

HEINL RADIO BUSINESS LETTER

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PAN AMERICAN STATION IDEA BELIEVED ABANDONED

An indication that the proposal for construction of a Government-owned Pan American short-wave station will be dropped was contained in a preliminary report of the Special Committee named last year by President Roosevelt to make a study of short-wave broadcasting with especial regard to European propaganda being directed at the Latin Americas.

The report was carried in a document released by the State Department this week and dealing with the broad subject of improving relations between the United States and South and Central America.

Chairman Frank R. McNinch, of the Federal Communications Commission, who heads the Special Committee, said that the report on short-wave broadcasting will be submitted to the President around the first of next January.

The indication that the Special Committee has abandoned the proposal to set up a Government-owned short-wave station to compete with Nazi and Fascist stations with beams directed at the Latin Americas came in the statement "no additional funds required".

Congress last session pigeon-holed bills authorizing the establishment of a Pan American station either in Washington or San Diego after brief hearings. The Administration at first intimated its approval but later decided to withhold its support.

Commissioner T.A.M. Craven is credited with convincing the President that the idea was unsound. Chairman McNinch subsequently was instructed to stay away from the hearings and the Committee abruptly held up its report and asked for more time.

The State Department report, which was made by a committee headed by Sumner Welles, Under-Secretary of State, cited three activities of the committee which are designed to improve short-wave broadcasting.

The first of these is a series of informal conferences between the Federal Communications Commission and the American radio industry in an effort "to develop further cooperation with Latin America and to raise the standard of programs transmitted abroad, especially to the American Republics."

Second, the FCC was said to be establishing better engineering standards in an effort to eliminate interference. The North American Treaty drafted at Havana a year ago, which has just been rejected by the Mexican Senate, was cited as an accomplishment in this respect.

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Finally, the Communications Commission offered to provide its experts for the aid of Latin American countries interested in improving their own broadcasting.

"The Commission stands ready at all times", the report said, "to cooperate with respect to such visits and to arrange, when it appears desirable, to send technical experts to various Capitals in Latin America, such visits, of course, to be made only on special invitation of interested governments, in order to discuss problems of mutual interest.

"Similarly, the Commission is prepared to cooperate at all times by arranging for the reception of foreign communications officials who express an interest in making a visit to the United States."

Present indications are that the Special Committee will recommend Government cooperation with the privately-owned international stations rather than competition. A Government subsidy to aid the stations has been considered and may be provided to pay for the time the Government would utilize in transmitting its own programs.

Under the Department of Agriculture's activities proposed is a statement that it will cooperate with broadcasting companies regarding transmission of special programs to the Latin American Republics. No funds will be required for this activity, the report stated.

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RMA AND NAB PLAN RADIO PUBLICITY DRIVE

Plans for an advertising campaign to impress the public with the services of radio stations and to encourage more extensive use of receivers were revealed in Chicago Thursday when representatives of the Radio Manufacturers' Association and the National Association of Broadcasters met to discuss development of the project.

The RMA Board of Directors voted to contribute one-half of the necessary funds, the total of which was not disclosed. The broadcasters are expected to take similar action at a meeting in Washington December 12th. It was agreed that campaign details will be left in the hands of the broadcasters. No agency services will be considered.

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MONOPOLY HEARING REACHES MONOTONY STAGE

As the broad Congressional investigation of industrial monopolies opened in Washington this week, the Federal Communications Commission's chain-monopoly inquiry had reached what newspaper men called the "monotony" stage.

Technical witnesses for the National Broadcasting Company occupied the stand throughout the week and loaded the record with a mass of statistics, charts and tables.

Chairman Frank R. McNinch continued to complain against the prepared and voluminous type of testimony offered by NBC and issued a formal statement to the effect that witnesses would no longer be permitted to read prepared statements. He had previously announced the ruling orally.

All indications are that NBC will continue to occupy the stand until the Christmas recess, after which the Columbia Broadcasting System will offer testimony.

Broadcasters will keep an eye, meanwhile, on the Congressional inquiry because of the likelihood that it may look into alleged monopolies in the music copyright field and possibly radio manufacturing patents.

Following the cross-examination of O. B. Hanson, NBC Vice-President and Chief Engineer, early this week, Philip J. Hennessey, NBC counsel, called B. F. McClancy, NBC Traffic Manager, and then W. C. Lent, NBC engineer.

Mr. McClancy testified as to the contractual relations between NBC and the American Telephone & Telegraph Company and the network's payments to the telephone company.

It was while Mr. Lent was on the stand testifying as to program duplication that Chairman McNinch complained against the introduction of voluminous exhibits to fortify the testimony of NBC witnesses.

Mr. Hennessey offered for identification a 317-page document full of maps and statistical tabulations. He said it had required 12,000 man-hours to prepare it.

