitic propaganda before the House committee investigating un-American activities this week.

Appearing before Chairman Martin Dies, (D.), of Texas, Girolamo Valenti, Chairman of the Italian anti-Fascist Committee, cited WBNX and WOV, New York, and WBIL and WHOM, New Jersey, as principal offenders. Transcription of speeches broadcast over WHOM was introduced in evidence.

While recorded broadcasts were in the Italian language, Valenti, Italian-born New Yorker, pointed out that the station "always plays the Fascist hymn and praises Mussolini" during its programs. Valenti regretted that a phonograph was not available so that he could interpret the assertedly subversive speeches at the hearings.

Supporting contentions that New York and New Jersey transmitters are aiding the Italian Fascist organization, Chairman Dies displayed a letter received from a New York woman complaining about Fascist broadcasting which she has listened to. Name of the correspondent and call letter of the station were withheld.

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## NBC SEPTEMBER BILLINGS RISE 4.5%

Advertisers in September increased their use of the National Broadcasting Company facilities for the tenth successive month, over comparable periods the year before, with gross billings rising 4.5 percent over September, 1937. The first nine-months cumulative total was up 5.7 percent over the 1937 three-quarter mark. The tabulation follows:

<u>September 1938</u>	<u>August 1938</u>	<u>September 1937</u>
\$2,979,241	\$2,941,099	\$2,850,581
<u>% Change from August</u>		<u>% Change from Last Year</u>
+1.3		+4.5
<u>First 9 Months 1938</u>	<u>First 9 Months 1937</u>	<u>% Change</u>
\$29,902,724	\$28,291,115	+ 5.7

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## FCC BACKS DOWN ON WCTN ACTION IN O'NEILL DRAMA

Under a barrage of criticism and cries of "blue-nosed" censorship, the Federal Communications Commission this week backed down on its order of last week citing Station WCTN, Minneapolis, for broadcasting Eugene O'Neill's Pulitzer prize play, "Beyond the Horizon".

The application of WCTN for renewal of license had been set for hearing by the FCC because of a complaint that profanity was used in the play. The action was taken with only four members present and over the vigorous protests of Commdr. T.A.M. Craven.

This week a motion to reconsider was made by Commissioner Eugene O. Sykes and seconded by Commander Craven. A previous motion by Judge Sykes to grant the WCTN application without renewal was passed over because all members of the Commission were not present.

All indications, however, were that the issue will never be heard and that WCTN will be given a renewal as soon as absent members of the Commission return to their desks.

Gibes at the Commission's action were taken by many newspapers, and leaders in the broadcasting industry viewed the action with alarm as threat of program censorship. Commissioner Craven pointed out that the play had been presented countless times over the country without ever arousing city or station officials. Even the WPA Federal Theater Project has staged it without complaint.

Members of the industry also asserted that the radio version of the play actually was milder than the original and that no serious profanity was included in the broadcast.

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## APPLICANT TURNED DOWN BECAUSE HE DIDN'T ASK ENOUGH

The Federal Communications Commission this week rejected an application of Platt & Platt, Inc., Poughkeepsie, N. Y., for a construction permit because it proposed to operate a limited time station whereas a full-time station is needed.

The applicant, which is a subsidiary of the Poughkeepsie Publishing Corporation, newspaper publisher, asked for the clear channel of 1000 kc. used by Station WHO, Des Moines, with 50 KW. The Poughkeepsie corporation proposed to operate the station with 1 KW. power until local sunset in Des Moines.

While admitting the need for a station in Poughkeepsie, which has no radio outlet, the Commission stated:

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"The Commission is constrained to deny this application because favorable action hereon will not result in supplying a satisfactory service to the people of Poughkeepsie. The people are as much in need of nighttime service as daytime service, and the need for the former may be greater. The applicant shows that there are 6,000 industrial workers in this area, and it is doubtful whether they would be able to avail themselves of the proposed daytime service. This group deserves consideration.

"The proposal herein is to establish a limited time station on a clear channel frequency, namely, 1000 kilocycles. The dominant station on this frequency, WHO, has rendered service for many years, and there is no suggestion in the record that it will relinquish any of its nighttime hours of operation.

"Granting this application, therefore, would result in the establishment of a limited time or daytime station which may preclude the establishment of a station which would be able to render local day and night service."

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#### FCC MEMBERS OPPOSE McNINCH CIVIL SERVICE MOVE

The proposal of Chairman Frank R. McNinch of the Federal Communications Commission to have certain employees removed from the competitive Civil Service is definitely opposed by three of the seven members of the body, and one other is reportedly opposed, it was stated by Commissioner George Henry Payne, following a session of the Commission this week.

Listed as definitely opposed are Commissioners Payne, Comdr. T.A.M. Craven and Norman S. Case, while Commissioner Paul A. Walker was reported to be passively opposed to any such change as proposed.

Commissioners Craven and Payne brought the matter up at the first session of the body since it became known that the Chairman had sent a letter proposing the changes to the Civil Service Commission. Commissioner Payne said that Commissioner Eugene O. Sykes stated that he was firmly supporting the Chairman, but that he had not initialed the draft of the letter.

While no formal action on the matter was taken by the Commission, it was indicated that the matter will be taken up for further consideration at a subsequent session.

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### SIMULTANEOUS OPERATION ON SAME WAVE APPROVED

Unlimited operation for two Pennsylvania broadcasting stations which have been sharing night-time hours on 1200 kc. was recommended to the Federal Communications Commission this week by Chief Examiner Davis G. Arnold.

Station WKBO is located at Harrisburg, Pa., and Station WEST at Easton, Pa. The two stations operate simultaneously on the frequency 1200 kc. with the power of 250 watts daytime and share time on 100 watts at night. The nighttime hours are divided by mutual agreement between the two stations in such manner that Station WEST has the period from approximately sundown to 8 P.M. and Station WKBO has the remaining nighttime hours.

"The transmitting equipment", Examiner Arnold said, "the antenna and site used by both applicants are satisfactory in connection with the further use of the frequency by each of the stations during nighttime hours.

"Based upon measurements which have been presented at the hearing, it is not expected that the simultaneous operation of Stations WEST and WKBO at night would cause mutual objectionable interference within the normally protected good service areas of any licensed broadcast stations, or with each other."

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### BULOVA PLAN FOR N.Y. STATION STRIKES SNAG

The plans of Arde Bulova, New York watch manufacturer, for a new full-time New York City broadcasting station have hit a temporary obstacle in Washington.

The Federal Communications Commission has referred to an Examiner for hearing the application of Bulova for the purchase and closing down of Station WPG, Atlantic City, N.J. Mr. Bulova wants to merge WGP and WBIL, which share the 1100 kc. frequency. The New York station is expected to be the key to a new Atlantic seaboard network reaching from Georgia to Massachusetts.

Although the FCC made no explanation, the hearing order was believed to have been prompted in part, at least, by pressure from Capitol Hill. Critics have commented on the ease with which Bulova has extended his stake and acquired better facilities over the past four or five years.

The WPG-WBIL merger would complete involved negotiations which dates back three or more years.

Beginning with his acquisition of WOV from the late John Iraci - for which he put up approximately \$300,000 two years ago - and extending through his acquisition of the Paulists' station WLWL, for which about the same sum was paid, Bulova has made a persistent attempt to break into the New York radio scene.

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#### SIGNAL CORPS HAD AUTO RADIO IN 1904

The automobile radio set, although on the market only a few years, is actually 34 years old, according to the U. S. Signal Corps. An experience with a radio-equipped Signal Corps radio set in 1904 is recalled in the current Signal Corps Bulletin.

"Thirty-four years ago the Signal Corps was already working with automobile field radio", the report states. "Two equipments were receiving attention at that time. One was a heavy Telefunken spark set which required three vehicles; ' a power car, an apparatus car, and an implement car.' Balloons or kites were used to raise the aerial wires. The implement car was provided with the necessary tools and a reserve 'benzine reservoir' for the power car. The power car had a 1 kw. a-c generator and a d-c generator, both coupled to a 4 horsepower 'benzine' motor. The d-c generator supplied current for the field of the a-c generator and for charging the storage batteries. The power car also carried a cable drum for hauling in the balloon used to support the antenna. A counterpoise consisting of a wire netting, or a metallic cylinder, was used. This heavy radio set was tested by the Signal Corps but was considered too cumbersome and complex.

"The lighter short-distance set was considered more applicable to our needs. Power was supplied by two 10-volt storage batteries. There was no antenna mast. The single vertical antenna wire was supported by a tall tree or by a telegraph pole. The following comments were taken from a report by Maj. George O. Squier, Signal Corps:

"After a little practice, two men, a sergeant and a corporal of the Signal Corps, one a good lineman and the other the chauffeur of the machine, who also acted as telegraph operator, could install a sending station in 10 to 15 minutes. A receiving station is even less trouble to install, since there is nothing to transport except what can be carried in the hands.

"The best field system of wireless telegraphy for the Army will result only after careful, tedious, and exhaustive experiments, and tests under the exacting conditions of actual war, for the extravagant and enthusiastic claims of inventors have nowhere to be received with more caution than in practical wireless telegraphy."

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:::: TRADE NOTES ::::  
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The meeting of the Board of Directors of the Radio Manufacturers' Association has been postponed from October 12th until Thursday, October 20th, on account of conflicting engagements of several Directors. The meeting is scheduled to be held in New York City.

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The National Broadcasting Company this week was granted a license to cover its construction permit for a television broadcasting station (W2XBT) in New York City. The station will use 92,000 kc. for aural channel and 175000-180000 kc. for visual channel.

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The Chicago Federation of Labor has been granted a motion to continue the hearing on its application for renewal of license for short-wave Station W9XAA, Chicago, from October 5th to December 5th.

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The "Nation's School of the Air", which begins its eleventh consecutive season over WLW, Cincinnati, October 10th, will be aired this year over the Mutual Broadcasting System, Joseph Ries, WLW Educational Director, has announced. The programs, broadcast for the classrooms of the country, will be heard Mondays through Fridays, 10 to 10:30 A.M., EST.

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ARGENTINE STARTS PROPAGANDA BROADCASTS

Argentina begins a new series of weekly radio broadcasts, for the purpose of transmitting news of its developments to foreign countries, under the auspices of the Ministry of Foreign Affairs, the U. S. Commerce Department reports.

The program will be broadcast each Friday afternoon through the Government station LRA, on frequencies of 18,115 and 9,690 kilocycles. A program at 3 P.M. will be directed toward Europe, and will be broadcast in Spanish, French, English and German. A program at 5 P.M. will be directed on the Western Hemisphere in Spanish, French, English and Portuguese.

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## CBS ANNOUNCES CHANGES IN NETWORK

The following changes in the CBS network affiliations were announced this week by William C. Gittinger, Sales Manager:

"On October 15, KNOW, 100-watt station located in Austin, Texas, ceases to be a Columbia outlet. At that time, KTSA, San Antonio - now sold in conjunction with KNOW, at \$250 per evening hour - returns to the base rate of \$175 per evening hour which it had before KTSA and KNOW were sold as a unit.

"By the end of the year, KRLD, Dallas, plans to be in operation with a new 10,000-watt transmitter, adding 25 to 40 miles to the radius of its present primary area, and increasing the efficiency of its signal within that area by almost 50%. With the improved and increased coverage of KRLD, Columbia's affiliation with WACO, 100-watt station in WACO, will terminate as of February 1, 1939."

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### RADIO CALLED PEACEMAKER BY COLUMNISTS

"Broadcasting is credited with playing an outstanding part in preventing the outbreak of a European war last week", Variety comments. "By keeping the people of the world closely apprised of every move that was being made in the diplomatic shuffle and by having the spokesmen for each country present its case direct to the people of the world, radio was able to mobilize international opinion with a quickness and mounting vigor that could not help but exert a firm impression on even Hitler.

"In turning in what rates as its most momentous job to date, radio had, it is also pointed out, proved itself the world's No. 1 potent force for peace. Through its ability to disseminate information to millions instantaneously and penetrate censorship, broadcasting gave a glasshouse aspect if only fleetingly to the most secretive acts of the world's rulers.

"Recognition of radio's superior role during the 21 days that kept the world on the jitterseat was contained in last Friday's (30) columns of two Scripps-Howard writers, Heywood Broun and Raymond Clapper. Under the subhead 'Radio Conquers Isolation' Broun wrote, 'It seems to me that only now have we begun to appreciate the value of new methods of communication. Radio has been an enormous factor in conquering the dead and deadly weight of isolation. Indeed it seems to me that whether this be a peace or a lull, it has been won by radio and Roosevelt. Hitler's speech, as broadcast from Berlin, did more to consolidate opposition to Fascism than any other single factor in our time.'

"Clapper further commented, '. . . behind all of this was the massive world-wide opinion against war, more thoroughly informed this time, swelling up through every channel of communication . . . and providing the motive power that drove the statesmen to the last ounce of their power.'"

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

MAIL  
BROADCASTING CO. INC.  
LEGAL DEPARTMENT  
RECEIVED  
OCT 13 1938

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October 11, 1938

McNINCH CIVIL SERVICE LETTER IS BARED

Copies of the letter written by Chairman Frank R. McNinch, of the Federal Communications Commission, to the Civil Service Commission were being circulated among members of the Commission and FCC staff last week as the Commission awaited Mr. McNinch's return before taking further action.

With an intra-Commission fight in prospect, the reasons advanced by Chairman McNinch for wishing to exempt a half-dozen groups of employees from Civil Service were being studied and assailed.

The letter listed the following positions which the FCC Chairman asked to be exempted from Civil Service:

Chief Examiner and all trial examiners, all attorneys, one confidential clerk for each member of the Commission, one secretary each to the General Counsel, Chief Engineer, Chief Accountant, Chief Examiner and Secretary, the Director of the Division of Information, and a general group of "experts".

The correspondence, including an accompanying memorandum to the Commissioners, disclosed that Chairman McNinch had sent the letter to the Civil Service Commission without consulting his colleagues. He explained that his illness had prevented his taking the matter up at a regular meeting.

"Under the new regulations", he said in the memorandum, "the Commission will have the option, assuming the request in the letter is complied with, of either filling these positions through non-competitive or competitive examinations. For this reason, it seems desirable to leave the Commission free to exercise that option with respect to these positions rather than foreclose us from so doing by failure to make an appropriate request of the Civil Service Commission."

Seeking to justify the request to the Civil Service Commission, the FCC Chairman said in his letter:

"The position of Chief Examiner is recommended for exception for the reason that the incumbent thereof heads a department of the Commission to which is committed the task of presiding over a large majority of the hearings ordered by the Commission to determine the merits of applications and complaints filed with the Commission, and to prepare reports of the facts therein presented, and to make recommendations concerning the final disposition of such applications and complaints. The Chief Examiner is called upon to



advise the Commission with reference to the formulation of Commission policy, practice, and procedure; and to see that such policies, practices, and procedures as are formulated by the Commission are carried out in the hearings before Examiners and in the Examiners' reports and recommendations. The performance of such duties by the Chief Examiner creates a highly confidential relationship between the incumbent of that position and the members of the Commission, and the proper filling of such a position requires a high degree of latitude for selection of a person who will personally merit and receive the confidence of the members of the Commission. Such a question of personal fitness cannot be resolved by a system of competitive examinations.

"The positions of trial examiners are recommended for exception on grounds directly related to reasons given above in support of excepting the position of Chief Examiner. The incumbents of these positions literally sit in place of the Commissioners in presiding over public hearings and their conduct therein directly reflects upon the Commission and its work. In addition to being learned in the law and all aspects of the Commission's regulatory activities, an examiner must have a personality and character which will conduce to the creation of a fair, unbiased, and judicial atmosphere. These essential prerequisites are difficult, if not impossible, to determine by any system of competitive examinations.

"The positions of attorneys are recommended for exception for the reason that the incumbents of these positions have the duty of rendering legal counsel and advice to the Commissioners, collectively and individually, on the many confidential and important matters pending before the Commission - matters which often directly concern and affect Commission policy. The highly confidential relationship that has always been considered to exist between attorney and client, exists here to the fullest extent. For instance, the attorneys are used by the Commissioners to assist them in writing decisions on cases pending before the Commission, during the course of which the attorney and Commissioner must engage in a full and frank discussion of the merits of the case. It would be a source of embarrassment to the Commission should the matters discussed and opinions expressed in these confidential conferences be related to outsiders. Whether such confidences should or should not be placed in any particular person is a question which cannot be resolved by an objective examination on the person's knowledge of the law, graded by an examiner who cannot possibly judge for the Commission the personal fitness of the person for the trust that must be reposed in him.

"The reasons for excepting the positions of confidential clerk to each Commissioner and a secretary to the head of each department are likewise grounded on the extremely confidential nature of the duties of each. The success they attain in performing these duties rests in a large measure upon their ability to occupy such positions of trust to the satisfaction of their principals. Each Commissioner occupies a policy-making position and is aided and counseled therein by the heads of the departments.

One of the most vital and confidential duties of a Commissioner concerns the establishment and maintenance of communications in such a manner as to adequately meet the needs of national defense. Clerical, stenographic and related tasks concerning national defense matters must be delegated to the Commissioner's confidential clerk, who must be trusted to keep such matters in strictest secrecy. It would seem imperative that the employment of confidential clerks and secretaries to these officials should not be limited by the competitive examination system. Often a newly appointed official will be enabled to assume and fulfill his new duties with greater ease and effectiveness if he is permitted to bring with him a confidential clerk or secretary who has been previously retained by him in that capacity, but who could not be appointed under the competitive examination system.

"The reason for excepting the position of Director of the Division of Information lies in the fact that the incumbent of this position is entrusted with the duty of releasing information concerning Commission matters, the proper performance of which requires that the Director be fully informed of all Commission matters. Having been so informed, it is essential that the Director exercise a great amount of discretion and judgment in releasing information to the press and the general public, and he must at the same time guard all confidential information carefully. Whether or not a person is competent to accept such a position of trust depends upon personal characteristics not capable of determination through a system of competitive examination.

"The recommendation for the exception of experts merely proposes the extension of a practice permitted in the past of employing various experts to temporarily assist and advise the Commission. These experts are generally required on such short notice and must possess such special qualifications as to make appointment through a system of competitive examinations wholly impracticable. The requirements of such a system would often stand as a bar to the fulfillment of an urgent need for expert aid and advice.

"In making the above recommendation of positions to be excepted from the competitive classified Civil Service, the Commission considers that the proper performance of the duties assigned to each requires freedom of removal of any incumbent who should become unsatisfactory for any reason, even though such reason might not support removal from a competitive classified Civil Service position."

(See follow-up two or three pages further on in this issue)

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Broadcast licenses in Eire increased during 1937 by 13,240, or 13.4 percent, bringing the total up to 112,192, or one license to every twenty-seven of the population, as shown in a report just issued by Radio Eireann.

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## NAB VIEWS WTCN CASE WITH ALARM

As the Federal Communications Commission delayed action on the WTCN "censorship" case, the National Association of Broadcasters viewed the matter with alarm in its weekly bulletin.

"The threat of government censorship put in a surprise re-appearance last week when the Federal Communications Commission cited WTCN for hearing because of its broadcast of the Eugene O'Neill play, 'Beyond the Horizon'", NAB said.

"And though the concern first spread throughout the radio industry has somewhat lessened because of the Commission vote to reconsider the case, the spectre of a governmental control of radio program material enforceable with the six months licensing power in the hands of the FCC, continues to spread alarm throughout many areas of important American public opinion.

"Editorials and press comment, from both the conservative and liberal press, vigorously opposing any type of government censorship, have been received at headquarters. In Houston, Matthew Woll, veteran labor leader, openly stated that labor was opposed to any government muzzling and asserted that freedom of radio 'is something worth any struggle to protect and maintain.'

"NAB headquarters is keeping in direct touch with the situation for such action as may be needed.

"This is in line with the attitude expressed by President Neville Miller in his first public address delivered shortly after he took office:

"Any threat to gather the freedom of radio unto the bosom of a government, of a bureaucracy, or of a monopoly must be resisted. . . . Any invasion of our free competitive system of American broadcasting from any quarter whatsoever will meet with all the resistance at my command, and I believe as well with the determined resistance of the people who own and use the thirty million radio sets operative throughout America."

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SUPREME COURT TO REVIEW RCA-MACKAY SUIT

The U. S. Supreme Court agreed yesterday (Monday) to review a lower court decision that the Mackay Radio & Telegraph Co. had infringed radio antenna patents held by the Radio Corporation of America. The Mackay firm, contending it constitutes the only competition to the world-wide communications operations of RCA, appealed from the second Circuit Court.

As a result of the decision, said Mackay, the Radio Corporation "becomes vested with a complete monopoly in public service radio telegraph communication."

The firm contended its antennas "differ radically" from those used by RCA.

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HEARST SELLS WINS TO BLOW BROADCASTING CO.

Climaxing the disposal of his radio properties, William Randolph Hearst has sold Station WINS, of New York, to Milton H. Blow, New York advertising man and President of the Blow Broadcasting Co., which operates WAAM, Newark, it was disclosed this week.

The price in the deal, which is subject to approval of the Federal Communications Commission, was not revealed. Previously, however, it was reported that Col. Arthur O'Brien, of Seattle and Washington, D. C., was going to buy the station for \$250,000.

E. N. Stoer, Comptroller of Hearst Radio, Inc., said that all but two of the Hearst radio properties were to be sold to perpetuate the Hearst publishing interests.

Just what effect this will have on the highly-paid job of Elliott Roosevelt, who is President of Hearst Radio, Inc., was not known immediately. It is believed, however, that he will withdraw to manage his own and his wife's radio interests.

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WFIL SUIT MAY PROVE TEST CASE FOR POLITICS

A libel suit filed last week in Philadelphia against Station WFIL and its president, Samuel R. Rosenbaum, may prove a test case of what constitutes libel in political speeches made over the air.

The suit, one of six, was filed by M. L. Annenberg, publisher of the Philadelphia Inquirer, as an outgrowth of Pennsylvania's turbulent campaign. The immediate complaint was an address made over WFIL by Senator Joseph F. Guffey (D.), of Pennsylvania.

Before the speech, over radio station WFIL, attorneys for Mr. Annenberg advised the station they believed the speech libelous.

Mr. Rosenbaum replied, offering Mr. Annenberg "the facilities of this station and network on equal terms."

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PAYNE, CRAVEN RAP McNINCH CIVIL SERVICE REQUEST

Culminating an intra-Commission fight over the letter Chairman Frank R. McNinch, of the Federal Communications Commission, sent to the Civil Service Commission (see lead story), two FCC members this week urged the latter body not to grant the request for exemption of some 75 FCC jobs from the merit system.

The letter was written by Commissioners T.A.M. Craven and Gecrge Henry Fayne. It follows in full:

"Please be referred to a letter of Chairman Frank R. McNinch, addressed to your Commission under date of September 23, 1938, in the matter of certain exemptions from the Civil Service provisions recommended by him.

"Please be informed that up to September 30, 1938, the undersigned members of this Commission were not aware that this letter had been sent and that at no time had they been consulted as to its contents.

"It is noted that the Chairman recommends for exemption under Section 2 of Executive Order Number 7915 about sixty positions on the staff of the Federal Communications Commission now under Civil Service. We have studied this matter very carefully and our deliberate opinion is that these positions should not be so exempted. None of the positions listed is either policy-making or any more confidential than other positions on the staff.

"Under Section 4 (f) of the Communications Act of 1934, Congress has specifically exempted a number of positions which are policy-making or confidential, and the judgment of our legislators at the time seems to hold good today. All other positions were expressly made subject to the Civil Service provisions and it is likely that your Commission is without power to exempt them.

"We want to say further that the wholesale exemption of positions like these seems to be entirely contrary to the spirit of the Presidential Order and not in keeping with the President's policies as to Civil Service matters.

"In any event, this subject has not been up for discussion before the Commission and we have not had an opportunity of examining it before the letter was sent.

"We therefore strongly recommend that no action whatever be taken in the matter before this Commission has had an opportunity to make a deliberate decision."

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## CHURCH COUNCIL OPPOSES CENSORSHIP OF RADIO

While having no bearing on the current WTCN case, the Federal Council of the Churches of Christ in America this week warned against any form of censorship of radio programs by the Federal Communications Commission.

Releasing a report entitled "Broadcasting and the Public", the Council sought to point out the difficulty "of building up social controls in the form of law and usage for the governance of a private enterprise which seeks to utilize discoveries and inventions in which the community has much at stake".

As reported in the New York Times, the Council had this to say about government censorship:

"No administrative government agency is wise enough to be entrusted with power to determine what people shall hear. Freedom of radio is almost if not quite as important as freedom of the press. If either is curtailed, our political and religious liberties are imperiled. For this reason we believe any attempt to regulate utterances over the radio by an administrative government agency, except within canons of decency, propriety and public safety clearly defined by statute, is dangerous and contrary to public policy."

Since the Council recognizes that radio channels "constitute a natural monopoly", it is suggested that ways should be found to keep wavelengths in the hands of broadcasters who serve the public "interest, convenience and necessity".

To accomplish this it is proposed that the Federal Communications Commission, which is charged by law with the responsibility of assigning frequencies, should be responsive to community opinion concerning the merits of past services rendered by applicants for the use of wave-lengths.

To guard against political interference and undue influence by self-appointed critics, the survey recommends that permanent, voluntary associations representing the cultural interests of the community accept responsibility for appraising radio programs. Such groups would include educational associations, chambers of commerce, labor unions, medical societies, religious bodies and other permanent cultural associations which represent a valid community interest.

To avoid an increased centralization of cultural activities under the government, voluntary associations must function more vigorously and conscientiously in the development of standards to govern broadcasting as a public service, the survey contends.

"We cannot fairly demand", it says, "that the industry be responsive to public need without making provision for the intelligent and considered expression of that need."

Of the process of democratic control the report declares:

"The continual evolution of standards that reflect the intellectual, esthetic and moral judgment of the community and bear testimony to a will on the part of the industry to be responsive to the demands of the community - this is the heart of the problem of social control in a nation which deliberately rejects an unlimited concentration of power in the hands of government."

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### RADIO WAR NEWS BOOSTED PRESS SALES, SAYS WRITER

Instead of curtailing newspaper sales, radio's coverage of the European war scare actually boosted them, in the opinion of Leland Stowe, Paris correspondent of the New York Herald-Tribune, who was in New York at the time.

Acting both as interpretative writer for the Herald-Tribune and radio commentator for NBC, Mr. Stowe was in a position to see both services in action. Writing in Editor & Publisher last week, he said:

"Did NBC's radio news beat detract from public interest in the next morning's newspapers? I doubt very much that this was the case. Although I was in the radio news room when Max Jordan's voice throbbed dramatically into our ears with the biggest news in many years; although I was as much on the inside as anyone could be on this side of the Atlantic, I was more anxious than ever to read every word out of Munich, and all European capitals, in the metropolitan morning press. I wanted all the little details. I wanted to know what correspondents on the spot wrote and thought. I wanted to see this epochal news and weigh it in cold print. I believe most people felt the same way.

"In fact, it seems apparent that newspaper sales remained abnormally high throughout the long and dramatic crisis over Czechoslovakia. It would appear that radio, far from displacing the daily press, actually supplemented the newspapers and whetted public appetite for the complete story in printed form.

"In this respect another factor may be mentioned. People like to get the considered opinion of qualified experts on a world-stirring event like the Munich Four-Power agreement. To get this they read their own newspaper's editorial columns and they read their favorite columnists.

"In the field of radio it is unfortunately still true that there are lamentably few commentators who have studied foreign politics at first hand and are thoroughly familiar with international affairs. Columbia's H. V. Kaltenborn is a noteworthy exception to the general rule as his remarkable broadcasts through-

out the Czech crisis clearly demonstrated. But it remains true, in the realm of interpretation of European affairs and events abroad in general, that the American radio systems have not yet equipped themselves to compete with the newspaper columnist or editorial writer. Even if they should do so in the future it seems highly probable that the radio foreign news commentator's conclusions, more often than not, would excite speculation as to how these opinions would jibe with those of our most famous newspaper columnists. Once again radio might well whet the public's curiosity about tomorrow morning's newspaper.

"These conjectures are all raised by the recent experience in which radio had the world by the ears for almost three weeks on end. As a newspaperman I do not yet see any serious cause for alarm in this phenomenon, although others may view things in that light. But the fact remains that once the world's ears are opened it simply will not close them.

"With radio news dissemination unquestionably reaching maturity in the crisis, even though it is still in its early twenties, perhaps this foreshadows gradual but important changes in our newspapers' make-up and technique. Perhaps eventually it will mean that newspaper headlines will become less important, and what's underneath them will become increasingly more important. Based upon a rather limited experience in one field and a fairly long experience in the other, I would be inclined to believe that radio and the daily press - for a considerable period yet to come - will continue to be a counter-balancing and supplementary agency, one to the other.

"If radio news coverage has suddenly grown up, this momentous event need not imply that American journalism is in its dotage. To be reasonably well-informed in this complex and maddening world undoubtedly we shall greatly need the intelligent services of both radio and the press. A writing man, who also likes to speak occasionally, would ardently hope so!"

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#### NEW RADIO DEVICE ADDS TO SAFETY OF FLYING

Long an aid to fliers, radio has again contributed to the safety of flying with a new instrument that will register for a flier at all times his height in the air over land or water. The instrument is an "absolute" altimeter which will tell pilots the plane's exact distance above ground.

The new instrument was developed by the Western Electric Co. and United Air Lines. It uses the shortest radio wave ever employed in aviation, officials said.

Members of the Civil Aeronautics Authority, the Air Safety Board and United States Army and Navy officials viewed the new altimeter yesterday (Monday) at Washington Airport.

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 ::: TRADE NOTES :::  
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The Federal Communications Commission last week set for further hearing before an Examiner the case involving the license agreement between the Radio Corporation of America and the Globe Wireless, Let., in which other telegraph companies are involved. The date for the rehearing is November 23rd.

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Misrepresentation of the quality and effectiveness of certain cosmetics and preparations for the hair is alleged by the Federal Trade Commission, in a complaint issued against J.W. Marrow Manufacturing Co., 3037 N. Clark St., Chicago, a radio advertiser.

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For outstanding contributions to the advancement of fine music in America, Dr. Franklin Dunham, NBC Educational Director, has been made an honorary fellow in Trinity College of London. The award, voted to Dr. Dunham at a meeting of the Board in London last Monday, will probably be bestowed in New York early next Spring.

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A hearing has been scheduled by the Federal Communications Commission for December 12th before an Examiner on the Telegraph Division Order No. 12 dealing with "the justness and reasonableness of the ratio between the charges for ordinary and urgent messages (except press urgent messages) as prescribed in the tariffs of respondent carriers; and the existence of discriminations, prejudices, or disadvantages resulting from such ratio."

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Larry Elliott, Washington radio announcer, has left Station WJSV to join the announcing staff of the Columbia Broadcasting System's parent station, WABC, in New York City. Mr. Elliott has been with Station WJSV since October 26, 1925, when the station went on the air for the first time. He had experience as an announcer at other local stations.

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The Pittsburgh Sun-Telegraph dropped its radio comment column October 3rd. The Sun-Telegraph station, WCAE, advertised its detailed program in the Sun-Telegraph.

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The Metropolitan Police Department, of Washington, will ask the Federal Communications Commission soon for licenses to operate a two-way short-wave radio system in eight police cars, Maj. Ernest W. Brown, Police Superintendent, said. He explained that the system will be installed car by car as contingency funds permit until the eight cars are equipped. They will be operated on an experimental basis, and if the system proves successful, Congress will be asked for funds for general installation.

10/11/38

CREDIT FOR PEACE DUE RADIO, SAYS NEWSPAPER MAN

"Much of the credit" for averting another European war "will have to be given the radio", Howard Vincent O'Brien wrote in the Chicago Daily News last week.

"Never before has public opinion been so promptly and so thoroughly mobilized. It has been thrilling to think that as I sat listening to the words of a statesman, spoken by himself, millions of people, from Dan to Bersheeba, were also hearing them", he said.

"It was thrilling, too, to listen to short-wave broadcasts from the various nations of the world, each one reeking with propaganda, each one whining like a peddler for my approval. It made me feel immensely important - and a little dangerous! I, an obscure individual, was being asked to cast my vote, for or against. The lords of the world were on their knees to me, a person of no consequence on the face of it, yet by this solicitation given to understand that he was very consequential indeed.

"In those thrilling moments all the nonsense that has been uttered about 'propaganda' was blown away. Propaganda ceased to be the insidious peril we have been assured that it was. It became simply ridiculous. . . .

"No longer are we obliged to take what somebody says about somebody else and swallow it as gospel. It is one thing to read or hear that Hitler is crazy; and it is very much another to hear Hitler.

"The idea grows on me that if the dictator disappears from our earthly stage it will be because of the radio. One may read of Mussolini addressing an ecstatic throng at Vicenza and be impressed. His reaction is different when he hears that funny little man screaming nonsense like a barker on the tailboard of a patent-medicine wagon.

"Stalin, alone, has kept his head. He remains awesome and mysterious; but one of these days he will make the mistake of going on the air. Then he will be just another little man, trying to sell me a bill of goods.

"It all makes me think of those splendid words of John Milton:

"'Though all the winds of doctrine were let loose to play upon the earth, so Truth be in the field, we do ingloriously, by licensing and prohibiting, to misdoubt her strength. Let her and Falsehood grapple; who ever knew Truth put to the worse in a free and open encounter?'

"That is what the radio is doing. It is giving us a free and open forum for the exploitation of the ideas which affect our destinies."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

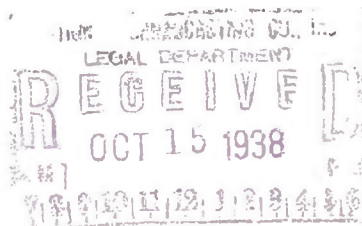
WASHINGTON, D. C.

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No. 1166



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## GARY OUSTED AS McNINCH "PURGE" GETS UNDER WAY

Inaugurating a "purge" of employees of the Federal Communications Commission not acceptable to the Chairman, Frank R. McNinch this week brought about the abrupt dismissal of Hampson Gary as General Counsel and admitted that other personnel changes are imminent.

Mr. Gary, who has been General Counsel for more than three years and who was one of the original members of the FCC, was summarily ousted Thursday after he had refused to resign and accept a transfer to the Reconstruction Finance Corporation.

Appointed as his successor was William J. Dempsey, 33-year-old legal aide to Chairman McNinch, who is said to be a protege of Thomas G. Corcoran. Mr. Dempsey, who has been acting as Special Counsel of the FCC for the forthcoming monopoly investigation, is the son of Representative Dempsey (D.), of New Mexico. He formerly was an Assistant Counsel at the Federal Power Commission when Mr. McNinch was its Chairman.

The change was made effective at once although Mr. Gary was allowed accrued annual leave due him until December 15th. Until that time Mr. Dempsey will be Acting General Counsel.

Mr. Gary's dismissal followed a bitter intra-Commission fight in which Commissioners George Henry Payne and T.A.M. Craven came to his rescue.

The ouster vote was 4 to 2 with Commissioners Eugene O. Sykes and Thad H. Brown supporting the Chairman. Commissioner Norman S. Case was absent due to illness. Commissioner Paul A. Walker also backed up Mr. McNinch.

A resolution adopted by the Commission stated that Mr. Gary's dismissal was "necessary for the proper and efficient discharge of the functions of the Commission". Chairman McNinch, in answer to a question by Commissioner Payne as to what charges were made against Mr. Gary, said that he was guilty of "inefficiency in the conduct of the Law Department". Commander Craven sought to have the meeting postponed until the charges could be investigated, but the Chairman curtly refused. It was also suggested that Mr. Gary be heard, but again the Chairman demurred.

Previously, on Wednesday, Chairman McNinch had asked Mr. Gary to resign and to accept the transfer. It was said that Jesse Jones, head of the RFC, also had talked to him.

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At a press conference yesterday (Thursday), Chairman McNinch stated that he had the full support of President Roosevelt in the FCC shake-up, which he denied is a "a purge".

"I have talked with the President", he said, "and I know that I have his support in what I have done and what I intend to do."

Asked about other rumored personnel changes (see story elsewhere), Mr. McNinch admitted that they are in prospect.

"They have not fully matured", he said, "but they will mature rapidly. The number is indefinite but not large."

Reported to be on the "purge" list are Davis G. Arnold, Chief Examiner; T. J. Slowie, Commission Secretary, and G. Franklin Wisner, Chief of the Press Information Division.

One unconfirmed report was that John B. Reynolds, Assistant Secretary, will be promoted to Slowie's job, although a Republican. He already has had a salary increase of \$2,800 under the New Deal.

Chairman McNinch denied he had any intention of replacing all of some 60 Civil Service employees whose jobs he has asked the Civil Service Commission to exempt from the merit system.

He also criticized Commissioner Payne for reportedly releasing copies of his letter to the Commission and Commissioners Payne and Craven for sending a separate letter to the Commission objecting to Mr. McNinch's request. The reason he did not show the two Commissioners the letter before sending it, he said, was that they were not in their offices that day.

"I have communicated with the Civil Service Commission", he said, and I find that the Commission itself has taken no action despite the statement by Chairman Mitchell.

"Besides", he added significantly, "the Commission may only recommend exemptions. The final decision is up to the President."

The Civil Service exemptions, he said, "applied solely to future employments" and not to present personnel. He added that he could only wait until February 1 to make some of the changes he contemplated.

Just what procedure Chairman McNinch will follow in ousting the Civil Service employees marked for the "purge" was uncertain, but he intimated that it may be accomplished by transfers, abolition of positions, or the filing of charges with the Civil Service Commission.

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As the split within the Commission widened, it appeared likely that the Gary dismissal may bring about a long-delayed Congressional investigation of the Federal Communications Commission and the broadcasting industry.