Chairman McNinch took one look at the volume and said that if such exhibits were admitted, to be identified by long oral examination of several witnesses, the Committee would be occupied for months by these alone. He asked William J. Dempsey, Commission General Counsel, whether he had had time to examine the exhibit and to indicate what, if any part, might be legally objectionable.

Mr. Dempsey told the Commission it was not possible, without hearing testimony on each part of the exhibit, to determine whether the matter was objectionable in the record.

Mr. Hennessey pointed out that the volume was prepared at great expense in response to orders of the Commission, and that it represented the shortest and most complete method under which the data called for could be prepared. He added that he was very much afraid that it would be rather painful for the Commission to sit through the explanations of the exhibits, but said that nevertheless he wanted to assure the Commission that it had been just as painful for the National Broadcasting Company to have it prepared.

Chairman McNinch then permitted the examination of W. C. Lent, engineer of the NBC, to proceed.

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PAYNE SERIOUSLY ILL; LIBEL SUIT POSTPONED

Commissioner George H. Payne of the Federal Communications Commission, now in Florida, is suffering from "a very marked hyper-tension complicated with a valvular heart disease", according to an affidavit of his physician, Dr. Hugo Einstein, of Washington. This became known this week when counsel for the Commission in his \$100,000 libel suit against Broadcasting and its publisher and editor, sought at least a three-month postponement of trial of the case from November 16th. The District Court in Washington granted a postponement until January 16th.

Dr. Einstein stated in his affidavit he had recommended that Commissioner Payne, for the preservation of his health and in order to avoid possible serious results, "immediately discontinue all active duties and take a complete rest for a period of at least several months." He added that pursuant to this advice, Mr. Payne had gone to Florida "for the purpose of a complete rest from all matters of a burdensome or exciting character which rest affiant believes to be necessary to avoid a breakdown and probable severe illness * * *."

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GENE BUCK HEADS ALFALFA CLUB

President of the American Society of Composers: Gene Buck, of New York, was elected President of the Alfalfa Club for 1939 at the annual meeting held this week at the home of Frank J. Hogan, Past President, in Washington. Other officers elected were:

Joseph H. Himes of Maryland, Vice-President; Senator Tom Connally of Texas, Second Vice-President; Charles P. Light of Washington, Secretary-Treasurer; William Payne Meredith of Virginia, Sergeant-at-Arms; George H. O'Connor of Washington, Water Boy; Thomas W. Brahany of Wisconsin, Chairman of Entertainment Committee; and Senator Pat Harrison, Mr. Himes, Mr. Light and Thomas P. Littlepage, Washington radio attorney, for the Board of Managers for three years ending December 31, 1941.

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WLW HEARING IS SET FOR DEC. 15 BY COMMISSION

Oral argument on the WLW case was scheduled this week to begin before the full Federal Communications Commission on December 15th following the filing of exceptions to the recommendations of the three-man FCC committee that the Cincinnati stations's experimental 500 KW. license be discontinued.

The Committee made its report following a hearing last Summer. Its report was unanimous. Other members of the Commission, including Chairman Frank R. McNinch, however, have indicated they may vote to reverse the Committee.

The Committee was headed by Norman S. Case and included Commissioners T.A.M. Craven and George Henry Payne.

Through Duke M. Patrick, WLW counsel, a 57-page pleading, noting 125 separate exceptions to the report, was filed. The report took issued with the recommendation made by the Committee. Mr. Patrick categorically denied many of the conclusions reached by the Committee in its unanimous report and also challenged the failure of the Committee to find certain facts which it claimed were present in the record of the hearings.

The attorney contended that there was no basis for any conclusion that WLW's operation with 500 KW. and the consequent extension of its service area, had any economic effect upon stations in its primary service area. Moreover, it was held that the Committee failed to find that WLW's operation with super-power resulted in rendering a meritorious "and needed service over wide and thickly settled areas which is not otherwise available from any other source and which service, at least in large measure, would be destroyed in the event WLW is authorized to continue operation with but 50 KW. "

The Committee also failed to show that the testimony indicated that the rates for stations in WLW's service area increased much more rapidly than those of WLW, Mr. Patrick charged.

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The Washington Police Department has been granted a construction permit for eight radio sending units in police cars. The permit, granted by the Federal Communications Commission, authorizes the Department to install units operating on a frequency of 37,220 kilocycles with 5 watts power each.

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NBC RED NET NEARS \$3,000,000 MARK

The National Broadcasting Company has now commenced to release separate revenue totals for its Red and Blue networks, in view of the recent establishment of the Blue network as a separate coast-to-coast service. Gross advertising revenue for October was, in the case of the Red network, \$2,872,588. The Blue network tally was \$901,376.

Because the breakdown is on an entirely new basis, with complete separation of Red and Blue supplementaries, no comparison with previous years is available. It was previously reported, however, that the total NBC network (Red and Blue) revenue for October, 1938, was 13% ahead of October 1937.

SUMMARYOctober 1938

Red Network	\$2,872,588	
Blue Network	<u>901,376</u>	
Total NBC		\$3,773,964

October 1937

Total NBC		<u>\$3,339,739</u>
Increase		434,225
% Increase		13%

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THREE NEW 50 KW. STATIONS ON AIR SOON

Three stations - WCKY, Cincinnati, WJSV, Washington, and KSTP, St. Paul - will soon join the ranks of 50,000-watt outlets, the maximum regularly licensed power, under authorization of the Federal Communications Commission.

The Commission this week authorized WCKY, located in Covington, Ky., across the Ohio River from Cincinnati, to boost its power from 10,000 to 50,000 watts with a directional antenna, protecting KFBK, Sacramento, also assigned to 1490 kc.

While no formal announcement has been made of the KSTP-WJSV power increases, well-founded reports were current to that effect. Formal announcement, it was said, was being withheld pending writing of the statement of facts and grounds for decision.

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NORMAL RANGE OF BBC TELEVISION 30 MILES

While reports of reception of television pictures have been reported as far away from Alexandra Palace, London, as 200 miles, the normal range of the British Broadcasting Corporation's transmitter is 30 miles, according to Sir Noel Ashbridge, Chief Engineer.

"In the report of the Television Committee which originally recommended the establishment of a service, and which was published in January, 1935, it was stated that a range of 25 miles was anticipated", he recalled in a recent broadcast. "You may have seen recent reports in the press of reception at distances of about 200 miles, and may have come to the conclusion that the original estimate was unduly pessimistic. I should like to point out, however, that it is very necessary to distinguish between a normal service range, by which I mean the range at which anybody can reasonably expect to get regular good reception, and the maximum range at which the station can be received under especially favorable conditions. Experience with the service in London has shown that the original 25-mile estimate was possibly a little pessimistic, and the average range for normal reception is probably more like 30 miles.

"The main limitation to range is, naturally, electrical interference. With television on ultra-short waves the two kinds of interference which have been found most troublesome are those produced by the ignition systems of motor-cars and by electro-medical apparatus for carrying out diathermy. From one point of view the former is, I think, the more serious because it is far more widespread. On the other hand, interference by electro-medical apparatus is more difficult to deal with. Thus, it is possible to silence electrically the ignition of a car at small cost, and with practically no reduction in the engine efficiency, but for electro-medical apparatus, while a cure is possible, it is difficult to devise a method which can be applied universally at reasonable cost. It is hoped that, in the future, the general problem of interference to broadcast reception may be dealt with on the lines of legislation - in fact, it is difficult to see any other thoroughly satisfactory solution.

"The range of an ultra-short wave transmitting station, such as is used for television, depends not only on the power of the station, but on the heights of the transmitting and receiving aerials above the ground. Thus, someone who lives on a hill, say 50 miles away may get a stronger signal than someone else living in a valley much closer to the transmitter. It is for this reason that reports of reception at great ranges must be taken with some reserve, because they do not necessarily mean that it is a simple matter to construct a television station to give complete coverage up to a range of, say, 200 miles."

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TRADE NOTES

The Fifteenth Annual Radio Manufacturers' Association Convention and National Radio Parts Show will again be held together next June at the Stevens Hotel in Chicago.

The Federal Communications Commission this week authorized transfer of ownership of WAYX, Waycross, Ga. from Dr. E. F. Sapp and S. F. Sapp, his son, to Jack Williams, publisher of the Waycross Journal-Herald.

Two stations optional to advertisers on the basic Red Network and one station optional to advertisers on the basic Blue Network will become affiliates of the National Broadcasting Company on December 4, bringing the total number of NBC stations to 165.

Comparisons of television's progress in the United States as compared with that in England and lessons that this country may learn from the BBC's experiments are set forth in two special articles on television in the Sunday New York Times (Nov. 27).

Meredith Willson, for six years Western Division Musical Director for the National Broadcasting Company, has submitted his resignation effective within two weeks.

Effective December 11, the Columbia Broadcasting System will have completed plans for improved coverage in the State of Maine, according to William C. Gittinger, Sales Manager.

A Communications Commission Examiner heard testimony this week concerning operation of radio stations WOV and WBIL in New York, which Arde Bulova proposes to combine with Atlantic City's municipal station WPG. Mr. Bulova, a watch manufacturer, controls the New York stations and asked the Commission to authorize the sale of WPG to him for \$275,000 and approve removal of the WPG studio to New York that he might operate the three as one full-time station.

Installation of new short-wave antennas that will swing radio beams over South America like rays of a powerful searchlight at the mere touch of a push button was announced this week by the National Broadcasting Company. When completed within a few weeks at the transmitters of short-wave stations W3XL and W3XAL, the antennas will enable the NBC International Division to extend its service to Latin America to sixteen hours a day, without diminishing the service to Europe. The NBC is now broadcasting nine hours of programs daily for Latin America in three different languages, English Spanish and Portuguese, which is more than any other country is transmitting to Latin America. The nine hours are divided into six in Spanish, two in Portuguese and one in English.