Mr. Gary, a Texan, is understood to have the backing of such Texans on Capitol Hill as Vice President Garner, Majority Leader Rayburn and Senator Sheppard.

The FCC inquiry was blocked in both the House and the Senate last year by Administration spokesmen, who asked that Chairman McNinch be given more time to "clean house".

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#### MONOPOLY HEARING POSTPONED UNTIL NOV. 14

Postponement of the Federal Communications Commission's investigation of radio networks and charges of monopoly from October 24th until November 14th was announced Thursday by Chairman Frank R. McNinch.

The reason for the delay, Mr. McNinch said, is that a large number of appearances have been entered by transcription companies and that more time would be needed to schedule all parties who wish to be heard.

The hearing will begin, incidently, on the same day that the larger Congressional monopoly probe starts.

Besides the networks, the parties that have notified the FCC of intention to appear at the hearing include the following:

The Committee for Industrial Organization, which charges censorship of labor talks and news by certain stations; the American Society of Authors, Composers and Publishers, on account of the copyright issue; the NAB Bureau of Copyrights; the National Committee on Education by Radio; the American Federation of Musicians; the World Broadcasting System; the Radio Transcription Producers' Association; the RCA Manufacturing Co. and the Westinghouse Electric & Manufacturing Co.

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The Federal Communications Commission this week denied an application of the Colonial Broadcasting Co. for a construction permit to establish a new broadcasting station at Morrostown, N. J.

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10/14/38

### McNINCH SCOFFS AT RUMORS OF SERIOUS ILLNESS

Just out of Naval Hospital, Chairman Frank R. McNinch of the Federal Communications Commission, appeared at a press conference yesterday (Thursday) in a jocular mood, scoffing at reports that he had been seriously ill.

"The rumors that I have been suffering from some malignant malady and that I might die or resign are entirely without foundation", he said. "The doctors have told me that every vital organ in my body is sound and that I am in better shape than I was twenty years ago. Tomorrow I am going to take my first horseback ride in several years."

Questioned by newspapermen as to his ability to ride, Chairman McNinch said:

"I can ride horses, too."

Mr. McNinch first went to Naval Hospital in mid-Summer because of a stomach ailment. He returned to his office for a few days in the early Fall and then returned to the hospital for "a check-up". He remained there about two weeks.

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### NEW RADIO DIRECTION FINDER SUCCESS IN TEST

Following closely on the heels of test flights with a new radio altimeter, an automatic radio direction finder was tested this week in New York City and found successful in keeping a plane on its path.

The device was developed during several months of secret flight tests by the Sperry Gyroscope Company, of Brooklyn, and the RCA Manufacturing Co. It was tested publicly with an air liner carrying sixteen passengers.

A dial placed on a mounting in the center of the pilot's cockpit shows by the direction of a needle, actuated by the radio device, the precise direction from which radio signals to which it is tuned are emanating.

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## McNINCH BALKED ON CIVIL SERVICE EXEMPTION REQUEST

While balked in his request for exemption of some sixty top-ranking employees from the Civil Service system, Chairman Frank R. McNinch this week returned to his office from Naval Hospital suddenly, and indicated he had not abandoned his attempted "purge".

Just what move the Chairman will make next to oust some of the employees that he is known to dislike was not known at once, but unness among the FCC personnel was apparent throughout.

Harry B. Mitchell, Chairman of the Civil Service Commission, denied Mr. McNinch's request shortly after receiving a protest from Commissioners George Henry Payne and T.A.M. Craven.

He described the FCC Chairman's request as "neither in harmony with the letter or the spirit of the President's Executive Order".

"The Civil Service Commission would not agree to except whole classes of employees", he said. "Under the general statement which we issued sometime ago, we would not make any sweeping exclusions such as McNinch recommended."

With the sudden return of McNinch to his office from Naval Hospital, where he has been confined for the past two weeks, it became apparent that he was not going to let the matter rest.

Other members of the Commission insisted that the Chairman intended to go ahead with his proposed "purge", at least to the extent of trying to effect the dismissal of three of the sub-officials now protected by Civil Service. They are:

T. J. Slowie, Secretary of the Commission, who is said to have had the endorsement of James Roosevelt, son of the President, when appointed a year or so ago.

Davis G. Arnold, Chief Examiner, a Civil Service employee for 17 years.

G. Franklin Wisner, Chief of the Information Service, a Civil Service employee for 12 years, who has survived several political turn-overs since the founding of the original Federal Radio Commission.

Also several members of the legal staff.

Chairman McNinch's request to the Civil Service Commission was attacked in a letter signed jointly by Commissioners George Henry Payne and T.A.M. Craven and apparently reflecting widespread unrest among Communication Commission employees.



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Commissioners Payne and Craven charged that Chairman McNinch had acted secretly and without consulting the full Commission membership. They urged the Civil Service not to act until a "deliberate decision" could be made.

"Commissioner Craven and myself", Mr. Payne declared, "when we found that the many fine people employed by the FCC were completely disorganized by this attack on their position and standing in the Government service, felt there should be some public statement as to opposition. In the four years that we have been trying to build up the Communications Commission so it would be responsive to public service, it was most essential that the employees should know that they would find loyalty and appreciation of merit."

Commissioner Payne made public a copy of Chairman McNinch's letter to the Civil Service Commission, together with a memorandum. The letter was dated September 23, the memorandum September 24. Mr. Payne charged that he and Commander Craven had not seen either until September 30th.

Several months ago the Civil Service requested heads of all departments and agencies to submit lists of positions considered policy-determining or for other reasons ruled out of Civil Service status. The largest exclusions - or most certainly the most spectacular ones - have been requested by Chairman McNinch, Commission sources disclosed.

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#### THREE MORE HEARST STATIONS TO BE SOLD

Following the sale of Station WINS, New York, to Milton H. Blow, President of the Blow Co., an advertising agency, E. N. Stoer, of Hearst Radio, Inc., announced this week that negotiations were under way for the sale of three more stations.

They are KOMA, Oklahoma City; KYA, San Francisco; and WISN, Milwaukee.

The sale price of WINS to Mr. Blow will be "under \$200,000", according to Mr. Stoer, who added that earlier plans to sell the station to Colonel Arthur O'Brien, a Seattle lawyer, for \$250,000 had been "dropped by mutual agreement".

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10/14/38

GARY, FORMER FCC COUNSEL, WAS U.S. DIPLOMAT

Hampson Gary, who was dismissed by the Federal Communications Commission this week as General Counsel, has had a varied and distinguished career. Sixty-five years old and a native of Texas, he was an American envoy under President Wilson.

He was appointed one of the first members of the FCC in July, 1935, but served only six months, because of the step-up arrangement adopted to make the appointments irregular. He was succeeded by the late Anning S. Prall and subsequently was named General Counsel.

In 1914 he was made Special Counsel to the Department of State and later became a Solicitor of same. After the entrance of the United States into the World War in 1917, President Wilson sent him as U.S. envoy to Egypt. While serving at Cairo he was in charge also of American interests in Palestine, Syria and Arabia, and was at the front beyond Jerusalem with Field Marshal Lord Allenby for a while in the World War, and in 1919 was called to Paris for technical work with the American Commission to Negotiate Peace.

Switzerland was the next field of Mr. Gary's service, his years of training in the law and in the State Department, practical experience as our diplomatic representative at Cairo, and the added insight gained in questions of world wide significance at the Peace Conference caused the President to nominate him to be Envoy Extraordinary and Minister Plenipotentiary to that country. For several reasons the post was at that time one of the most important in the whole foreign field. The aftermath of war had brought to Berne and Geneva problems touching nearly every nation in the world. They raised difficult questions of international law and diplomacy. Mr. Gary was able to take care of every interest of the United States and received the high commendation of his Government.

Mr. Gary practiced law in Washington and New York City after 1921. He is a member of the American Bar Association, American Society of International Law, Sons of the Revolution, and the New York Southern Society. His clubs include the Metropolitan, Cosmos, Chevy Chase, and Lawyers.

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10/14/38

## CBS PIPES PROGRAM TO PROSPECTS IN UNIQUE TEST

A unique method of demonstrating a proposed program for a nation-wide group of retail merchants was adopted this week by the Columbia Broadcasting System and may lead to the sponsorship of the New York Philharmonic Orchestra.

An orchestral concert was transmitted by telephone from the New York studios of CBS to 108 of its affiliated stations for private audition purposes. The program was not broadcast but was heard by hundreds of merchants in the areas reached.

As described by the New York Times, the program would cost close to \$1,000,000 to produce for 30 weeks and "would be sponsored by the merchants in the local areas, who would share the cost".

The immediate reaction among the Nation's retail merchants was said to be favorable. CBS officials withheld comment until a definite plan of broadcasting was worked out.

The program being considered would feature the thirty concerts of the Philharmonic Orchestra at Carnegie Hall. Interpretations of the music would be given by Deems Taylor, which a prominent radio commentator would serve as the "voice of retailing" in the discussion of the broad aspects of distribution.

The Philharmonic Orchestra has not had a commercial sponsor, but has been broadcast for the last eight years as a sustaining feature by the Columbia System. The initial concert of the present season is scheduled for Sunday afternoon, Oct. 23.

Tuesday's private audition, described as a "capsule version", was undertaken to give merchants in the local territories served by the radio stations the opportunity to indicate their views on the proposal. Upon their decision, it was indicated, will rest whether or not the retail broadcast plan will be carried through.

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## LUTHERAN CHURCH RAPS GOVERNMENT CONTROL OF RADIO

The United Lutheran Church in America, in its closing bi-annual session at Baltimore this week, sounded a warning against Government control of radio on the ground that it might endanger the radio activities of the church.

The layman's radio committee decried the suggestion of Government operation or strict control of radio stations and afterwards S. Frederick Telleen, a member of the committee, commented:

"Doubtless some of you have read or heard so-called arguments for the control of radio broadcasting by the Government. There are dangers inherent in Government control of radio, or shall we say control by politicians, which many people do not realize.

"If any of you are of the opinion that such Government control would be an advantage in any way, I should like to suggest that you inform yourself thoroughly on the subject.

"As it is now, we have made and are making a contribution to the religious life of the country without any dictation whatsoever, a contribution, under the present system, which would be impossible if we had any sort of government control over radio."

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#### HOLLYWOOD RADIO CITY TO OPEN NEXT MONDAY

The ultra-modern studios of the National Broadcasting Company in Hollywood will be opened for business next Monday, October 17th, it was announced this week in Hollywood by Don E. Gilman, NBC Vice-President in Charge of the Western Division.

Operation of the new plant, the final link in a chain of new NBC studios stretching from coast to coast, will begin in a routine manner, with neither fanfare nor formal dedication, eight days after the first nationwide broadcast was staged in the studios by the Hollywood Playhouse last Sunday.

"Hollywood Radio City, the new NBC studios in the motion picture capital, is a testimonial to the importance of the West Coast as a source of entertainment and education", said Lenox R. Lohr, President of NBC. "Many fine broadcasts, enjoyed by millions of listeners throughout America and the rest of the world, originate in Hollywood. These studios, joining the best in artistry and engineering now give Hollywood and the West Coast one of the finest production centers in the broadcasting world."

Replacing studios in Melrose Avenue which were outgrown in three years, the new NBC headquarters is a classical moderne structure standing at Sunset and Vine, the site of the old Famous Players-Lasky lot, cradle of the screen industry. A three-story office building and eight individual broadcasting studios comprise the Hollywood Radio City. Four of the studios, built as individual sound stages after the motion picture plan, seat 350 persons each. Two of the stages, largest in the radio world, have an area of 3,000 square feet each, enough space to accommodate 1,500 standing persons.

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10/14/38

## WASHINGTON MONUMENT TO HOUSE RADIO SET

The famed Washington Monument in the National Capital, will house a receiving set for two-way radio communication to be inaugurated here late in 1940 by the District Fire Department, it was disclosed this week.

The National Capital Parks authorities have given the District permission to utilize the space in the shaft between the spectators' platform and the top of the monument.

Already work has begun to install machinery which, in two years, will pick up messages from automobiles - and even the old fire boat on the Potomac - for relaying to fire alarm headquarters at McMillan Park.

Under a \$500,000 loan and grant to the District from the Public Works Administration the system will be ready for use by June, 1940. At this time, also, the two-way radio system will begin operation for the Fire Department, and possibly the Police Department.

A slice of the \$500,000 allotment was turned over to Herbert A. Friede, Superintendent of the Police and Fire Alarm Systems, for work in the two-way radio field.

Of course, there's always a danger that once the system begins operation, one of the hundreds of thousands of tourists who visit the Monument might take a notion to inspect the receiving set. He says it would take but a snip of a wire to throw the entire system out.

"But we will have the guards there, and it will be very difficult for anyone to reach the spot anywhere", he declared.

The sets will be installed in the fire boat; the car of the Chief Engineer, Fire Marshall, two emergency cars, Deputy Chief, Superintendent of Machinery and Superintendent of the Alarm System.

The police calls and the fire calls will be broadcast on the same wave band. According to the rules of the Federal Communications Commission only one frequency in the ultra high brackets is allowed to a city.

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10/14/38

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::: TRADE NOTES :::  
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Felix Greene, U.S. representative of the British Broadcasting Corporation, stationed in New York, is the only foreign agent engaged in radio work who has registered with the State Department to date.

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The International Telephone & Telegraph Corporation has just published a chart in colors showing the recent international allocations of radio frequencies at the Cairo Conference.

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The Federal Communications Commission this week approved the transfer of Station WJIM, Lansing, Mich., from Harold F. Gross, to WJIM, Inc. which was organized for the express purpose of separating the radio station from Gross's personal business affairs.

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Three more newspapers have again opened their columns to radio chatter and news. They are the Louisville Courier-Journal and Times, the Buffalo Times and the Shreveport, (La.) Journal.

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Harold C. Higgins has been appointed Manager of WOR's western office at Chicago. Higgins formerly was Western Manager for Paul H. Raymer & Co., station representatives. Previous to that he reorganized the sales staffs at WBAL, Baltimore and WEEI Boston, and from 1926 to 1931 served as Sales Manager and later Station Manager of WBZ, Boston.

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A \$189,000 project for a new Coast Guard headquarters radio station, its equipment and site five miles from the District of Columbia line in Virginia, received the approval of Public Works Administrator Harold Ickes this week. Funds will be obtained by the use of previous P.W.A. allotments already made to the Coast Guard.

Coast Guard headquarters said no site had been selected. It was said, however, the new station is to replace the one now being operated at Fort Hunt, Va.

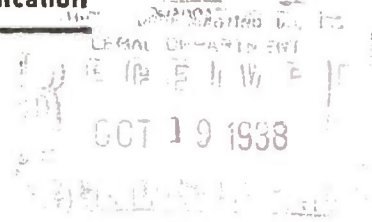
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1167

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October 18, 1938.

## BITTER FCC FIGHT LOOMS OVER WLW REPORT

With the Federal Communications Commission already at logger-heads over the current "purge", the filing of a report by a three-man committee recommending that the super-power broadcasts of WLW on an experimental basis be discontinued this week threatened to intensify the friction.

Following an advance "leak" that recalled a similar premature disclosure on the FCC telephone inquiry, the report was made public on Sunday. It was signed by all three members of the committee: Commissioners Norman S. Case, Chairman; T.A.M. Craven and George Henry Payne.

Immediately it became apparent that other members of the Commission, including the Chairman, will make an effort to reverse the Committee's action. Chairman Frank R. McNinch said at least a month will be required to "study" the report.

Commissioner Paul A. Walker may well be the key man in the final decision as Commissioners Eugene O. Sykes and Thad H. Brown are expected to vote with the Chairman to continue WLW's experimental broadcasts.

The Crosley Corporation has been operating with super-power on experimental license arrangements since 1934. It asked the FCC for authority to continue to use 500 kilowatts power, compared to 50 kilowatts for the next most powerful commercial stations, because it said it wanted to experiment with an antenna structure of wide flexibility.

Following a lengthy recital of the findings at the hearing, the committee set forth these conclusions and recommendations:

"The application of The Crosley Radio Corporation seeks, in effect, continuance of the right to use experimentally 450 kw in addition to the regularly authorized power of 50 kw. Therefore, in addition to the general statutory standard of public interest, convenience or necessity, the Commission must consider the provisions of Section 303(g) of the Communications Act of 1934, which specify that the Commission shall study new uses for radio, provide for experimental uses of frequencies and generally encourage the larger and more effective use of radio in the public interest.

"The facts above outlined show that the applicant in this case has contributed to the technical development of radio and has augmented the general store of scientific knowledge concerning this modern invention. A 500 kw. transmitter has been developed



and its use for regular broadcast operation proven feasible from a technical standpoint. The utilization of this amount of power has also been demonstrated as a method of affording listeners in remote rural areas, as well as in towns which do not have or cannot support local transmission facilities, an improved service. The applicant has been a pioneer in the field of experimentation and normally should be permitted to continue such experimentation, provided, first, that its plan of research is such as is likely to result in substantial contribution to the art of broadcasting and that the successful continuation of said plan requires the use of 500 kw. power; second, that such continuance does not adversely affect other stations now licensed either from the standpoint of interference or economics (or if such adverse effects are present, whether outweighed by other factors), and, third, that the interest of the public in general is served. The latter factor necessarily involves all factors in this case.

"In substances, the applicant's plan of future experimentation is to determine upon and install an antenna structure of wide flexibility, permitting control of the location of the rapid fading area and the placement of the primary and secondary service areas where most needed. These problems rise in their entirety in connection with nighttime operation. During daytime the problem would simply be to obtain as wide coverage as possible from the ground wave. However, power of 500 kw. is not essential to the program of experimentation. The signal radiated by stations may be definitely controlled by varying types of directive antenna systems. The amount of power used has no bearing upon the location of the rapid fading zone, and the signal which would be received from a 500 kw. transmitter at any given point can be readily calculated from the measured signal received from a 50 kw. transmitter. Although it was contended that under the present conditions of propagation, due largely to the extreme sunspot activity, there is not sufficient sky wave signal from a lower powered transmitter in the order of 50 kw. to permit study in the secondary service area, yet conditions at the present time approximate the worst possible and will not recur for about eleven years. In the meantime, sky wave signal propagation will become increasingly better, the tendency will be toward average conditions until maximum efficient propagation conditions are reached about midway of the eleven-year cycle of sunspot activity now beginning. As these conditions improve, experimental studies such as proposed by the applicant may be readily carried on with power of 50 kw.

"Station WOR, Newark, New Jersey, licensed to operate on the adjacent clear channel of 710 kc. with power of 50 kw. has been subject to objectionable interference during the operation of WLW with power of 500 kw. The extension of the authority here sought will result in the continuance of such restriction. Station WOR, being a clear channel station, should normally serve a larger area and population. While some interference would be experienced with each station using 50 kw. power, the degree of interference to be expected is directly proportional to the ratio between the signal strength of the desired and undesired signals. In other words, limitation upon WOR is more objectionable as the disparity of power between the two stations increases.