The Columbia Broadcasting System this week was granted a modification of its construction permit to extend the completion date of its visual broadcasting station until June 16, 1939.

A new radio station for Tacoma, Wash., was recommended to the Federal Communications Commission this week by Examiner P. W. Seward. The applicant is Tacoma Broadcasters, Inc., which asked for 1420 kc. with 100-250 watts, unlimited time.

The monthly index of radio advertising in Printers' Ink shows a gain of 5.4 percent in October from the corresponding 1937 figure. This is the first rise over 1937 since May. However, the index records a decline of 6.8 percent from September.

The Belmont Radio Corporation, reporting for nine months to Sept. 30 showed a net profit of \$93,245, equal to 31 cents each on 300,000 shares. Net profit for the September quarter this year was \$42,952 or 14 cents a share. Net sales for the nine months period totaled \$2,857,888 and for the three months ended on Sept. 30 were \$1,166,507. Company states that sales for the month of October increased to \$834,970 from \$348,415 in the same month a year ago.

Columbia Broadcasting System will shortly be able to direct its short-wave broadcasts to South America and Europe at the same time whenever desired. This will be accomplished by combining the services of W2XE, its international station in New York, and W3XAU, the international station owned and operated by WCAU, CBS' affiliate in Philadelphia.

The Federal Communications Commission this week granted Station WIND, Gary, Ind., authority to transfer control from the Public Service Co. to H. Leslie Atlass, Ralph L. Atlass, Pauline S. Atlass, Ralph Louis Atlass, H.P. Sherman and Philip Wrigley.

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"HAMS" TEST EMERGENCY SERVICE OVER NBC

The Eastern seaboard will not be without radio service if other lines of communication fail in a future national disaster. This was demonstrated last Sunday when the 18 amateur radio stations of the Susquehanna Emergency Net held their monthly drill over the National Broadcasting Company's Red network.

The Emergency Net, which was formed by amateur radio operators who served in the Susquehanna River flood of 1936, is composed of 16 stations along the Susquehanna Valley, one in Chevy Chase, Md., operated by Roy C. Corderman, 4401 Leland Street, N.W., and the control station at York, Penna.

In order to keep themselves prepared in case they are needed for communications work at any time, the 18 amateurs hold monthly drills in which they transmit reports on conditions in the Susquehanna Valley to the United States Weather Bureau at Harrisburg, Penna.

That the operators of the emergency net do more than just stay in practice was shown by their work in the New England hurricane emergency of last Summer. At that time, when telephone and telegraph lines were down, the amateur operators aided rescue work by transmitting last-minute information and instructions to relief units.

The stations of the emergency net were not chosen until it was known they fulfilled certain requirements, Mr. Corderman, who is transmission supervisor of the American Telephone & Telegraph Co. told the Washington Post. The operators must be experienced men of mature age, must have stations well above the water mark and must participate in the monthly drills.

After conclusion of the drill over the NBC network on Sunday, talks were made about the emergency net's work by Lieut. E. K. Jett, Chief Engineer of the Federal Communications Commission; Merrill Bernard, Department of River and Flood Control of the Weather Bureau, and James Feiser, Vice-President in charge of domestic operations of the Red Cross.

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In a presidential address to the British Kinematograph Society recently, Capt. A.G.D. West said that in the near future televised pictures of current events would be shown on full-sized screens in every cinema, according to The Electrical Review, London. Within the next few years it would be possible to use a complete and satisfactory electronic system in the taking and distribution of moving pictures, he said. The pictures would have the full definition and brilliance demanded by the cinema-going public. It had been found in tests with private audiences that the great attraction was that the result of the event was not known by the audience.

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NILES TRAMMELL NAMED NBC EXECUTIVE VICE-PRESIDENT

Niles Trammell, Vice-President in Charge of the Central Division of the National Broadcasting Company, last week was promoted to the position of Executive Vice-President. At the same time Alfred H. Morton, Manager of the NBC Operated Stations Department, was elected a Vice-President.

Mr. Trammell will assume his new duties on January 1st, and Mr. Morton's promotion will become effective on December 1st.

As Executive Vice-President, Mr. Trammell will transfer his activities to the Radio City headquarters in New York. Mr. Morton is in full charge of stations owned or programmed or operated by the National Broadcasting Company, and will continue in this capacity.

Both promotions are in recognition of years of service in the radio broadcasting field. Mr. Trammell is one of the youngest and best-known major executives in radio. He became associated with the Radio Corporation of America in April, 1923.

Mr. Morton became Manager of the Washington office of the Radio Corporation of America shortly after the World War in which he served. In 1923, he returned to New York to become Commercial Manager of R.C.A. Communications, and a year later was transferred to Paris as European Manager of RCA. In January, 1934, he again returned to New York as Business Manager of the Program Department of the National Broadcasting Company, and three years later was named Manager of NBC Operated Stations.

During his career as a radio engineer, Mr. Morton supervised the construction of Station WRC, in Washington, a pioneer broadcasting station, and two 50,000 watt broadcasting stations near Rome and Milan.

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Miss Dorothy Aylesworth, of 812 Park Avenue, New York City, and David G. Knott, of 43 Fifth Avenue, whose marriage will take place on January 4th in St. Bartholomew's Church, obtained a license last week in New York. Their engagement was announced early this month by the bride-elect's parents, Mr. and Mrs. Merlin Hall Aylesworth. Mr. Aylesworth is publisher of the New York World-Telegram. Mr. Knott is the son of Mr. and Mrs. David H. Knott. Mr. Knott is President of the Knott Hotel System in New York City.

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FCC CHANGES CENSORSHIP POLICY IN "MARS" CASE

Apparently convinced that the public is opposed even to an indirect censorship of radio programs by a governmental agency, the Federal Communications Commission this week decided to take no action as a result of the "Men From Mars" broadcast over the CBS network October 30th.

The Commission announced that it believed the steps already taken by the Columbia Broadcasting System to prevent a repetition of the incident were sufficient to protect public interest.

Hence the CBS stations who carried the program will not be held to account when they ask for license renewals as were National Broadcasting Company stations following the broadcast of the "Adam and Eve" episode with Mae West and Charlie McCarthy.

The FCC disclosed that it had received 372 protests against the Orson Welles dramatization of H. G. Wells' 30-year-old novel and 255 letters approving it. The Commissioners who failed to hear the original broadcast listened to a transcription of the program.

Twice before the Commission has called radio stations to account for broadcasting programs about which there had been complaints, although it pointed out that the Communications Act specifically bars it from exercising censorship over what it carried over the air.

In the Mae West case, Chairman Frank R. McNinch sent a formal rebuke to Lenox Lohr, President of NBC, and announced that the program would be taken into account when the network stations applied for license renewals. No station was punished, however, by having its license revoked.

Following the receipt of a complaint that profanity was broadcast in connection with a radio presentation of Eugene O'Neill's "Beyond the Horizon", the Commission first called the NBC stations involved to account and set their licenses for hearing.

When public reaction proved unfavorable, however, the Commission reversed its action and renewed all licenses without a hearing.

Explaining its decision in the Orson Welles case, the FCC said:

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"While it is regrettable that the broadcast alarmed a substantial number of people, there appeared to be no likelihood of a repetition of the incident and no occasion for action by the Commission.

"In reaching this determination, the Commission had before it a statement by W. B. Lewis, Vice President in Charge of Programs, of the Columbia Broadcasting System, expressing regret that some listeners 'mistook fantasy for fact', and saying in part, 'In order that this may not happen again, the Program Department hereafter will not use the technique of a simulated news broadcast within a dramatization when the circumstances of the broadcast could cause immediate alarm to numbers of listeners.'

"The Commission had also heard a transcript of the program and had been informed regarding a number of communications concerning it."

Immediately after the broadcast Chairman McNinch summoned the heads of the three major networks to Washington for an informal conference on the use of such terms as "flash" and "bulletin" in radio dramatic broadcasts.

A general agreement was reached that the terms should be used with discretion.

Other members of the Commission, who had their fingers burned by the "Beyond the Horizon" incident, favored a complete hands-off policy.

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LAWYERS CONSIDER RULES ON COURT BROADCASTS

A joint committee of lawyers, broadcasters and newspaper publishers trying to formulate a code for court room reporting met this week in Washington and discussed the whole problem at length.

The NAB committee, headed by Neville Miller, President of the National Association of Broadcasters, agreed to study the (Newton D.) Baker report, already adopted by the American Bar Association and the American Newspaper Publishers' Association, and to report the broadcasting industry's reaction at the next committee meeting.

Philip G. Loucks, Louis Caldwell, Frank M Russell, of NBC, and Harry C. Butcher, of CBS, were appointed with Mr. Miller on the NAB committee.

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VOLUMINOUS NBC EXHIBIT FAILS TO SATISFY FCC

After the greater part of three days had been consumed in explaining a 317-page exhibit of the National Broadcasting Company in the chain-monopoly investigation, counsel for the Federal Communications Commission stated that the information was of little value in showing the extent of duplication of programs.

The Special Committee and FCC attorneys asked Philip J. Hennessey, NBC counsel, to furnish additional data as to what NBC stations carry the major NBC programs between 6 and 11 P.M. during the week. The Chase & Sanborn program was mentioned specifically in the discussion.

Mr. Hennessey previously had explained that 45 persons worked 12,000 man-hours preparing the exhibit. He promised to provide the additional information, however.