"Instances are shown in this record where stations within the area served by WLW have experienced difficulty in obtaining commercial support particularly of the type commonly called 'national spot advertising'. However, one such station was able to make a good profit and another a small profit. There is nothing to indicate what profits might have been made without competition of WLW. The wider coverage obtained by reason of higher power has naturally resulted in more widespread competition and included are stations at points far enough removed from Cincinnati to receive little if any competition from WLW using the normal output of 50 kw. power. Although reasonable competition is to be desired, it ceases to be reasonable and becomes undesirable when the effect thereof is to render impossible the operation of stations as media of local self expression. This important factor of public interest must be given careful consideration in distributing facilities to the communities of the nation as a whole. Representatives of WLW in arranging the sale of time with prospective advertisers have stressed the point of the tremendous amount of power and the consequent very wide coverage thereby obtained. As an indication of the success of such representations, one need only consider the fact that for the year ended December 31, 1937, the net income after deduction of income taxes amounted to \$702,954.61 and for the year prior thereto \$706,589.89. These figures indicate a net return in one year of nearly 70 per cent of the original cost of all applicant corporation's property devoted to broadcast service as of December 31, 1937. Since 1933 there has been a marked increase in broadcast station revenues, and it is, of course, impossible to estimate the amount that would have been earned with normal operation at 50 kw. power.

"From the facts in this case we conclude, first, that the applicant's proposed experimental research program does not necessitate the use of 500 kw. power to result in any substantial contribution to the radio art; second, that in the light of the adverse effect upon the reception of Station WOR and the uncertainty as to the economic effects generally of such operation, caution should be exercised by the Commission in extending the experimental authorization, no compelling reasons therefor having been advanced; and third, in view of these factors, public interest, convenience and necessity will not be served by the granting of the application.

"It is therefore recommended that the application of The Crosley Radio Corporation for extension of special temporary experimental authorization to use and operate the radio transmitting apparatus of W8XO with the call letters of Station WLW and with power of 500 kw., be denied.

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11/18/38

WLW INTENDED TO SPEND \$100,000 ON NEW SYSTEM

Outlining as its objective the establishment of an antenna structure of wide flexibility, Station WLW is prepared to spend an estimated \$100,000 to construct a new system for further experimentation in the super-power field.

The flexible antenna, it was said, would have permitted control of the location of the fading area and the placement of both primary and secondary areas where most needed.

"The total cost of the 500 kw. equipment of WLW was \$396,287", according to the FCC report. "The 500 kw. transmitter was purchased for \$303,906, additional land cost \$4,326, the vertical radiator \$46,233, the sub-station \$31,185, and an addition to a building \$10,626. Of these items the transmitter, sub-station, and addition to building were necessary for 500 kw. operation and would not be necessary if 50 kw. power is used. The sub-station, being already in the circuit, would be used rather than removed in the event 500 kw. operation is not continued.

"In its records The Crosley Radio Corporation maintains separate accounts covering its radio broadcast activities and has separated the maintenance cost of the 50 kw. and 450 kw. units of WLW. The annual maintenance cost of WLW as a 50 kw. station is fixed at \$78,785, while the figure for 500 kw. operation is \$220,514, or an increase of \$141,729. The major items of increase have been in vacuum tubes, power, and light. The total increase in personnel has been the addition of one person at an annual salary of \$2,500. The miscellaneous item for 50 kw. operation is \$4,390 and for 500 kw., \$8,144, or an increase of \$3,754, representing largely the cost of surveys which have been conducted as a basis for reports to the Commission on the experimental operation.

"Station WLW has been operated consistently at a profit. The statement of its income and expenses for the period April 1, 1929, to December 31, 1937, shows total net income, after deduction of income taxes, of \$43,464.20 for the year ended March 31, 1930; \$145,867.99 for the year ended March 31, 1931; \$221,567.44 for the year ended March 31, 1932; \$146,932.27 for the year ended March 31, 1933; \$408,951.58 for the year ended March 31, 1934; \$522,489.30 for the year ended March 31, 1935; \$439,373.59 for the 9-month period ended December 31, 1935, or at the rate of \$585,831.45 upon a yearly basis; \$706,589.89 for the year ended December 31, 1936; and \$702,954.61 for the year ended December 31, 1937."

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## RADIO AD GAINS FOUND MORE RAPID THAN OTHER MEDIUMS

The rise of radio advertising since 1933, while partially followed by magazines and newspapers has proceeded with far greater rapidity, according to the findings of the WLW Committee of the Federal Communications Commission.

"During the year 1937 advertisers spent \$117,909,000 for radio station time and an additional sum of \$11,265,000 for program talent", the report stated. "Revenues of the two major chain broadcasting companies during the year amounted to \$68,902,000 or more than two and one-half times the 1930 figure of \$26,820,000.

"Magazine advertising revenues of \$201,852,000 in 1930 declined to a low of \$93,984,000 in 1933, and in 1937 were \$165,254,000, or about 80% of the 1930 figure. Newspaper advertising for 52 cities amounted, in agate lines, to 1,654,246,000 in 1930 and declined to 1,065,515,000 in 1933. Using 1930 as a base, the 1937 figure of approximately 1,410,000,000 agate lines is about 85%. From 1930 to 1937 newspaper lineage and magazine revenues followed practically the same trend while radio had a steady rise with the exception of the drop in 1933. The rise of radio advertising since 1933, while partially followed by magazine and newspapers, proceeded with far greater rapidity.

"In 1930 out of the total sum of \$510,500,000 magazines received 39.6%, newspapers 45%, chain broadcasting 5.3%, and outdoor advertising and car cards 10.1%. Of the sum of \$427,561,000, in 1936, magazines had 33.6%, newspapers 44%, chain broadcasting 14%, and car cards and outdoor advertising 8.4%. During the first two months of 1938 magazine advertising declined 5.5% from the same period in 1937, newspapers advertising declined 11.6%, and chain broadcasting increased 14.9%."

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## SUN SPOT CYCLE NOW AT WORST, FCC GROUP CONTENDS

The 11-year sun spot cycle that has proved a nuisance though not an obstacle to broadcasters and listeners alike is now at its worst stage, according to findings of the WLW Committee of the Federal Communications Commission. The trouble, however, is noticeable chiefly in the secondary service areas of radio stations and hardly at all in reception of community broadcasting outlets.

"The signal in the secondary service area of a broadcast station is variable in character", the report stated, "being subject to slow fading, and a daily variation following the elevation of the sun, as well as a seasonal variation and a variation because of solar activity. It is generally considered that the greater the sun spot activity, the poorer are conditions of transmission in the broadcast band. From the information available,

it appears that sun spot activity covers a cycle of about eleven years, with average conditions approximately represented by the Spring of 1935, and the poorest conditions by the present time.

"Due to present day conditions, the rapid fading zone of WLW is probably about 75 miles more distant than in 1935, with the inner limit approximately 200 miles from the transmitter.

"As heretofore pointed out, conditions of propagation at the present time are probably the poorest of the eleven-year sun spot cycle, and the service now rendered by WLW, with power of 500 kw., particularly in its secondary area, is estimated to be approximately what is shown for a 50 kw. output in 1935. Similarly, stations now operating with 50 kw. are experiencing coverage comparable to that rendered by 5 kw. stations in 1935."

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#### FCC SUGGESTS STRICTER TELEVISION CONTROL

Suggestions for more strict control of television experiments have been made by the Federal Communications Commission in a letter to Bond Geddes, Executive Vice President of the Radio Manufacturers' Association. The Commission's suggestions are now under consideration by the RMA Engineering Department and Special Television Committee.

Formal hearings on the RMA television transmission standards submitted recently are apparently under consideration by the FCC and regulations to require observance of such standards by television stations, even though licensed on an experimental basis, would follow.

The FCC suggestions to RMA followed submission last month by the Association of proposed standards for television transmission. The Commission's reply, made by Secretary T. J. Slowie, asked the RMA to give the names of companies actively engaged in the development of television, the extent of such activity, and submitted other specific questions to RMA, as follows:

"Why it would be in the public interest to adopt the standards proposed by the RMA at this particular time, including a statement as to whether television stations, even though licensed on an experimental basis, should be required to abide by such standards.

"Whether or not you believe that the development of television has reached the stage where the Commission might call formal hearings with respect to the adoption of standards, in which event the RMA would be expected to present evidence showing that such standards are required at this particular time."

The questions raised by the Commission are now under advisement by the RMA Engineering and Television Committees. In submitting the proposed television transmission standards, the RMA advised the Commission that it was prepared to demonstrate that the proposed television standards are practical and in the public interest.

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CIVIL SERVICE BOARD ADAMANT; PAUSE IN "PURGE"

As the Civil Service Commission indicated, it would stand adamant against the attempt of Chairman Frank R. McNinch, of the Federal Communications Commission, to exempt nearly 60 Federal Communications Commission jobs from the merit system, a temporary halt in the "purge", or at least a reprieve for some, was rumored early this week.

William J. Dempsey, newly appointed General Counsel of the FCC, held a meeting of the 33 lawyers in the Legal Division, where the axe was expected to fall heaviest, and assured them no immediate shake-up was forthcoming.

Davis G. Arnold, Chief Examiner, who was on the "purge" list last week, was reported to have reached an understanding with Chairman McNinch.

The fate of T. J. Slowie, Secretary, and G. Franklin Wisner, Press Relations Chief, was still uncertain.

Unfavorable public reaction to the purge and its reported link with the WLW case were believed responsible for the change in tactics of the FCC Chairman. At a press conference last week Chairman McNinch said further personnel changes might be expected almost immediately.

Harry B. Mitchell, Chairman of the Civil Service Commission, in a letter to Communications Commissioners T.A.M. Craven and George Henry Payne made it clear that the Commission agreed with him in his previous statement that exemption of the FCC positions would be contrary to the President's Executive Order of last June.

Chairman McNinch previously had commented that Mr. Mitchell was speaking only for himself. Replying to a letter of protest against the McNinch proposal, Chairman Mitchell said:

"The Executive Order of June 24, 1938, clearly has two objectives: (1) the extension of the competitive merit system to include a large number of positions now exempt from competition and (2) the furtherance of a career system in the Federal Government by increasing the number of higher positions brought within the range of the merit system.

"There is no purpose whatsoever in the Executive Order to increase the number of exempt positions; and although the Civil Service Commission has not reached a decision with respect to the specific recommendations made by the individual departments, and the independent establishments, it may state in this connection that it believes it would not be obeying the direction of the President in his Executive Order were it to concur in the recommendation of Chairman McNinch in the letter of September 23 to increase the number of non-merit positions in the Federal Communications Commission."

Meanwhile, it was learned that the Civil Service Commission stood ready to investigate any grievance of Civil Service employees of the FCC who may be ousted by abolition of positions or otherwise.

Chairman McNinch had stated that some of the FCC dismissals might be effected by abolishing jobs.

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#### FCC CONFERS WITH CANADIANS AT OTTAWA

A conference between officials of the Federal Communications Commission and of the Department of Transport of Canada which began at Ottawa on Monday, October 17th, relates to radio requirements for vessels on the Great Lakes. The Federal Communications Commission was directed by Congress in Section 15 of Public Law 97, approved May 20, 1937, to make a special study of the radio requirements necessary or desirable for safety purposes for ships navigating the Great Lakes and inland waters of the United States.

This is the second informal conference of the Federal Communications Commission and the Department of Transport of Canada in connection with the Great Lakes and Inland Waters Survey. The first of these conferences was held on May 12, 1938, at New York. It is expected that the Ottawa conference will be instrumental in further developing the lines of cooperation between the two Governments with respect to radio requirements on the Great Lakes.

Representatives of the Federal Communications Commission at the parley will include Commissioner Thad H. Brown; E. K. Jett, Chief Engineer; Marshall S. Orr, of the Legal Department; W. N. Krebs, of the Engineering Department, and Dr. M. L. Fair, Research Director of the Great Lakes and Inland Waters Survey.

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 ::: TRADE NOTES :::  
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The Board of Directors of the Radio Manufacturers' Association will meet Thursday, October 20th at the Hotel Roosevelt in New York City. President A. S. Wells will preside. Expansion and improvement of the RMA statistical services for its members, problems of the new Federal Wage-Hour Law, and important merchandising problems will be considered.

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The first of a series of four weekly broadcasts designed to provide foreign listeners with an accurate portrayal of American educational practices, as carried out in the primary, secondary and collegiant institutions of this country, will be launched by General Electric's international short-wave radio stations W2XAD and W2XAF, November 1, according to E. S. Darlington, in Charge of Short-Wave Broadcasting. Working in conjunction with Dr. Frank Graves, Commissioner of Education of the State of New York, and Superintendent of Schools Howard W. Pillsbury, the series will mark an advent from the lecture type of radio broadcast by giving foreign listeners an insight into the social, economic and historical background of the American school system. The broadcasts will be participated in by students and parents as well as teachers, professors, college presidents and government officials. The programs will be broadcast in English, Spanish and Portuguese, and, by the use of directional antenna, reception in Latin and South America as well as Europe is planned.

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The Federal Communications Commission this week announced new minimum antenna requirements with respect to standard broadcast stations. The new requirements will become Section 5 of the Standards of Good Engineering Practice, which were the subject of a hearing last June.

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Station WLAK, Lakeland, Florida, the 159th station to become associated with the NBC networks, will be a bonus outlet available at no charge to advertisers purchasing the facilities of the Florida Group, according to Keith Kiggins, NBC Station Relations Manager, WLAK was made an affiliate of the NBC on September 25th.

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Several radio companies, including the Philco Radio & Television Corporation and the Grunow Co. will start manufacturing cameras as a sideline the first of next year, according to Leonard Lyon's syndicated column in New York.

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The U. S. Bureau of Foreign and Domestic Commerce, Electrical Division, has just issued a set of tables showing radio set requirements for all foreign markets. Copies may be obtained at ten cents.

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J. Walter Thompson, New York advertising agency, has registered at the State Department as agent for "Radio Times", British Broadcasting Corporation organ, in this country.

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The Federal Communications Commission this week granted a construction permit to Joe L. Smith, Jr., of Beckley, West Virginia, to use 1210 kc. with 100-250 watts power, unlimited time.

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Tom Joyce, Advertising and Sales Promotion Manager, RCA Victor, told Editor & Publisher this week: "Sales of radios and Victrolas have taken a definite upturn since settlement of the European crisis. Our company is anticipating good business from now until Christmas and have planned the largest dealer cooperative newspaper advertising program in our history."

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Competition in the Argentine market by the Philips organization of Holland has provoked a battle by American radio manufacturers to maintain their position in Argentina. The RMA has called a meeting of all radio manufacturers interested in the Argentine market, to consider aggressive action, for 10 o'clock next Wednesday, at the Hotel Roosevelt in New York City. S. T. Thompson of Chicago, Chairman of the RMA Export Committee, will preside, and all RMA members interested in maintenance of their Argentine sales have been urged to attend.

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#### FOREIGN LANGUAGE STATIONS BARRED IN U. S.

American radio broadcast facilities will not be allocated to set up stations to transmit programs to persons of foreign extraction who cannot understand English, the Federal Communications Commission has decided. This policy was set in an adverse decision on an application in which the applicant's figures citing the need referred only to German and Polish groups.

The decision was made on the application of WWPO, Inc. for a construction permit, and the Commission said that from the testimony of the officers and Directors it appeared that the main purpose of the application was to meet an alleged need for foreign language broadcasts.

The Commission pointed out that the program service offered by the applicant emphasizes the large foreign element in Pittsburgh and the need for giving service to the portions of those foreign groups which do not speak English. But the Commission added that the record does not establish the existence of a large foreign population in Pittsburgh unable to speak English. Even if the record would sustain such a finding, the decision held, the contention that a new radio station is necessary to serve their needs is unsound. Radio broadcasting facilities are too few and the need for equitable distribution of these facilities throughout the country is too large to grant such broadcast station licenses.

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## FCC ROW "SMELLS", SAYS GENERAL JOHNSON

"The row in the Federal Communications Commission is beginning to smell", Gen. Hugh S. Johnson, former NRA Administrator, stated in his copyright and syndicated column this week.

"The split is supposed to be on questions of policy or the absence of policy", he continued. "Actually it is over whether that quasi-judicial, quasi-legislative body is a seven-man commission or a one-man czardom. If it is to be the latter, the czar will be Mr. McNinch as chief-of-staff for the Corcoran coterie at the White House.

"One row within the commission has been as to whether that body shall prescribe general policies so that the radio and other communication companies may know what is expected of them, or whether, as at present, they be required to act at their peril subject, as to radio companies at least, to a sentence of economic death by having their licenses revoked if they guess wrong.

"Another row has been as to the extent to which the commission shall set itself up as an actual censorship of what is said or sung over the air.

"Finally, there is a disagreement as to whether the commission shall now launch forth on a witch-hunt called a 'monopoly investigation', to punish, discipline or intimidate the radio broadcasting industry. One curious aspect of this particular row is that if a monopoly has been created in this industry, it was created under the very wide power of this very commission. It would be a witch-hunt by some of the witches themselves.

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"Some of these discussions are of long standing. Mr. McNinch was selected and sent as chairman to iron them out. Instead of doing this, his peculiarly arbitrary and cantankerous personality has made them worse.

"Now he has launched upon a far more drastic purge than the President's own - probably tactics of the same author, the brilliant Tommy Corcoran. It began by firing arbitrarily and without a hearing before the commission of its own general counsel. He was fired for charged 'inefficiency'. Yet, to induce him to resign, a job at the same good salary was offered in another Government department.

"This was followed by a move to purge practically the entire personnel - 50 to 60 officials of two departments - law and investigation. The purged general counsel was replaced by Mr. Dempsey - one of Tommy Corcoran's fair-haired boys. A good deal of all this action was urged by Tommy. The mass purge of the others - mostly lawyers - was protested by members of the commission. It required the connivance of the Civil Service Commission. This has not as yet been obtained and may never be obtained. But the method and attempt has been exposed and they are something to think about.

"All this is something more than a tempest in a teapot bureaucracy. If that commission can be reduced by purge and intimidation to a subservient one-man official gadget of the Corcoran type, there are almost no lengths to which it might not go to regiment radio and regulate its use to political purposes. This has been a scarcely spoken threat of some Third New Dealers and has been feared by their political opponents. That may be far-fetched, but if it were a desired end this would be a way to bring it about."

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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## RCA LAUNCHES TELEVISION PLAN WITH RMA BACKING

Television as a medium of public entertainment, which has been "just around the corner" for a decade, will make its long-awaited debut next Spring coincidental with the opening of the New York World's Fair and thereby launch a new "billion dollar enterprise".

A plan for manufacturing television receivers for sale to the general public was disclosed by David Sarnoff, President of the Radio Corporation of America, at a meeting of the Directors of the Radio Manufacturers' Association in New York on Thursday.

The RMA immediately endorsed the move to bring television out of the laboratories and issued a statement to that effect.

The sale of the television transmitters obviously will be limited for awhile (1) because of their necessarily high price, and (2) because of the scarcity of television transmitters.

With the manufacture of both television receivers and transmitters, however, new stations are expected to spring up over the country, probably in the larger cities. Stations which enter the new field, however, will do so without pecuniary return until the present experimental limitation on television is lifted by the Federal Communications Commission.

No attempt to have the experimental regulation changed will be made, it was said in radio circles, until television definitely proves itself and until the public response is noted.

FCC engineers, as well as members of the Commission, are watching the new development of television with keen interest, however.

The estimated sales price of a complete television transmitter, including the camera, is around \$60,000. The receiver, it is believed, would sell for approximately \$400.

Some changes in the FCC regulations governing the operation of television stations may be necessary before transmitters can be sold to any wide market. Present FCC rules require that an applicant for an experimental television license must prove that he is capable of contributing to the technical advancement of the art by conducting regular laboratory experiments and making periodic reports.

The RMA explained its support of the television enterprise thus:

"The technical developments and field tests on television have progressed to a point where, in the opinion of the Radio Manufacturers' Association, the next step in the development of the art consists in rendering experimental television service to the public. This new service, which will be on an experimental and limited service basis, will be an addition to existing radio broadcast service and can be accomplished only through the installation and operation of television transmitters and the sale of television receivers.

"Some members of the Radio Manufacturers' Association, but not all, propose to make a beginning in those fields by the time of the New York World's Fair in May 1939, and in those localities where television program service may become available."

Orrin Dunlap, Jr., Radio Editor of the New York Times, in his report of the RMA meeting in New York, said:

"Several manufacturers revealed that their engineers are already designing the instruments, which will offer pictures measuring 7 by 9 inches. Various models will be put on the market, with the styles ranging from a set that picks up only pictures to others that intercept both sight and associated sounds. A larger, but more costly machine, will be a combination designed for all-wave broadcast reception, television and a phonograph.

"While no prices have been placed on the instruments as yet, the manufacturers said the outfits probably would retail from \$150 to \$1,000. A machine retailing at about \$250 is expected to be popular as a sound-sight receiver.

"New York is surveyed as the largest market for television, because to create a demand there must be transmitters. Manhattan will have at least two stations, the most powerful in the world, on the air next Spring. The National Broadcasting Company from the Radio City studios will feed the transmitter atop the Empire State Building, where a new aerial is now under construction. The Columbia Broadcasting System, with studios in the Grand Central Terminal, will operate through its image transmitter now being installed in the Chrysler Building. This station is expected to be ready for operation in January when tests will begin. It is believed that the programs will be on the air about two hours a week at first.

"Inquiry among the manufacturers disclosed no fear that the advent of home television would paralyze broadcast receiver sales or upset the broadcasting industry. They foresee television as a supplementary service in which the home, to get both broadcasting and television, must have two receivers or a combination of both."

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SARNOFF EXPLAINS REASONS FOR TELEVISION MOVE

Following is the text of the statement of David Sarnoff, President of the Radio Corporation of America, to the Radio Manufacturers' Association meeting in New York City on Thursday:

"As a member of the Board of Directors of the Radio Manufacturers and their associates know, it has been my practice during recent years to inform the membership of the Association from time to time on the progress of the RCA and its subsidiary companies in the field of television. Some years ago I recommended to the RMA Board the creation of a special sub-committee for the purpose of keeping itself informed on television progress. This suggestion was adopted and the committee is still functioning. During these years the RCA has made several demonstrations of its television system to its licensees and to others. Technical bulletins and other publications on our work in television have been distributed to RCA licensees and others. Similar information will follow from time to time. Last week, engineers of our licensees met with RCA engineers in our laboratories where technical developments and the general subject of television were discussed.

"It is my purpose now to inform this Board and its Television Committee of the latest plans and policies of the RCA for further advancing the development of television. The results of the experimental field tests of television in the New York area conducted by the RCA and its broadcasting and manufacturing units, have convinced us that television in the home is now technically feasible.

"We are aware, however, that many technical, artistic and financial problems still confront those who would establish an acceptable and regular public service of television programs to the home. These problems must be solved before a national service of network television programs can be made available to the public. Meanwhile, RCA, which has pioneered in the development of television, has made substantial progress, first in its research laboratories, and second, through its field tests and experimental broadcast programs. We believe that the problems confronting this difficult and complicated art can be solved only by operating experience gained from actually serving the public in their homes. Therefore, RCA proposes to take a third step in the solution of these problems by beginning a limited program service to the public from its New York television transmitter on the Empire State building. This transmitter will serve an area having a radius of approximately fifty miles.

"As publicly announced some time ago, RCA proposes to demonstrate television to the public at the New York World's Fair which is expected to open on April 30, 1939. The National Broadcasting Company contemplates that by the time the Fair opens, it will be on the air with television programs for at least two hours out of each week. Recent reports in the public press are to

the effect that the Columbia Broadcasting System contemplates installing its television transmitter in the Chrysler Building in New York City. These reports further indicated that television programs will be transmitted from this station by the time the World's Fair opens.

"The RCA Manufacturing Company, which built and sold the television transmitter to Columbia, has offered and is prepared to sell television transmitters to broadcasters and others who may desire to enter this new field.

"RCA believes that the development of its television system has now reached a stage where it is practicable to supply television receivers to satisfy the demand of the public in those localities where television transmissions are now or may become available. Therefore, it is planning to manufacture a limited quantity of television receivers which it expects to market by the time the World's Fair opens. We are informed that a number of other radio manufacturers in the United States are also preparing to manufacture and sell television receivers in such areas as may be served with television programs.

"Only a little more than six months remain between now and the time that the World's Fair is expected to open. Those who desire to market television receivers by that time will find it necessary to make their plans now for manufacturing them. RCA is prepared to assist its licensees who may desire to manufacture television receivers, and so far as practicable, will be glad to sell to them such television parts as they may wish to purchase. Our television test equipment is now complete at RCA's license laboratory. We will continue to measure and test television receivers for licensees as we have done for them with sound broadcast receivers. Engineers and executives of our licensees seeking additional information will be welcomed at RCA laboratories, manufacturing plants and broadcasting studios.

"Opportunities to compete in the erection of television transmitters, the establishment of television program services, and the manufacture and sale of television receivers to the public, are available to the radio industry and to others in the United States. We hope that full advantage will be taken of these opportunities to help build a new industry and to establish a greater public service.

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A three-cornered fight for facilities in Pontiac, Mich., this week brought a recommendation to the Federal Communications Commission from Examiner John P. Bramhall that the Pontiac Broadcasting Co. be granted a construction permit to use 1100 kc. with 1 KW power, daytime. He recommended that the application of the King-Trendle Broadcasting Corp. be denied and that that of George B. Storer be dismissed with prejudice.

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## KSFO LEASE TO CBS DENIED, WNAX TRANSFER APPROVED

The Federal Communications Commission on Thursday denied an application for approval of the lease of Station KSFO, San Francisco, to the Columbia Broadcasting System and at the same time approved the transfer of WNAX, Yankton, S.D., to the South Dakota Broadcasting Corporation. Both decisions "leaked" out several hours before their official announcement and caused a mild stir in radio circles because of their alleged political tie-ups.

Commissioner T.A.M. Craven filed a dissenting opinion in the WNAX case, while Commissioner Thad H. Brown concurred in the KSFO decision but in a separate statement said he could not subscribe to the reasons of the majority of the FCC in reaching its conclusions.

CBS planned to substitute KSFO for KFRC as its San Francisco outlet and to raise its basic rates from \$150 to \$325 an hour.

Explaining its decision, the FCC said:

"The provisions of the lease-agreement between the applicants herein, providing assurance to the lessor of license renewals for Station KSFO and assurance of possession in the lessor of the license of said station existing at the termination of the lease, are in conflict with provisions of the Communications Act and not in the public interest;

"A grant of the joint application of The Associated Broadcasters, Inc. and Columbia Broadcasting System of California, Inc., for consent to assign the license of Station KSFO under the provisions of the lease-agreement of June 26, 1936, between said parties, is contrary to Sections 309(b)(1) and 310 (b) of the Communications Act of 1934;

"The proposed transferee is legally, financially and otherwise qualified as a licensee of Station KSFO but the provisions of the lease-agreement under which it would operate said station, assuring the transferor license renewals and the possession of the existing station license at the termination of the lease precludes the finding that the assignment of the license would serve public interest, convenience and necessity."

The WNAX transfer on a stock trading scheme is from Charles H. Gurney to the South Dakota Broadcasting Corporation, which was organized to take over the station from the House of Gurney, Inc. The President of the South Dakota corporation is Gardner Cowles, Jr., of Des Moines, who is also connected with the Iowa Broadcasting Company, licensee of KSO and KRNT, Des Moines, and WMT, Cedar Rapids.



Commissioner Craven, in explaining his dissent, said:

"I dissent from the majority decision because, in my opinion, in the absence of a positive showing to the contrary, public interest in any economic or political entity in general would be best served by a diversification of licensees controlling regional broadcasting stations, rather than by a concentration of such licensees in the same or allied interests. In the instant case, while the regional station WNAX is in South Dakota, it renders good daytime service to large portions of Iowa, where interests closely allied to the transferee control the operating policies of three regional stations rendering good daytime service to the remainder of Iowa.

"Since this was not a specific issue in the notice of hearing in this case, it is my opinion that the case should be remanded for further hearing to secure additional evidence bearing on this phase of the matter so that the Commission may be in a better position to determine whether public interest would be served."

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#### PATENT SUIT REARGUED BEFORE SUPREME COURT

For the second time the U. S. Supreme Court this week heard arguments in a suit involving use of a radio vacuum tube as the Department of Justice suddenly intervened in a fight between the General Talking Pictures and subsidiaries of the American Telephone & Telegraph Company.

The question at issue is whether a patent owner can restrict the use of an article after its purchase, in the case of the radio vacuum tube to broadcasting.

The Court's decision is expected to play an important part in the forthcoming monopoly investigation to be started by a Congressional Committee on November 14th.

It is seldom that the Supreme Court grants a rehearing of a case once decided, as it did in the present instance. General Talking Pictures originally lost its appeal on May 2nd in an opinion by Justice Butler, to which Justice Black alone demurred out of six justices participating. Eight sat this week in the renewed argument, permission for which was announced on May 31st, the final day of the preceding term.

In a brief filed with the Court, Thurman W. Arnold, Assistant Attorney General in charge of the anti-monopoly investigation, repeated the line of thought taken by Justice Black in May. Like Justice Black, the Department of Justice, through Mr. Arnold, denounced restriction of patent use after sale as a monopolistic practice.

In a statement explaining its intervention in the case, the Justice Department said:

"The vacuum tube itself is the device which is essential to the operation of modern telephone and telegraph wire networks; to radio transmission and reception; to sound motion pictures; to the transmission and reception of images by television or wire photography; to public-address systems; to diathermic medical treatment, and to electric power transmission.

"There is no substitute for it and without it the modern electronics industry could not function. If the owner of the patents on the vacuum tube amplifier may legally manufacture and dispose of that essential part with a restriction that dictates to the purchaser what use he may make of it, obviously the amplifier patent owner has acquired a control over the manufacture, marketing and use of all these other devices of which his invention itself is only one component among them.

"The department believes that such a result was never contemplated by the patent laws and that it is in violation of the anti-trust laws. Public policy cannot tolerate the extension of the patent privilege to control the use to which the consumer may put the article after it has been marketed. It is unnecessary to any legitimate exploitation of the patent and is a vicious practice which the common judgment of the people will condemn and which the government must outlaw."

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#### U.S. AGENCY RULES ON RADIO ARTISTS

The Bureau of Internal Revenue ruled this week upon the question of who employs radio artists for purposes of the Social Security Act, drawing distinctions between three types of such employment.

The Bureau held that an artist engaged in the production of radio broadcasts arranged by an advertising agency for a sponsor is an employee of the sponsor since, under the contract in question, the sponsor "has the right" to control or direct the manner in which the services are performed.

This same ruling was held to apply to various types of program employees, including a script writer employed by an advertising agency to write the sponsor's scripts. The work of the script writer, the Bureau observed, was done "in accordance with predetermined general plans which have been submitted to and approved by the sponsors".

The second case passed upon involved a quartet employed on "a sustaining program". The Bureau held that such persons were employees of the broadcasting company for purposes of the act.

The third case related to persons employed for a "studio-built" program, which type of program is supplied to the advertiser as a "complete package" or "finished product", at a fixed price or on a cost-plus basis. The artists in this case were held to be employees of the broadcasting company.

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## U.S. S-W PROGRAMS NOW MAILED IN TWO SECTIONS

Broadening its service, the U. S. Bureau of Foreign and Domestic Commerce is now mailing programs of American short-wave broadcasting stations to far-flung sections of the world in two editions - one "beamed on Latin America" and the other "beamed on Europe".

The programs are prepared by the Radio Manufacturers' Association and include the complete program schedules of the principal U. S. short-wave stations. The new service, which formerly included only selections from the programs, is a cooperative effort of John H. Payne, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce; Francis Colt de Wolf, head of the Telecommunications Section of the State Department; and Bond Geddes, Executive Vice President of RMA.

"It is realized", Mr. Payne stated in a memorandum to U. S. Commerce Department officials who, along with State Department foreign officers, distribute the programs, "that two such editions do not adequately cover the world, but neither is it possible, to date, for the broadcasts themselves to effectively reach the more remote areas.

"Tentatively, an arbitrary division along the one hundredth Meridian east of Greenwich is being used as a dividing line for mailing the two programs. The Latin American programs will be sent to foreign offices in the Western Hemisphere and west across the Pacific as far as this Meridian, whereas the European program will be sent to Europe and Africa and eastward in Asia as far as that Meridian."

The idea of sending United States short-wave programs to newspapers around the world, as the Germans, British and others have been doing, was originated by Commander E. F. McDonald, Jr., of Chicago, a Director of the Radio Manufacturers' Association.

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The commentaries and interviews recorded at Heston Airport that listeners to BBC news bulletins heard when the British Prime Minister made his momentous journeys to and from Germany were the work of a new recruit to the BBC's mobile recording unit - a 21 h.p. saloon car. Manned by a crew of three, the car is equipped with portable recording apparatus comprising a motor-generator and switch-gear, an amplifier and five-way mixer, and turntable and tracking mechanism. A hundred yards of cable for telephonic communication and a similar length of cable for the microphones - those used are normally of the moving-coil type - are also carried.

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: : : : TRADE NOTES   : : : :  
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The Federal Alcohol Administration will hold a hearing on next Tuesday, beginning at 10 A.M. on the general question of legitimate and illegitimate advertising of alcohol. Radio advertising will be considered, and a representative of the National Association of Broadcasters will be on hand.

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Radio and other exports to North China are being restricted by the Japanese authorities in charge of the territory, but American and other protests have broken an embargo which existed for a time. The Japanese restrictions were vigorously protested by local distributors and also by the Radio Manufacturers' Association with Federal departments in Washington. An embargo instituted by the Japanese authority in July was raised, but there are still restrictions on North China exports of radio sets beyond the regular 550-1500 kc standard broadcast band. According to official information to RMA, Japanese authorities are requiring consular permits for all importations in North China (except those ordered prior to July 14) of all types of receivers. Imports are prohibited of all short-wave or all-wave receivers, in accordance with the general Japanese restrictions against use of this type of radio. Imports of sets having frequencies from 540 to 1750 kc. are still being questioned, according to the latest information to RMA from North China.

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In a general reorganization in the Promotion and Sales Division of WLW and WSAI, James D. Shouse, Vice-President of the Crosley Radio Corporation in Charge of Broadcasting, this week announced the resignation of John Kuelling Koepf as Sales Promotion Manager and the appointment of Wilfred Guenther as Promotion Manager in charge of all exploitation. Walter Callahan, WSAI salesman, moves up to Sales Service Manager of WLW.

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Radio Station WJSV, Washington, Thursday night celebrated its sixth anniversary with a 30-minute program beginning at 10 o'clock, crowded with brief speeches of congratulation from Washington notables.

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The Royal Moulding Co., of Providence, R. I., filed suit this week for \$350,000 against the Radio Corporation of America, Radio Corporation of America Manufacturing, Inc., a subsidiary, and the Westinghouse Electric & Manufacturing Co., alleging that destructive competition and monopolistic practices of the defendant corporations in 1935 ruined its profitable business in the manufacture and sale of radio tube bases.

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Total Canadian radio sales to dealers last August amounted to 25,927 units valued at \$1,909,176, according to a report to the Department of Commerce from the office of the American Commercial Attache at Ottawa. This is in comparison with 13,588 units valued at \$917,488 in July 1938, and 25,195 units valued at \$2,277,781 in August of last year. In comparison with July 1938, alternating current set sales registered a 154 percent unit increase, sales of battery sets advanced 53 percent whereas automobile set sales decreased 38 percent, the report states.

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NBC is now approaching advertisers and agencies with a new type of network selling story based on an analysis of radio transmission and reception conditions and their effect upon listening habits. In a statement just released, Roy C. Witmer, NBC Sales Vice-President, announces that these survey revelations are being presented as the lead-off in a completely new three point sales campaign. The other two Blue advantages which will be stressed are time availability and a new "economy" rate structure.

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#### OLD STORIES ABOUT WLW'S POWER ARE REVIVED

With the release of a preliminary report recommending that Station WLW, of Cincinnati, be denied further experimental authority to broadcast with 500 KW., old stories about the effect of the super-power on other-than-radio devices are being revived.

Alfred Friendly, writing in the Washington Daily News, said:

"All sorts of funny business has happened in the immediate vicinity of Station WLW, at Cincinnati, the most powerful station in the world. A gas station operator, half a mile away, found that the lights on his signs and in some roadside cabins he operated never went off. They didn't burn quite brightly enough, however, on WLW's power alone, so he strung a little more wire, put in some equipment so he could turn it off when he wanted, and now gets his entire illumination courtesy of the radio company.

"A radio amateur in a nearby village strung up some equipment and now operates an electric toaster on WLW power. Any number of people have reported hearing programs from such strange sources as tea kettles and water spouts.

"The explanation of the latter phenomena, as near as we can understand, is that in any loose connection between two pieces of metal, an infinitesimal spark may form, and the spark is the agent which actually receives the program and converts it into audible frequencies.

"As a matter of fact, the FCC reports, WLW ran into a lot of stupid opposition in setting up a station with 500 KW. power. People prophesied all sorts of dire results - radios exploding, listeners electrocuted and cows miscarrying. It's all so much hokum, however. Whenever there was any danger of a spark setting off some inflammable mixture, as at an oil storage tank, WLW took pains to ground all metal parts."

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## NO DRASTIC CHANGES AHEAD IN BBC TELEVISION

As soon as public demand warrants, the British Broadcasting Corporation will build a new television studio and convert the existing theater at Alexandra Palace to studio purposes, it was disclosed at a recent conference between the BBC and more than 1,500 radio dealers at Radiolympia.

Sir Noel Ashbridge, Chief Engineer of the BBC, said there would be no fundamental changes in the television transmission system, not only during the 3-year period set by the Government, but for some years after.

Sir Stephen Tallents, Director of Public Relations of the BBC, said the staff at Alexandra Palace had been more than doubled and there were now 400 BBC officials concentrated on the production of television programs.