W. C. Lent, NBC engineer, explained the exhibit and how the information was obtained. He said NBC has about 100 supplemental stations which may be added to either one of the major basic networks if the advertiser wishes to expand his coverage.

With the Congressional monopoly hearing under way on Capitol Hill, the FCC inquiry was practically ignored by the press, except for special writers of trade magazines.

Chairman Frank R. McNinch popped in and out and provided the press with a few quotes as he rapped NBC exhibits or prepared statements, prior to their abolition, and then left Commissioners Sykes and Brown to carry on as the hearing reached the drab stages.

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ITALY PLANS TELEVISION SERVICE NEXT YEAR

A regular service of television is promised early in 1939 from Rome and Milan, according to World-Radio. It will later be extended to other Italian cities. The ultra-short-wave station on Monte Mario, the hill to the north-west of Rome, was built to transmit television as well as telephony.

The principal manufacturers of radio apparatus are engaged in experimenting with a moderate-priced set for television and sound broadcasts, which, according to the press, it is hoped to put on the market for about \$110.

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A. T. & T. ATTACKS WALKER'S TELEPHONE REPORT

The long dormant "proposed report" of the Federal Communications Commission on the telephone industry was revived this week as the American Telephone & Telegraph Company filed its answer and Chairman Frank R. McNinch stated that the Commission will make a new report to the next Congress.

The investigation conducted by Commissioner Paul A. Walker, the A. T. & T. charged in 280-pages of denial and protest, was "unfair, incorrect, and unsound".

The Commission is known to be split on the Walker report and several times Chairman McNinch has explained that it was only a "proposed report" and consequently did not represent the views of the full Commission.

Commissioner T.A.M. Craven has been one of the most outspoken critics of the report of the FCC. He stated at the time the preliminary draft was submitted to Congress, last April, that he did not concur in many of the recommendations and disapproved of the manner in which the inquiry was conducted.

"The Walker report is full of errors of fact, misstatements of fact and unjustified inferences and unsupported conclusions", A. T. & T. declared in entering what amounts to a blanket denial of the charges made by Mr. Walker and the efficacy of his suggested program "for effective and progressive regulation of the telephone industry".

Renewing its protest on the ruling by which American Telephone was not permitted to cross examine witnesses or introduce rebuttal testimony during the hearings the Company's reply asserts that, as a result, the investigation was "incapable of producing reliable conclusions".

Based on an FCC inquiry into the structure, operations and management of the A. T. & T. ordered by Congress and conducted over three years at an estimated cost of \$1,500,000, the "proposed report" prepared by Mr. Walker was submitted last March to Chairman McNinch and by him transmitted on April 1st to the Interstate Commerce Committee of the Senate and to the Interstate and Foreign Commerce Committee of the House of Representatives for their information.

The "proposed report" maintained that telephone rates could be and should be reduced 25 per cent, and to that end recommended amendment of the Communications Act to give to the FCC jurisdiction and authority to "review, approve and disapprove" all Bell System policies, to permit regulation of the Western Electric Company by the FCC as a public utility "for the purpose of regulating the costs and prices of telephone apparatus and equipment", to fix temporary rates and to provide for the assessment of the costs of regulation against the industry.

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According to the Walker report, American Telephone utilized the connections of its \$4,000,000,000 corporation and its highly organized public relations system to maintain a "monopolistic" position in the telephone field, and through the Western Electric, a subsidiary, to establish "artificial" prices for equipment, and base thereon needlessly high rates to the public for telephone service.

These conclusions were protested at the time and the feasibility of a 25 per cent rate cut denounced as "absurd" by Walter S. Gifford, President of the A. T. & T.

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"DEAD SPOTS" HAMPER D.C. POLICE RADIO

Elimination of "dead spots" hampering Washington police radio reception is essential to use of a two-way radio system, Maj. Ernest W. Brown, Superintendent of Police, said this week after the Federal Communications Commission's decision granting eight permits to the Department to install two-way radio units in its police cars.

"In every section of the city there are points where reception of messages by scout cars is either very weak or almost dies down completely", Major Brown said. "These sections include the Federal Triangle area, points under viaducts and on parts of certain bridges. Building construction and electrical apparatus in the downtown area are also partially responsible. Hence a two-way set must be developed through experimentation that will transmit and receive messages in spite of these difficulties."

Major Brown said the Police Department had been experimenting with two-way radio operation for two years, attempting both to eliminate "dead spots" and to determine whether it would be cheaper to construct the sets or to purchase them from commercial organizations. He said the purchase price of such a radio is about \$500.

"When we feel that these two problems have been overcome, we shall probably start out on a modest scale, installing one of these sets in a car which will cover the whole city. If the tests prove successful, I hope ultimately to have a car for each precinct."

Major Brown indicated that if the two-way system is found practical, and the need warrants the step, sets may eventually be installed in all police cars.