Producers had been increased from 12 to 24 during the past year, and so comprehensive were the program schedules that holidays had been stopped to cope with the work.

Sir Frank Smith, Deputy Chairman of the Television Advisory Committee, said that Great Britain was the only country in the world where there was a regular television service for the home. Television receivers might be bought today with the knowledge that they would be serviceable for years to come. "There is no need to fear that sets will become obsolete, nor that prices will fall to any marked degree", he said.

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## ROME TO HAVE ONE OF MOST POWERFUL STATIONS

On October 28th, the sixteenth anniversary of the Fascist March on Rome, the short-wave "Imperial" transmitting station at Prato Smeraldo, near Rome, will be officially inaugurated, by the EIAR (the Italian Radio Corporation). The station will be one of the best-equipped and most powerful in Europe.

The power of the two present transmitters each of 25 KW, will be increased to 50 KW, and other improvements - including a change from low-level to high-level modulation - are also being introduced. These two transmitters will work on wavelengths between 15 and 25 metres.

The most important development in the new Prato Smeraldo station, however, is the installation of two new 100 KW short-wave transmitters, equipped with all modern improvements, which will work on wavelengths between 25 and 50 metres.

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No. 1169

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## SHORTER HOURS SEEN FOR RADIO WORKERS UNDER ACT

While few employees of broadcasting stations over the country are likely to get wage increases under the Wage-Hour Act which became effective this week, a large number are expected to have their weekly schedules reduced.

The National Association of Broadcasters, after a study of the Act, announced that most stations are meeting the requirements as to minimum wages but that "quite a few" have employees working more than 44 hours a week.

"Only in scattered instances", said the NAB, "are any broadcasters paying less than twenty-five cents an hour to any employee.

"However, quite a few have some employees on a 48-hour week. To comply fully in such instances, the broadcaster may reduce the work week by four hours or pay time and one-half for the last four hours in the work week.

"No broadcaster who pays all of his employees at least twenty-five cents an hour and has a work week of 44 hours or less needs concern himself about the wage and hour provisions of the Act. He is complying fully."

After quoting excerpts from the regulations issued by Elmer F. Andrews, Administrator of the Act, relative to executives and professionals who are exempt, the NAB commented:

Because of the civil and criminal penalties provided by the Act, the NAB cannot formally advise its members as to exactly what employees are covered and thus assume responsibility for possible legal action. However, it appears clear from the definition that various executive titles found in broadcasting stations do not, in themselves, entail exemption from the Act. A 'Chief Engineer' who stands a regular watch, for instance, would appear to be included rather than excluded. Likewise, a 'Chief of the Production Department' who took a regular turn as an announcer would appear to be included, even though he met the other qualifications for exemption. Both the American Communications Association (C.I.O.) and the International Brotherhood of Electrical Workers (A.F. of L.) have taken the position that all technicians with the exception of a Chief Engineer who did not stand a regular watch, were non-professional and thus included in the Act. The regulations appear to bear out the union's contention.



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ref.?  
"As to staff musicians and artists, there appears to be some question as to whether they are 'professionals' under the regulations. However, the NAB has no knowledge of any staff artists working more than 44 hours a week or receiving less than 25 cents an hour. Continuity writers appear to be covered.

"Elmer F. Andrews, the Administrator, pointed out several weeks ago that watchmen, office help, maintenance men and the like in interstate commerce industries were covered.

"The Act also bans 'oppressive' child labor in interstate industry. Children employed as actors 'in motion pictures or theatrical productions' are exempt. The NAB expects to obtain an interpretation as regards children in broadcasting within a few days."

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#### FTC SETS UP RADIO-PERIODICAL DIVISION

The Federal Trade Commission created this week a radio and periodical division to examine advertising in those media and determine whether it complies with Commission standards. The new division will be headed by P. B. Morehouse, 45, a trial attorney with the Commission for nine years.

Duties similar to those of the new division have been assigned since 1929 to a Special Board of Investigation, now abolished.

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#### KENTUCKY UNIVERSITY GETS WPA RADIO GRANT

The University of Kentucky has been given a \$1,652 WPA grant through the U. S. Office of Education for the promotion of educational broadcasting, it was disclosed this week.

Six workers will be employed under the project to do research work in Kentucky folklore and history and prepare programs for broadcasting. Listening groups also will be organized among the Kentucky mountaineers.

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## 18 TELEVISION STATIONS HOLD FCC PERMITS

With television due to make its debut as a medium of public entertainment coincident with the opening of the New York World's Fair, interest turned this week to the television stations already equipped to conduct visual broadcasts.

There are 16 licensed television stations and two others authorized but not yet in operation. Oddly enough, the number of stations has decreased by three since last Spring.

The Journal Company, of Milwaukee, was denied a renewal of license by default, and George W. Young, of Minneapolis, had his renewal application dismissed with prejudice. The Sparks-Withington Co., of Jackson, Mich., withdrew its application for renewal without prejudice.

The Zenith Radio Corporation, of Chicago, and the Columbia Broadcasting System, New York, hold the only television construction permits.

Visual broadcasting stations now licensed to operate are:

	<u>Call Letters</u>	<u>Power</u>		<u>Emission</u>
		<u>Visual</u>	<u>Aural</u>	
Don Lee Broadcasting System, Los Angeles	W6XAO	1000 w.	150 w.	A3, A4
Fransworth Television, Inc., of Pa., Springfield, Pa.	W3XPF	250 w.	1 kw.	A3, A4
First National Television, Inc., Kansas City, Mo.	W9XAL	300 w.	150 w.	A3, A4
General Television Corp., Boston, Mass.	W1XG	500 w.		A4
Kansas State College of Agriculture & Applied Science, Manhattan, Kansas.	W9XAK	125 w.	125 w.	A3, A4
National Broadcasting Co., Inc., New York, N. Y.	W2XBS	12 kw.	15 kw.	A3, A4
National Broadcasting Co., Inc., Portable (Camden, N.J. & New York)	W2XBT	400 w.	100 w.	A1, A2, A3, A4 & Special

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Philco Radio & Television Corp., Philadelphia, Pa.	W3XE	10 kw.	10 kw.	A3, A4
Philco Radio & Television Corp., Philadelphia, Pa.	W3XP	15 w.		A4 & Special
Purdue University, West Lafayette, Ind.	W9XG	1500 w		A4
Radio Pictures, Inc., Long Island City.N.Y.	W2XDR	1 kw.	500 w.	A3, A4
RCA Manufacturing Co., Inc., Portable, Camden, N. J.	W3XAD	500 w.	500 w.	A3, A4
RCA Manufacturing Co., Inc., Camden, N. J.	W3XEP	30 kw.	30 kw.	A3, A4
RCA Manufacturing Co., Inc., Portable-Mobile	W10XX	50 w.	50 w.	A3, A4
University of Iowa, Iowa City, Iowa	W9XK	100 w.		A4
University of Iowa, Iowa City, Iowa	W9XUI	100 w.		A4

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HEARST SELLS KOMA FOR \$315,000

Sale of Station KOMA, Oklahoma City, Okla., by Hearst Radio, Inc., to J. T. Griffin, Muskogee, Okla, Manufacturer and wholesaler, for \$315,000 was disclosed last week by William C. Gillespie, who represented Griffin in the negotiations. Griffin is a major stockholder in Station KTUL, Tulsa. If the deal is finally approved by FCC plans call for immediate purchase of a new transmitter and installation of \$75,000 in new equipment.

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NEW TELEVISION EXPERIMENT IS AUTHORIZED

New experiments in the field of television, with particular attention given to cathode ray transmissions, were authorized this week by the Federal Communications Commission, acting on the application of the Allen B. DuMont Laboratories, Inc., of Upper Montclair, N. J.

The applicant plans to operate a visual broadcast station on 46,000-56,000 kc. with 50 watts from midnight until 9 A.M. nightly. Sixteen objectives aimed at improvement of television are set forth by the applicant.

The three principal points of its program of research are:

"First, investigation of the use of double beam cathode ray receivers for producing three-dimensional pictures. This undertaking will require the use of electrostatic deflection of the two beams in the system to avoid interaction between fields which would result from the use of electromagnetic deflection. Considerable difficulty in obtaining proper register of patterns will be experienced - and may be overcome;

"Second, development of a double beam receiver with reciprocal scanning to reduce flicker. More even illumination of the picture simultaneously from top and bottom is expected to assist in accomplishing the elimination of flicker. Applicant's engineers believe that the reciprocal method using double beam principles, received pictures can be effectively illuminated top and bottom simultaneously more clearly simulating present motion picture projection where the entire picture is illuminated intermittently but completely at a given time. The applicant hopes through successful working out of experiments in this line to provide a basis for reduction in necessary transmission band width by one-half and a simplification in receiving equipment;

"Third, investigation toward expansion of the principles involved in multiple beam transmission to permit television in color.

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Station KLO, Ogden, Utah, was granted authority to increase its power this week by the Federal Communications Commission from 500 watts to 1 KW night and 5 KW. daytime. The station is affiliated with the NBC-Blue Network.

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## STATIC USED TO FORECAST STORMS IN PUERTO RICO

Radio static may yet prove to be good for something. Progress was reported this week by the Interior Department on experiments being conducted in Puerto Rico in the forecasting of tropical hurricanes by photographing static which heralds their approach.

Dr. G. W. Kenrick, of the University of Puerto Rico, is studying a method of static location in which simultaneous photographic observations are taken in Puerto Rico and Florida and the location of the static, which is the origin of the observed crashes, is then determined by triangulation.

Equipment includes a camera that is focused upon a large tube which records the output of the static receivers. The tube's face is marked with directions compass-wise, so that pictures of the static will easily interpret the direction from which the electric disturbance comes.

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## POLITICAL ORATORY OUTMODED BY RADIO

Until television becomes as widespread as radio, political candidates might as well conserve their energy and abstain from arm waving and shouting when they talk over the air. In fact, such carrying on, according to Neville Miller, President of the National Association of Broadcasters, is likely to induce listeners to turn to a swing band instead.

"The shouting, the platform stalking, the scowling, the arm waving - the silver-tongued orator whose softest word could reach them clean back to the balcony - these ornaments of a colorful American past, radio was outmoded", he said last week.

"The radio has replaced with a quieter and we believe, more intelligent method of political discussion."

Helpful hints to political candidates who take to the air are incorporated in a booklet entitled "Is Your Hat in the Ring?" which will be distributed by radio station members of NAB throughout the country.

Addressing candidates from town constable to Senator, the NAB advises them to talk rather than shout, to use homely language, and "pick a purpose" and stick to it.

"No law in the country compels listeners to listen to you", says the NAB head. "You must interest them. If you don't, a swing band, a news broadcast, or another speaker will."

Advising brevity, the NAB pamphlet says: "Few speakers can hold radio attention for more than 15 minutes, some can for half an hour."

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::: TRADE NOTES :::  
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An unfavorable report was filed with the Federal Communications Commission this week by Examiner John P. Bramhall on the application of the Warner Brothers, owners of KLS, Oakland, Cal., for authority to increase its power from 250 to 500 watts on 1280 kc. The grant, the Examiner said, would violate Section 307 of the Communications Act because California already has 54 stations.

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Imports of radios into Cuba during September, 1938, amounted to 3,045 units, valued at approximately \$76,766, recording a marked gain compared with the 880 units, valued at \$19,304 imported during August, according to private compilations reported to the Department of Commerce by the office of the American Commercial Attache at Habana. However, September, 1938, imports were still slightly below the 3,900 radio units, valued at approximately \$97,102, imported into Cuba during September a year ago, the report stated.

With the exception of 844 units, valued at approximately \$15,820 from the Netherlands, all radio sets imported into Cuba during September were consigned from the United States, unofficial statistics indicate. All radio imports during August, 1938, originated in the United States, while imports during September, 1937, included 75 units, valued at approximately \$1,291, from the Netherlands, according to the report.

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The Federal Communications Commission last week denied an application of the Arlington Radio Service, Inc., Arlington, Va., to construct a broadcasting station just across the Potomac River from the National Capital on the ground that the area is already well served by existing stations.

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Broadcasting in Britain will take another step forward on November 18th, when new BBC studios and offices in Glasgow will be formally declared open by the Rt. Hon. Walter Elliott, F.R.S., Minister of Health. Though this latest British Broadcasting Corporation centre will be primarily concerned with the provision of programs for listeners in the Scottish Region, it will be the source of many broadcasts to listeners overseas. Formerly used as a college for women, the premises have been considerably modified and extended to meet BBC requirements. In all, ten studios have been provided, the largest being capable of accommodating, if necessary, an orchestra of a hundred performers.

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Sale of Station WBLY, Lima, Ohio, to the Fort Industry Co., by Herbert Lee Blye, for \$27,000 was approved last week by the Federal Communications Commission.

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#### ALBANIAN MINISTRY IN MARKET FOR RADIOS

The Albanian Ministry of the Interior desires to purchase 100 radio receivers, preferably American, for installation in each Commune by Independence Day, November 28, when the new broadcasting station will be inaugurated, according to the U. S. Bureau of Foreign and Domestic Commerce, Electrical Division.

Each receiver must be equipped with an additional speaker for public audition, preferably 14 to 18-inch diameter. Approximate specifications are: 4 to 6 tubes short and medium wavelength, built-in speaker, table model. Because many communes are without electricity and current varies in others, all sets should be made for both 220 and 125 volts alternating current and at least 75 of them further equipped with batteries.

Interested manufacturers are invited to telegraph offers as soon as possible direct to the Ministry of the Interior, Tirana. Quotations should be c.i.f. Durazzo, payment cash against documents Tirana.

Another purchase of 100 receivers is to follow at a later date.

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Successful development of a tiny radio tube whose possible applications include mechanical "ears" for the deaf that are four times as sensitive as present types, and police and foot soldier radio receiving sets, has been announced recently by laboratories at Salem, Mass., after two years of research.

Developed primarily for the construction of an improved hearing aid, the miniature tubes are one and five-eighth inches long and nine-sixteenths of an inch in diameter. Hair-like filaments, small grids and other parts correspondingly small make the use of magnifying lenses necessary during manufacture.

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## G. E. DEVISES ANTENNA FOR APARTMENT HOUSES

An answer to the problem of providing good radio reception in apartment houses and other multi-unit dwellings, and at the same time eliminating the jungles of wires which are a frequent eyesore in large cities, is offered by General Electric in the form of a new all-wave multicoupler antenna system, just announced by the G-E construction materials division, Bridgeport, Conn. The new multicoupler antenna is said to offer a solution to apartment houses, schools, hospitals, and similar structures in which a large number of radio receivers of assorted types may be operating at once. The new device would in many cases be appropriate for installation in large private residences.

The new antenna system can serve as many as 20 radios simultaneously. Its simplicity and ease of installation make it an inexpensive refinement for a multi-unit building, and it not only improves the appearance of the property but vastly improves the quality of broadcast reception. Where more than 20 radios are to be served, a multiple installation may be used. There is no interference between receivers on the same antenna or on other antennas, or between units of the multicoupler system where more than one antenna is employed.

The sensitivity and range of radio sets are protected and enhanced by the new G-E system. Twenty sets can be tuned into 20 different stations, or all of them can be tuned to a single station. A number of sets can be utilizing the long wave bands while others on the system are tuned to short wave. Reception is improved, according to the engineers, since the system acts as an efficient noise eliminator because of the transformer in the antenna and the multicoupler coil in each separate radio outlet.

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## 63 RETAILERS AGREE TO BACK CBS VENTURE

Sixty-three retail establishments in 32 cities had agreed up until the end of last week to cooperate in the \$1,000,000 CBS retail promotion program for which a private audition recently was held in a unique promotion stunt.

A goal of 200 sponsors in cities scattered over the country has been set as the goal by CBS for the backing of the New York Philharmonic Symphony Orchestra in a series of programs extending over 30 to 50 weeks.

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## U.S. MANUFACTURERS WARNED ON LONDON TRADE

Despite the collapse of the British radio patent pool, there is still a risk in importing American radio receivers, Trade Commissioner C. Grant Isaacs, of London, this week advised the U. S. Bureau of Foreign and Domestic Commerce.

It is probable, he said, that a new pool may be created providing a favorable decision is given by the House of Lords in the infringement case brought by the Electric & Musical Industries, Ltd., a member of the pool, against the Lissen Company for violation of a patent.

"While there is at present no pool", the Trade Commissioner said, "a risk continues in this market for the import of American radio receivers and radio-phonographs. Individual manufacturers might press infringement cases even more vigorously than has been the case with the pool. Heretofore the pool has directed its patent violation activities against important firms or companies with substantial capital and trade position. The present import of American radio sets is confined to a 'bootleg' or 'smuggling' trade. The major proportion of imports is confined to midget sets.

"While the future status of the pool is undetermined at this time, it is believed advisable that any American firm of substance should continue to carefully consider the present position, prior to aggressively approaching this market."

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## BIG GAIN IN RADIO SET SALES SEEN FOR QUARTER

With sales of radio sets, particularly the smaller models, coming along with a rush in recent weeks, manufacturers now expect that the final quarter will register a substantial gain over that of 1937 and recoup a good portion of the losses in the first half of the year, according to the New York Times. While volume this year will not reach the 7,300,000 of 1937, the industry now expects it to pass the 6,500,000 mark, with the likelihood that it will go higher, the Times said. The huge carry-over from 1937 has been pared down to better than normal; retail prices are stable and the outlook for the field has brightened considerably.

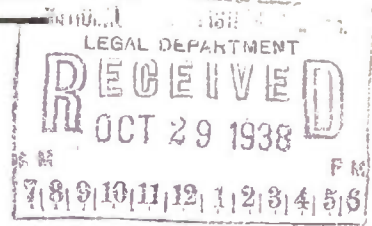
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## FCC AVOIDS CENSORSHIP BY RENEWING WTCN LICENSE

The Federal Communications Commission this week got out from under multiple charges of attempted censorship by renewing without a hearing the license of Station WTCN, of Minneapolis, which had been called on the carpet for broadcasting profanity in Eugene O'Neill's play, "Beyond the Horizon".

The FCC had set the application for renewal for hearing because of a complaint against the broadcasting of "damn", "hell", and "for God's sake" in the play, which was carried over the NBC network.

A week later, under a barrage of criticism in the press, the Commission backed down and ordered the hearing order held in abeyance until all members of the Commission could be present.

This week it voted unanimously to grant the license renewal without a hearing.

The press was practically unanimous in its attacks on the Commission for the first move to hold up the station's license. It branded the action as censorship and interference with free speech. Columnists pointed out that the O'Neill play had won the Pulitzer prize in 1920 and that it had been presented recently by another Federal agency - the Federal Theater of the WPA - without arousing any protests.

The National Association of Broadcasters viewed the case with alarm in its weekly bulletin and recalled the words of its new President, Neville Miller, when he took office:

"Any threat to gather the freedom of radio unto the bosom of the Government, of a bureaucracy, or of a monopoly must be resisted."

There were varied versions of the previous stands of several Commissioners on the vote to set the WTCN case for hearing. One was that Commdr. T.A.M. Craven voted for the original motion and then sought to change his vote. At any rate he and Judge Eugene O. Sykes later took the lead in seeking to reverse the action.

Rumors have been current since Chairman Frank R. McNinch assumed office that he sought to exercise a censorship over some of the anti-New Deal commentators, such as Boake Carter.

This charge he emphatically denied, however, at a recent press conference.

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The famed Mae West-Charlie McCarthy episode, which brought an FCC reproof on the National Broadcasting Company, was widely criticized although even the critics deplored the "taste" of the program.

The FCC on the whole has left program censorship to the judgment of broadcasters. However, the general type of programs broadcast by a station are usually considered whenever a station's application for renewal of license is set for hearing.

Stations, on the other hand, have been charged from time to time with exercising censorship, especially in deleting portions of political addresses or barring certain speakers from the air. This practice is likely to be delved into during the forthcoming monopoly-chain inquiry because of protests filed by representatives of the C.I.O.

The only reference to censorship in the Communications Act, under which the FCC operates, is Section 326, which reads:

"Nothing in this act shall be understood to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication. No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication."

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"BROOKLYN CASE" TO START ALL OVER AGAIN

The "Brooklyn case", which predates the Federal Communications Commission, is due to start all over again. The FCC this week issued an order setting the case for further oral argument.

The action was taken as a result of an order of the U. S. Court of Appeals remanding the case to the Commission for further proceedings.

The FCC will hear WLTH and WBBC on November 10, and will accept briefs from WARD and WLTH up to November 24th. Station WBBC is given until December 2nd to file a brief.

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## RMA BACKS HIGH POWER, CLEAR CHANNELS

Entering the row in broadcasting circles, the Board of Directors of the Radio Manufacturers' Association this week urged the Federal Communications Commission to maintain cleared channels and provide for the highest practicable power on all broadcasting channels, Bond Geddes, Executive Vice-President, disclosed.

While the FCC is now considering the question of high power and cleared channel broadcasting policies, the RMA Directors in the interests of the listening public as well as the radio manufacturing industry, considered the problems involved and adopted resolutions urging high power, cleared channel service as far as economically practicable.

"There has been a trend in Commission policy and also sentiment in Congress toward reduction of power of broadcast stations and also of cleared channel operation, neither of which is regarded by the RMA as in the public interest nor that of the radio industry generally", Mr. Geddes said.

Resolutions urging the Commission to maintain high power and cleared channel broadcasting were adopted unanimously by the RMA Board of Directors at its recent meeting. Later the RMA will present similar recommendations to all members of Congress and otherwise develop sentiment in favor of high power, cleared channel broadcasting service which, in the opinion of RMA, insures the best radio reception for the listening public, Mr. Geddes added.

The RMA resolutions and recommendations to the FCC follow:

"The Radio Manufacturers Association being concerned primarily with the manufacture, distribution and maintenance of broadcast receivers believes that it can speak for the listening public with authority, with reference to the possibility of the limitation of cleared channel station power and with reference to the possibility of the extension of shared channel assignments to broadcast stations at the cost of the cleared channel assignments.

"Because of the unavoidably serious consequence of either or both of these possibilities on the broadcasting available to many segments of the listening public, the RMA takes this opportunity to again restate certain well established fundamental scientific and engineering facts and to voice its conviction as to the necessary consequences of these facts on the power and frequency assignment practices of the Commission.

"It is a fact that while a broadcasting station inevitably transmits its signals over tremendous distances, the area to which it can render a useful service is sharply limited by the radio noise level.

"It is a fact, also, that such levels of transmission as are of too low an intensity to render useful service are yet sufficiently strong to create serious interference with transmission of other stations operating on the same frequency assignment.

"It is a fact that the extent and intensity of the distant transmission and hence, the extent and intensity of this interference increases greatly during the hours of darkness.

"The useful service areas of stations of moderate power in urban communities are thus severely limited by the noise level; and, even with high power when operating on frequency assignments shared with other stations are usually even more seriously limited by the inter-station interference during the hours of darkness.

"We know of no practicable method by which the limitation of the noise level may be avoided other than by sufficiency of power at the transmitting station.

"We know of no way in which this interstation interference can be avoided within the confines of the United States except by the use of cleared channels.

"We, therefore, believe that the shared channel system can provide only a highly localized broadcasting service and that cleared channels are necessary, not only to supply satisfactory broadcasting service to rural areas and detached urban communities, but to provide satisfactory night-time service to the suburban areas of our larger cities.

"We believe that, except as engineering considerations may dictate limitation of the field strength of nearby populous areas, no limitation should be imposed on the power of stations.

"We urgently recommend that the number of channels now assigned to cleared channel operation be maintained as such.

"We urgently recommend all encouragement be given to the employment of the highest practicable power on all channels, subject only to the need for avoiding blanketing, cross modulation, and such other irregularities as result from excessive field strength, particularly in populous areas."

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6,000,000 SET SALES IN 1938 FORECAST

With general business recovery reflected in the sales of radios and particularly in the demand for small sets, students of industry statistics now predict sales of at least 6,000,000 radios during 1938, O. H. Caldwell, former Federal Radio Commissioner, predicts in the current Radio Today, which he edits. This will be a 25 percent drop below the 8,000,000 figures for 1937, but represents a better showing than had been expected earlier in the year, he pointed out.

While the year started out about 50 percent off, there has been a gain in the rate of set production, though the dollar total will probably remain around the half-way level.

Radio sets and radio tubes have grown progressively cheaper with increased production, he asserted, although some other products have grown more costly measured in equivalent work-hour earnings.

For example, the radio set of 1922 cost 190 times the average hourly wage earned by American workmen for that year. Contrasted with this 190-hour cost, the average 1938 radio can be purchased for the earnings of 25 work-hours.

The radio tube of 1922 cost 5 hours' work; today's improved tube costs 45 minutes of work.

In contrast, to buy a small average working man's house in 1922 cost 5000 work-hours, whereas such a 1938 house costs about 6000 work-hours, so that the worker's effort required per unit of housing has gone up. This increase is in face of the fact that many house-building supplies have come down. Paint for the workman's house in 1922 cost 59 hours; today only 25 hours.

Clothing costs have likewise come down, - 710 work-hours for a family of four in 1922; 350 work-hours in 1938.

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TWO SCORE LICENSES RENEWED; SOME QUESTIONED

Whether the approaching elections had anything to do with it or not, the Federal Communications Commission this week suddenly acted on some two score applications for license renewals, some of which had been held up for questioning.

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## FCC REVERSES SELF, GIVES JACKSONVILLE STATION

Reversing its previous action, the Federal Communications Commission this week granted an application to the Metropolis Co., of Jacksonville, Fla., for a construction permit to operate on 1290 kc. with 250 watts power, unlimited time.

Jacksonville already has two broadcasting stations, both of which have network affiliations.

Recalling that it had denied a similar application on June 28, last, with Commissioners Payne and Walker dissenting, the FCC explained, "there were material facts of record which would justify" the grant.

"The Commission has repeatedly held that it will not establish new radio facilities for the sole purpose of affording additional radio advertising outlets to commercial establishments", the FCC stated. "In all cases, the controlling consideration (granting that the applicant is fully qualified) is the general public need for the radio service offered. In determining whether or not a general public need exists, no hard and fast rule may be followed as circumstances differ in one center of population from another, and manifold disparate elements must be determined in each case. The existence of need may only be determined from the record made in each proceeding. The foregoing findings have established that the applicant herein is fully qualified to render broadcast service and that the community is possessed of ample economic resources to support the existing stations."

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## PASTORS PROTEST "BLOOD AND THUNDER" PROGRAMS

Ministers and pastors of several hundred Protestant churches have protested to the Federal Communications Commission against continuance of "gangster, murder, crime and terror" radio programs which, they maintain, are detrimental to character-building of children.

The protests are in the form of letters made public this week by George Henry Payne, FCC Commissioner, long a crusader against "blood-curdling" programs. His correspondents praise a resolution adopted by the Methodist Episcopal Church in Los Angeles last Summer, condemning the present so-called "children's programs" as injurious to the health of children, "physically, morally and spiritually."



Many of the clergymen who wrote protests also attacked programs sponsored by liquor companies. One pastor said it made him "boil" to hear sports programs advertised by "a beer salesman". He said his children should be privileged to get baseball scores without hearing "some beguiling voice urge them to drink beer". This pastor said he wouldn't be surprised soon to hear radio programs "sponsored by some liquor firm feature church humns and even a prayer".

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#### TUNNEY URGES NAMELESS LIQUOR AD ON RADIO

An industrial radio program advertising the liquor industry without mentioning trade names was suggested by Gene Tunney, Chairman of the American Distilling Company, at a national conference on liquor advertising in Washington this week.

Mr. Tunney was highly critical of the present methods of advertising, but his criticism was greeted with boos and only mild applause.

Mr. Tunney resigned in August from the Distilled Spirits Institute, asserting that the industry's trade association was "without social consciousness or soul".

He was one of the speakers at the two-day conference called by W. S. Alexander, Administrator of the Federal Alcohol Administration, at the suggestion and with the cooperation of State regulatory agencies.

"We of the distilling industry have made a mess of the advertising situation", Mr. Tunney declared. "We really need stern regulation in our advertising as well as in other fields."

After denouncing what he called the present trend in liquor advertising, Mr. Tunney suggested that each distiller raise a fund, the funds to be pooled for the purpose of initiating a radio broadcasting program in behalf of the industry on which the names of no individual distillers would be mentioned.

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By a unanimous decision of the Swedish Supreme Court one license is now sufficient for an owner even if he has more than one radio set. This matter was taken to court by the Swedish State Telegraph Board which had brought suit against an owner possessing one house radio and another radio receiving set in his car, maintaining that a separate license was required for each and every set. In the opinion of the court, however, a license does not refer to a set or any certain number of sets but is a license issued to the owner to own and use radio sets in general.

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## RADIO TRANSMITS FROM 23 MILES UP

Radio broadcasts from apparatus carried as high as 23 miles above the earth's surface by balloons have given scientists at the Bureau of Standards new information about cosmic rays.

One radio set carried to 23 miles by six balloons is believed to have set a new altitude record. At this height the 5 pounds of apparatus had 99.5 percent of the earth's atmosphere below it.

Last of the experiments was carried on this week by Dr. L. F. Curtiss and Dr. A. V. Astin. They said that experiments carried on the past four months with improved equipment indicated that maximum of cosmic ray effect are observed 12 miles above the earth.

There the cosmic rays are 200 times more intense than at the earth's surface. Majority of the rays, the speediest electrically-charged particles known, are absorbed by atmosphere before they reach the earth, Dr. Astin said.

The apparatus weighing 5 pounds is carried aloft by six hydrogen-filled balloons. It reaches its peak in about two hours. Some of the balloons break and the apparatus returns to earth. Stratospheric winds generally carry them 50 to 100 miles northeast of Washington to Eastern Shore, Maryland, Southeastern Pennsylvania or Delaware.

The apparatus consists of a Geiger-Mueller cosmic ray recorder, a barograph to measure atmospheric pressure, and a radio transmitter. Broadcasts are made four times a minute, and all possible information is given so that it is not necessary to recover the apparatus. Since all balloons do not break, the radio set gives information both in the ascent and descent.

Less effect of cosmic rays is recorded above 12 miles because there the atmosphere is rarer and there are fewer molecules of air to be ionized by the fast-rushing cosmic rays. Evidence has been found of a slight variation in height of the maximum effect.

Although information received has not yet been fully studied, Dr. Astin said there was little likelihood that a new theory on origin of the mysterious rays would be discovered. Leading present theory of their origin is in intense energy transformations, such as takes place in birth of new stars.

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 :::: TRADE NOTES ::::  
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"NAB News Review", a pamphlet containing "reprints of timely articles relative to radio", made its appearance this week. It is published and distributed by the National Association of Broadcasters.

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The place of radio in American life today, and particularly the benefits which can result from understanding and proper use of the principles which make it so vital a force, will be discussed by Lenox R. Lohr, President of the National Broadcasting Company in an address before the biennial conference of the Federal Council of Churches of Christ in America at the Statler Hotel, Buffalo, N. Y., on December 7th.

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The sale of Station WMPS, Memphis, Tenn., by the Memphis Commercial Appeal Co., to the Memphis Press-Scimitar Co., for \$50,030 was approved this week by the Federal Communications Commission. Both companies publish newspapers. The Commercial Appeal will continue to operate Station WMC, in Memphis.

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Resurrecting the dormant telephone investigation report, the Federal Communications Commission this week ordered that the American Telephone & Telegraph Co., and its subsidiaries be permitted to file briefs within 30 days on the "proposed report" of Commissioner Paul Walker.

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A minimum watch by radio operators aboard vessels equipped with auto alarms was defined by the Federal Communications Commission this week in an order. It was explained that "under some circumstances radio operators have been required to stand two watches consecutively."

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The National Broadcasting Company will add its 160th affiliated station on November 1, when WAPO, in Chattanooga, Tenn., joins the networks as a supplementary outlet available to the South Central Group #3 and Southern Group #5. WAPO operates full time on 1420 kilocycles with 250 watts daytime power and 100 watts at night.

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Sport-fishing passenger vessels of less than 100 gross tons were declared exempt from provisions of the Communications Act requiring auto alarms this week by the Federal Communications Commission.

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A new broadcasting station for Lihue, Hawaii, was authorized this week by the Federal Communications Commission. The operator will be the Garden Island Publishing Co., using 1500 kc. with 100-250 watts, unlimited time.

Station WHEF, of Kosciusko, Miss., was ruled off the air this week by the Federal Communications Commission when it refused to renew the station's license. The application for renewal was set for hearing, but the station offered no evidence in support of its request.

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#### JAZZING OF CLASSICS PROTESTED TO FCC

Having just dodged a serious censorship charge, members of the Federal Communications Commission this week were not prepared to do anything about a protest that stations be penalized for permitting the "swinging" of classical music.

A letter from Alfred L. Dennis, President of the Bach Society of New Jersey, was received this week by Chairman Frank R. McNinch.

"As you are doubtless aware, the country is being swept by a rage of playing classical and traditional songs over the radio in swing tempo", Mr. Dennis wrote. "This is causing genuine distress to lovers of fine music.

"Recently on two occasions, we heard a jazz orchestra giving a rendition of Bach's 'Tocatta in D Minor'. All the beautiful fugue effects were destroyed by the savage slurring of the saxophone and the jungled discords of the clarinet.

"By no stretch of the imagination could such performances be tolerated except by people of no discrimination. As a group interested in bringing the best of Bach's music to the people in our State, we must protest against the jazzing of Bach's music. If this is permitted to go unchallenged, swing renditions of the Mass in B Minor will follow, offending listeners on both religious and esthetic grounds.

"We could suggest", Mr. Dennis added, "that any station that violates the canon of decency by permitting the syncopating of classics, particularly Bach's music, be penalized by having its license suspended for the first offense. A second offense could be punished by revocation of the license."

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F.D.R. HAS THREE PLANS ON FCC, WRITERS SAY

President Roosevelt is considering three alternative plans to shake-up the Federal Communications Commission, according to two Washington columnists, Joseph Alsop and Robert Kitner, who do a column for the North American Newspaper Alliance.

In a copyrighted story this week, they discussed the friction within the FCC and then asserted:

"The President's attitude is the one he disclosed at the time of the reorganization bill - that he is blamed for trouble in the independent agencies, and must be permitted to clear up the trouble. With this in mind, he is understood to be considering three plans. All are based on the supposition that McNinch's efforts have unavoidably failed.

"The first plan is for the President to call in the Commissioners, demand their joint resignation, and announce that the public interest cannot be served until they comply with his request. Since some of the Commissioners are pig-headed, to say the least, this plan is more dramatic than practical.

"The second plan is for the President to go to Congress in January, ask for the abolition of the Commission, and suggest the establishment of a new agency, better planned and probably headed by a single administrator. Such a daring stroke would almost certainly be the signal for a Congressional investigation of the F.C.C. and as New Deal bodies are said to be buried in the F.C.C. garden, the course might be politically unwise.

"The third plan is for the President simply to dismiss the more troublesome Commissioners. Under the Supreme Court decision invalidating the President's dismissal of Trade Commissioner William Humphreys, this plan hasn't a constitutional leg to stand on. But the Humphreys case decision is believed to have angered the President more than any other action of the high bench. And the temptation must be strong to ask the present, friendlier court to reverse the decision."

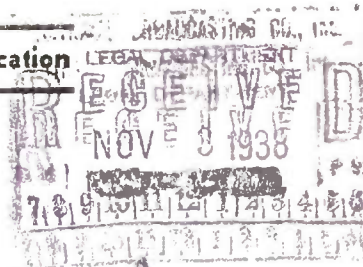
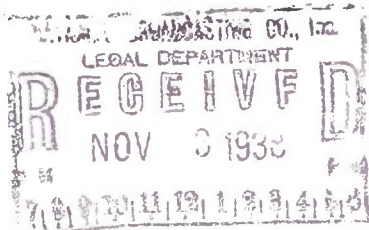
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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**



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November 1, 1938

McDONALD RAPS MOVE TO SELL TELEVISION SETS

The proposal of the Radio Corporation of America and other members of the Radio Manufacturers' Association to offer for sale next Spring, television receivers brought forth a stinging rebuke and a warning to the public from Commdr. Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, of Chicago.

Commander McDonald, who has consistently opposed all moves to place television sets on the market said that "the offering for sale of television receivers at this time in view of the present state of the art is, in my opinion, unfair to the public, and premature, both for economical and technical reasons."

The complete text of Commander McDonald's statement, made in a letter to Zenith stockholders, follows:

"The recent publication in the newspapers of the country of a statement to the effect that television receivers will be put on the market for sale to the public before the opening of the New York World's Fair next Spring has brought many inquiries from our stockholders as to the position of Zenith Radio Corporation in the television field. This letter is written in response to such inquiries, and for the purpose of advising all the corporation's stockholders as to the present status of television.

"The offering for sale of television receivers at this time in view of the present state of the art is, in my opinion, unfair to the public, and premature, both for economic and technical reasons. Such premature introduction of television commercially will result in loading the public with undue experimental replacement cost, which, in turn, will result in retarding, instead of furthering development and in unprofitable operations for the companies engaging in such a program.

"Your company is now in its twenty-fourth year of experience in the manufacture of receiving sets, and today holds the only license issued by the Federal Communications Commission for an experimental television station in the Chicago area.

"The Zenith Radio Corporation will, in a period of weeks, be on the air with its experimental high definition type of television programs. It will also have ready television receivers. It, however, intends to make no sales of these receivers until, in our opinion, television is ready for the public. These receivers will be loaned to a limited group of experienced people and engineers for experimental purposes.

"I do not believe the radio industry should ask the public to pay for its experimentation in television, at least without putting the public on notice that receivers put out at this time are on an experimental basis and may be subject to many costly changes and replacements.