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SOVIETS COPY PATENTS, U. S. RADIO REVIEW STATES

While Soviet Russia would appear to offer a large potential market to American radio manufacturers, actually it imports very little radio equipment and its industries copy patents of other nations, according to Loy W. Henderson, U. S. Charge d'Affaires, at Moscow.

In a review of the radio industry in Russia, just issued by the Bureau of Foreign and Domestic Commerce, Mr. Henderson says:

"Radio equipment on the market is almost exclusively of domestic manufacture. Although in most items the industry is incapable of supplying the existing demand, the importation of additional supplies is kept at the lowest limit maintainable.

"Soviet industry produces almost all kinds of radio equipment and parts. The output is not known, but that the factories are unable to keep up with demand and that the general development is limited, indicates that the total cannot be large.

"Soviet industry is engaged in copying on an extensive scale machinery and other articles which have been invented and patented in other countries, samples or descriptions of which it has obtained by purchase or otherwise. This practice has been facilitated by the fact that it is not illegal in the Soviet Union to copy articles or processes not patented in that country and that relatively few Soviet patents have been granted to persons or firms resident abroad. The Soviet Government is not a party to the Convention for the Protection of Industrial Property (Paris 1888) or to any of its revisions.

"Certain patents have been granted to foreign nationals, but the extent to which the holders have benefitted is not known. In a number of cases the patents were granted under contract whereby technical assistance would be given the Soviet industries in making use of the inventions.

"It would appear that two factors are primarily responsible for the relatively small number of Soviet patents granted to persons and firms resident abroad: (a) the policies of the Soviet Government which result in a curtailment of the number of patents thus granted; (b) a reluctance on the part of foreign inventors to apply for Soviet patents since they feel that even if following protracted and expensive proceedings, they are successful in obtaining patents, they may be unable, in view of the peculiar economic structure of the Soviet Union, to derive any material benefit therefrom."

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12/6/38

NEW FCC COUNSEL NAMED IN REORGANIZATION

The Federal Communications Commission today (Tuesday) announced the appointment of William C. Koplovitz, of St. Louis, as Assistant General Counsel. His appointment was the first in an expected shake-up of the legal staff as a result of the displacement of Hampson Gary as Chief Counsel by William J. Dempsey.

Mr. Koplovitz is a graduate of Washington University, St. Louis, and the Harvard Law School. He was on the legal staff of the Public Works Administration from 1933 to 1937 when he became associated with the Federal Power Commission, where Mr. Dempsey formerly was employed. Last January Mr. Koplovitz was made Assistant General Counsel of the Power Commission. For the last few months he has been Acting General Counsel of the Commission.

Mr. Koplovitz does not replace anyone, it was said, but fills a vacancy. There are three positions of Assistant General Counsel.

S. King Funkhouser, of Roanoke, Virginia, was appointed temporary Special Counsel to Assist Acting General Counsel William J. Dempsey in the investigation of chain and network broadcasting and monopoly. Mr. Funkhouser is a graduate of the law school of Ohio State University. He has been engaged in general practice for many years, and has also practiced extensively before Government Departments. Mr. Funkhouser was at one time in the Legal Department of the National Recovery Administration.

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SARNOFF TO GET "POOR RICHARD" AWARD

The Poor Richard Club, of Philadelphia, announced on Sunday last that David Sarnoff, President of the Radio Corporation of America and Chairman of the Board of the National Broadcasting Company, would receive its 1938 gold medal of achievement.

Mr. Sarnoff will be honored at the Club's annual banquet January 17th, birthday of Benjamin Franklin.

The award is made annually to a person whose accomplishments "have materially helped advance American civilization and raised the standards of living of Americans".

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CBS BILLINGS FOR NOVEMBER GAIN 2.8%

The Columbia Broadcasting System this week reported gross revenue from time sales for November, totaling \$2,453,410. This represents a gain of 2.8% over October, when the figure was \$2,387,395. Cumulative total for the 11 months of 1938 now stands at \$24,816,337. Comparisons with 1937 records are as follows:

	<u>1937</u>	<u>1938</u>
November	\$2,654,473	\$2,453,410
First 11 Months	25,935,500	24,816,337

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NBC BILLINGS UP 15.3%; RED, 2.7%, BLUE, 5.4%

Gross client expenditures for NBC facilities hit another all-time high last month as they continued their climb for the twelfth successive month. Registering a rise of 15.3 percent over November, 1938, the total for this November was \$3,899,915. Previous highs were reported for October, 1936, when the gross total was \$3,696,489, and for October, 1938, with a total of \$3,773,964. The eleven months cumulative total was \$37,576,603, a rise over the same period last year of +7.3 percent. The percentage change from October, 1938, was +3.3 percent.