"I still feel as I stated at the last stockholders' meeting that 'general use of television in the homes is just around the corner for stock salesmen only'. On the other hand, when we have overcome all of our difficulties, and when I say we, I mean the radio industry, television will no doubt become a glorious new experience and a wonderful new industry. I feel that I am as close to the television picture as the next man and Zenith is prepared at this time to produce and sell television receivers but I am not ready to take the public's money until television is good and ready to provide money's worth to that public.

"Your company has always stood for progress and intends to continue to do so. We were the first to introduce short-wave receiving sets for public use (1925); first to introduce battery-less radio sets (1926); first to introduce automatic tuned radio (1928) and we were the first manufacturer of radio apparatus to acquire a license under the radio patents of the American Telephone & Telegraph Company, Westinghouse Electric & Manufacturing Company, General Electric Company and Radio Corporation of America. This license has since been enlarged to include patents in the television field. Your corporation maintains an entirely separate department of its research laboratory devoted exclusively to the development of television and is now engaged in constructing one of the few television transmitters of the modern high definition type.

"Television holds the most fascinating possibilities ever envisioned by an eager public but I cannot agree that television receivers are ready for mass production and country-wide distribution on any such basis as even the first radio broadcast sets that were distributed in the early Twenties.

"Television is essentially different from anything with which we have had to deal in the past. The first automobiles constructed and sold to the public, unless they have been worn out from use, will still operate on our highways today, and with the gasoline now used. Likewise, the first radio broadcast receivers constructed and sold to the public will still operate and reproduce programs broadcast from the most modern broadcasting stations of today. On the other hand, the television receiving set of one year ago is already obsolete and cannot be operated in the home with the latest television transmitter of today.

"What the public should know, and has not been told, about television is that the receivers must be matched to, synchronized with and built on the same standards as the transmitters. Any major change made in the television transmitter will necessitate a change in the receiver. This, of course, is not true of radio receiving sets. It is not only conceivable, but quite possible,



that within a year from today the standards of the television transmitter, which, incidentally, have not yet been officially adopted, may again be changed, and this, in turn, will once again make obsolete all television receivers manufactured and sold today.

"No organization is better informed on television today than the Federal Communications Commission, yet within the past two weeks, the Commission has asked this question: 'Whether or not we believe that the development of television has reached the stage where the Commission might call formal hearings with respect to the adoption of standards'.

"Television for the public is not new as the recent announcements might lead one to assume. Right here in Chicago, it was introduced to the public in 1928 by radio stations WCFL; in 1929 by the Western Television Company; and in 1930 by radio station WMAQ, then owned by the Chicago Daily News. Television programs were broadcast at that time. Due to the interest then aroused, over 1,000 television receivers were sold to the public in the Chicago area, every one of which is today useless because of the changes which have been made in transmitters.

"The Federal Communications Commission has given long and serious consideration to the matter of television. It has, in its wisdom, issued only eighteen television licenses, all of which are experimental and not commercial. Of the experimental transmitting stations constructed under these licenses, only a few are of the modern high definition type. Not one permit or license has been issued by the Commission for the construction and operation of a commercial television station.

"I maintain that neither advertising nor the sale of television receivers to the public should be indulged in at this time by those companies enjoying from the government a license to operate an experimental transmitter. I say this because either of these practices constitutes commercialization of the license which the government has extended for the purpose of experimentation only.

"There are many technical problems in television which are still unsolved. Among these is the inability at present to eliminate interference with television reception caused by the operation of automobiles. On the wave lengths now selected for and allocated to television, every spark plug in the twenty-five million automobiles in the United States operates as a transmitter and creates interference in its immediate vicinity. This interference makes impossible satisfactory television reception below the fourth or fifth floor of most buildings facing a street upon which automobiles are operated.

"Its effect is to put in the picture on the receiver a series of spots having the appearance of a snow storm. This, of course, destroys the picture. The only cure for this condition, at least at present, is to arrange to have all automobile manufacturers shield all new automobiles constructed, and also to have the owners of automobiles now in use do the same. This task, of

course, is impossible of achievement. Some other means must be found of removing this difficulty.

"The economic problems which must be settled before the public should be asked to buy television receivers are no less serious than the technical difficulties. In the present state of the art, it is not possible to transmit a television program beyond a radius of from thirty to fifty miles, depending upon the height of the transmitting station above the ground, and even in that area buildings and other structures situated between the transmitter and the receiver make good reception extremely difficult. In other words, in order to furnish television programs to purchasers of television receiving sets throughout the United States, it will be necessary to construct more than 2,000 television transmitting stations. Even though we had this multiplicity of television transmitters, no economical means has yet been discovered to connect these transmitting stations to make possible chain transmitting of television.

"Another of the economic problems presented is the matter of programs. The stupendous cost of transmitting television naturally sets aside the thought that advertisers and sponsors can possibly maintain advertising budgets sufficiently large to pay the cost of such programs. In England, the public has had television for nearly three years. Fortunately, only from 4,000 to 8,000 television receivers have been sold, and these at prices from \$200.00 to \$400.00 each. I say fortunately because only that many persons have been disappointed. Despite the fact that the English people are apparently satisfied with radio programs which would be unacceptable to the Americans, the English have nevertheless registered disapproval of the type of television programs which the British Broadcasting Company (a government subsidy) has been able to present under the present limitations of television operation.

"In the opinion of conservative producers, the cost of a single program of the type now transmitted in England, of one hour's duration for each day from one television transmitter, will be one million dollars a year. I feel that this estimated cost is most conservative, as I do not believe the American public will be satisfied for any considerable period of time with television programs that are less entertaining than the present-day movies. In other words, the people of our country will expect and demand the transmission of motion pictures.

"The motion picture industry expends over three hundred million dollars per year to produce approximately three hundred feature pictures, each of which represents a little more than one hour's entertainment. This economic load is paid for through the box offices of the moving picture houses. No source of revenue has yet been provided for the more costly television. Certainly, we cannot expect the advertisers of America to pay this bill.

"Any sales of television receiving sets today will unquestionably react unfavorably on the manufacturer who has put them on the market. Good business judgment, as well as fairness, indicates that this is not the time to sell television to the American people."

PROCEDURE ANNOUNCED FOR CHAIN MONOPOLY INQUIRY

Chairman Frank R. McNinch, of the Federal Communications Commission, late last week-end announced the procedure that will be followed by the special FCC chain-monopoly committee in the inquiry schedule to begin November 14th.

"The Committee has subdivided the subject matter to be covered in the hearing into four general headings", he said. "They are:

"1. Network Operations. The Committee will first call national networks in the order in which they commenced network operation; next regional networks in the order in which they commenced network operations; and then other witnesses to testify with respect to various phases of network operations.

"2. Matters Specified In Notices Of Appearances. Following this the Committee will call persons and organizations other than broadcast station licensees, networks, and transcription and recording companies who have filed written appearances pursuant to the hearing notice issued September 20, 1938.

"3. Management Contracts, Leases, Etc. Broadcast station licensees and other persons will be called by the Committee to supply evidence with reference to contracts, agreements, arrangements, and practices involving the management, control, or operation of broadcast stations by persons or organizations other than the licensees thereof.

"4. Nature and Extent of Common Ownership of Broadcast Stations. Broadcast station licensees and other persons will be called by the Committee to supply evidence with reference to the concentration of ownership or control of more than one broadcast station in the same or affiliated interests; and to supply evidence with reference to the business activities, other than broadcasting, of broadcast station licensees and persons exercising control through stock ownership or otherwise over licensees.

"5. Transcription Services. Transcription and recording companies, and other persons and organizations will be called upon to present evidence with respect to the relationship between the radio industry and organizations engaged in the production or distribution of electrical transcriptions and recordings for broadcasting purposes and evidence with reference to the quality of such recordings and transcriptions, both from the technical and program standpoints."

"A specific order of persons or organizations appearing under heading (1), Network Operations, together with an estimate of the time that will be consumed in hearing such evidence, will be issued so far as possible in advance of the first day of the hearing", Commissioner McNinch added. "A similar release will be issued with reference to the persons appearing under each of

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the remaining headings as far as possible in advance of the date such persons or organizations will be called.

"The procedure outlined herein was adopted by the Committee in order to accomplish a more orderly development of the great mass of material to be presented, and to eliminate unnecessary delays and inconveniences to persons participating as witnesses or otherwise in the hearing", he concluded.

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#### FCC ORDERS LEGAL STUDY ON PROGRAM COMPLAINTS

Still smarting under press criticism for calling to task Station WTCN, Minneapolis, for broadcasting Eugene O'Neill's "Beyond the Horizon", the Federal Communications Commission has ordered its Legal Department to make a study of its authority and to recommend a new procedure.

The study will be made under the direction of the Acting General Counsel, William J. Dempsey, and will include conferences with the Justice Department to determine jurisdictional questions.

The FCC announcement this week stated:

"The Commission, upon consideration of the instances reported to it of broadcast stations transmitting lottery, obscene, indecent, profane, or other programs which may be violative of penal provisions of the Communications Act of 1934, directed the Law Department to make a comprehensive study of such provisions with the view of determining the extent of the authority and jurisdiction of the Commission under the same, and the appropriate procedure to be followed in cases of alleged violations. In this connection the Commission authorized the Acting General Counsel to confer with representatives of the Department of Justice with the view of determining the jurisdictional questions involved and the possible establishment of appropriate procedure in cases of such violations."

The FCC action is somewhat surprising, however, in view of the fact that a Special Program Complaint Committee was set up recently to do somewhat the same job.

The Committee is headed by Commissioner George Henry Payne, and includes Commissioners Eugene O. Sykes and T.A.M. Craven. Messrs. Payne and Craven, however, have been at odds with other members of the Commission over Chairman McNinch's "purge".

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## MARTIAN "INVASION" GIVES CBS AND FCC THE JITTERS

While the majority of radio listeners considered the nation-wide scare caused by the CBS broadcast of "The War of the Worlds", a great joke, officials of the Columbia Broadcasting System and the Federal Communications Commission saw little humor in it.

As the Commission began a study of a transcribed version of the script of the Orson Welles version of H. G. Wells' 41-year-old novel, "The War of the Worlds", officials admitted off the record that there was little that the FCC could do except reprimand the network and warn it not to repeat the offense.

Even that gesture was robbed of its effectiveness, however, when Columbia announced on Monday that it would never again follow a program technique of a simulated news broadcast when there is any danger of it being misunderstood.

Chairman Frank R. McNinch issued a formal statement Monday saying that the broadcast was "to say the least, regrettable". Neither he nor other members of the Commission heard the program, however.

Other statements came from the President of the National Association of Broadcasters, a Vice-President of CBS and others, but the last word came from the Harvard Astronomical Observatory.

The Harvard Observatory, responding to a request, issued a statement, according to the Associated Press, that there is no evidence higher forms of life, as known on earth, exist on the planet Mars. This put at rest any lingering fear of timid souls that even though the Martian conquest did not occur Sunday night, it might at some later date.

British newspapers compared the panic in the United States to a similar scare in England in 1926 when the British Broadcasting Co. put on a skit describing a mob sacking Whitehall, the government section of London.

In Germany the radio scare was hailed as the "indescribable result of war agitation" and Nazi newspapers chortled freely over the American response to a war scare".

Nothing approaching the mass hysteria aroused by the fictional fantasy has ever been brought about by radio.

The nearest incident, however, to the Mars invasion, it was said, was the impersonation of President Coolidge by the late Will Rogers which was mistaken by thousands for an actual Presidential address.

It was recalled that the FCC last year reprimanded the National Broadcasting Co. for a different sort of broadcast, a

Garden of Eden episode with Mae West and Charlie McCarthy, which brought a flood of protests from shocked listeners.

Already smarting as a result of unfavorable reaction to an attempt to call Station WTCN, Minneapolis, and other NBC affiliates on the carpet for a broadcast of Eugene O'Neill's Pulitzer prize play "Beyond the Horizon", the FCC is now wary of any move that may be labeled censorship of programs.

Commissioner T.A.M. Craven, who was one of the members who forced the Commission to reverse itself on the O'Neill play, issued a statement supporting Chairman McNinch in his action regarding the CBS program but at the same time warning against any attempt at censorship.

"I feel that in any action which may be taken by the Commission", he said, "utmost caution should be utilized to avoid the danger of the Commission censoring what shall not be said over the radio.

"Furthermore, it is my opinion that the Commission should proceed carefully in order that it will not discourage the presentation by radio of the dramatic arts. It is essential that we encourage radio to make use of the dramatic arts and the artists of this country. The public does not want a spineless radio."

"I withhold final judgment until later", Chairman McNinch said, "but any broadcast that creates such general panic and fear as this one is reported to have done is, to say the least regrettable".

George Henry Payne, who frequently has quarreled with Chairman McNinch, for once, was on the same side as he suggested that the Commission establish a "standard of broadcasts".

Recalling that last Fall he campaigned against terrorism in children's radio programs, Commissioner Payne said:

"People who have material broadcast into their home without warnings have a right to protection. Too many broadcasters have insisted that they could broadcast anything they liked, contending that they were protected by the prohibition of censorship. Certainly when people are injured morally, physically, spiritually and psychically, they have just as much right to complain as if the laws against obscenity and indecency were involved."

Senator Clyde Herring (D.), of Iowa, said he planned to introduce a bill in the next Congress "controlling just such abuses".

Despite the threat of damage suits and unfavorable public reaction, CBS officials rejoiced privately that the incident showed that many listeners were not tuned into NBC's Charlie McCarthy, who has long been a problem to Columbia. Incidentally, the indomitable Charlie bobbed up in the CBS affair as the story went the rounds that Charlie's head, which fell during the Sunday night broadcast, was shot off by a Martian death ray.

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"STALINISM" CHARGED TO FCC IN CIRCULARS

Candidates for Congress, Washington correspondents, and others this week received copies of a circular letter sent out without signature but under the letter-head "American Radio Audience", with the address of 11 West 42nd Street, New York City, assailing the Federal Communications Commission.

Reprinting in full the recent column of General Hugh S. Johnson on the FCC row, the letter said, in part:

"Enclosed herein you will find some printed material dealing with the obnoxious and nauseating conditions existing within the Federal Communications Commission, and the possible rise of 'Stalinism' in American governmental affairs.

"As a candidate for election to the Congress of the United States, and thereby entrusted with the supervision and regulation of the Commission to which the Congress has delegated the handling of this important subject of Communications, YOUR people are interested in knowing your attitude, and, have a right to know whether or not you believe the conditions herein described should be allowed to continue.

"We will appreciate your advising us as soon as possible in order that interested parties in your District may know of your attitude on this subject."

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DIES SAYS ADMINISTRATION CUT HIS NET LINE-UP

Before going on the air from Station WOL, Washington, last (Monday) night to discuss the work of the House Committee on Un-American Activities, Chairman Dies (D.), of Texas, charged that a number of stations which had scheduled the address originally had dropped it at the last minute because of Administration pressure.

The speech was carried over the Mutual Broadcasting System, which asserted there had been no change in plans. Station WOR, key station of the chain, however, did not carry the program, it was said, because of a previous commitment.

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FCC SEEKS BUDGETARY RISE OF \$680,000

The Federal Communications Commission is asking the Budget Bureau for an increase of \$680,000 for its appropriation for the next fiscal year beginning July 1, 1939, it was disclosed this week. The appropriation under which the Commission is now operating amounts to \$1,705,000, while the Commission is asking for \$2,385,000 for the next fiscal year.

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 ::::: TRADE NOTES :::::  
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Several hundred radio engineers and executives are expected at the annual Fall meeting of the Institute of Radio Engineers and the RMA Engineering Department at the Sagamore Hotel, Rochester, N.Y., November 14-16 inclusive. Many meetings of the RMA Engineering Committees have been arranged and the annual exhibits are especially designed for the interests of engineering staffs and manufacturers.

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Two members were added to the WABC sales staff at the New York headquarters of the Columbia Broadcasting System, effective this week. They are Beverly M. Middleton and Robert C. Mayo.

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Newest addition to the Mutual network is Station KOME, Tulsa, Okla., which on Sunday, November 6th, becomes link number 108 in the four-year-old coast-to-coast Mutual chain.

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Important world developments through the years from the end of the war until the present will be discussed by Gen. James G. Harbord, Chairman of the Board of Directors of the Radio Corporation of America, over the NBC-Blue Network on Thursday, November 10, from 10:30 to 11:00 P.M., EST. General Harbord will speak at a dinner of the Union League Club in Chicago.

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Hollywood Radio City, NBC's new film capital headquarters, will be opened to the public on December 1st, according to an announcement by Don E. Gilman, Vice-President in Charge of the Western division. Although the public already is being admitted to broadcasts in the four auditorium studios and the office building is open for business, an army of workmen is still busy putting on finishing touches.

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The monthly index of radio advertising in Printer's Ink, out this week, shows a decrease of 6.1 percent in September from last year. The index shows a drop of 5.4 percent from August, when corrected for seasonal variations.

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"Unit sales of Zenith radios from the distributors to the dealers for the six weeks beginning September 1st and ending October 15th, exceeds the same period of last year by 73.43%", according to Commdr. E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago. "We estimate that profits for the first six months of the current fiscal year, ending October 31st, will represent approximately \$1.25 per share before Federal taxes, which, in view of lower unit prices set to meet the market conditions of the moment, we consider highly gratifying."

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RCA ANNOUNCES QUARTERLY DIVIDENDS

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

"On the outstanding shares of \$3.50 Cumulative Convertible First Preferred stock, 87-1/2¢ per share, for the period from October 1 to December 31, 1938, payable in cash on December 14, 1938, to the holders of record of such stock at the close of business November 7, 1938.

"On the outstanding shares of "B" Preferred stock, \$1.25 per share, for the period from October 1, 1938, to December 31, 1938, payable in cash on December 14, 1938, to the holders of record of such stock at the close of business November 7, 1938.

"On the outstanding shares of Common Stock, 20¢ per share, payable in cash on December 14, 1938, to the holders of record of such stock at the close of business November 7, 1938."

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NEWSPAPERS EXPECT ADS FROM TELEVISION

Whether the projected television sets will contribute the large expenditures to newspaper advertising that radio sets did in their first years is a question which arose this week in newspaper circles, following announcement that television will be available early next year, the New York Times commented this week.

"So far, inquiry revealed yesterday, manufacturers have made no advertising plans nor would any of them reveal the exact date of introduction of the television sets", the Times said. While April was mentioned in the statement by the Radio Manufacturers' Association, several are expected to beat the gun by a month or two and will probably use newspapers and spot radio to introduce their sets. The extent of campaigns and the effect on radio set advertising, which is now swinging along strongly, will all depend on sales results.

"The introduction of radio sets gave newspaper advertising quite a fillip in the early Twenties. Volume of advertising rose steadily until by 1928, it accounted for 10.7 percent of all national advertising in newspapers. Following the 1929 crash, totals dipped until by 1933, radio set copy amounted to only 1.4 percent of national advertising. By the end of last year, it had crept back to 2.5 percent, with the likelihood of further gains this year. Whether television can duplicate the advertising performance of the earlier years of radio is a moot question, according to publishers."

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