As announced last week, NBC is releasing separate revenue totals for its Red and Blue networks. The Red-Blue breakdown is calculated on the new basis of complete separation of those supplementary groups regularly affiliated with the Red and Blue basic networks. Revenue on supplementaries available to both the Red and Blue networks is divided according to the network on which each program originates.

Stimulated by the current sales drive, the Blue network showed an increase of 5.4 percent for November, 1938, over October. The Red increase for the same period was +2.7 percent.

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A new radio station at Emporia, Kansas, was authorized last week by the Federal Communications Commission. The applicant, Emporia Broadcasting Co., will use 1370 kc. with 100 watts power, daytime only. There is no station in Emporia now.

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 ::: TRADE NOTES :::
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An explanation of the procedure practiced before the Federal Communications Commission is contained in a report on "Admission to and Control over Practice Before Federal Administrative Agencies" recently prepared by a Committee of the District Bar Association headed by Louis G. Caldwell.

Lenox R. Lohr, President of the National Broadcasting Company, will address delegates to the biennial meeting of the Federal Council of Churches of Christ in America in the ballroom of the Hotel Statler, Buffalo, N. Y., on December 7th. Mr. Lohr will be the second lay person ever to have addressed the conference in the Council's history, the other having been President Roosevelt. Mr. Lohr and Dr. Ralph W. Sockman will be featured speakers on a special program broadcast from 4:00 to 4:45 P.M., EST, over the NBC Blue-Network. Mr. Lohr's subject will be "Radio and Religion".

The first short-wave radio transmitter in the United States west of the Mississippi River will be erected on Treasure Island, site of San Francisco's World's Fair, and will be in readiness for operation with the opening of the Fair the middle of February. This announcement was made this week by Chester H. Lang, Manager of broadcasting for the General Electric Company, upon receipt of word from the Federal Communications Commission that it had approved the building of this station at the Fair instead of at Belmont, as asked in the original application.

An official of the American Defense Society declared Sunday in New York that six radio stations had refused to broadcast a speech before the Society by Representative Martin Dies, (D.), of Texas, Chairman of the House Committee on Un-American Activities. Officials of three stations (WMCA, WOR, WHN) declared, however, that to their knowledge no request was made for radio time. The National Broadcasting Co. (WEAF, WJZ), which said it attempted to select the most important and appealing programs from the many offered it, stated that the Society requested radio time, but Mr Dies had not. It added that Mr. Dies "has been heard over NBC networks on seven occasions since last April". Columbia Broadcasting System (WABC) made no comment.

John F. Foyal, Vice-President in Charge of Programs of the National Broadcasting Company, is now en route by airplane to attend the Eighth International Conference of American States at Lima, Peru, as an unofficial observer for the Radio Corporation of America and the National Broadcasting Company.

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MBS NOVEMBER BILLINGS SET NEW MARK

A 39.7 percent increase in time billings for November is reported for the Mutual Broadcasting System in comparison with the same month in 1937.

Total billings for last month were \$360,928.80, marking the largest individual month's billings in the history of the network. 1938's October figure of \$347,770.61 was the previous all time high. November, 1937, billings totalled \$258,356.87.

A 29.6 percent increase in time billings for the eleven months of 1938 is also reported at this time. Total billings for this period in 1938 were \$2,582,954.82. For the first eleven months of 1937 they were \$1,993,612.50.

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NBC RATE CARD 25 REFLECTS NET EXPANSION

The National Broadcasting Company last week mailed NBC Network Rate Card No. 25, effective December 1, to advertising agencies and clients with an explanatory letter signed by Roy C. Witmer, Vice-President in Charge of Sales.

"The NBC Network Rate Card, No. 25, incorporates several changes of detail involving the rearrangement of some groups and the addition of 15 new affiliated stations", Mr. Witmer explained. "There is no change in the basic rate structure, except that the new Blue network discounts announced on October 21st are now incorporated in the rate card.

"The Northcentral group (WTMJ, Milwaukee and WIBA, Madison) has been eliminated. WTMJ is now a basic Red network station, while WIBA is listed as a basic supplementary station available with either the basic Red or the basic Blue. KTMS, Santa Barbara and KFSD, San Diego are now listed on the Pacific Coast Blue network, while WTAR, Norfolk is now a basic supplementary station available to Red or Blue.

"From now on, certain supplementary groups will be specifically identified with either the Red or the Blue network, and these are clearly indicated on the new card. However, when available, these groups may still be used on the opposite network. All other supplementary facilities continue to be available to either basic network."

The new stations added to NBC networks since the last rate card was published are: WEEU, Reading; WRAW, Reading; WNBC, New Britain; WMFF, Plattsburgh; KMA, Shenandoah, WFDF, Flint; WJIM, Lansing; WIBM, Jackson; WELL, Battle Creek; KUTA, Salt Lake City; WLBZ, Bangor, Maine; WRDO, Augusta, Maine; WGAL, Lancaster; WLAK, Lakeland; WAPO, Chattanooga.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1181

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REORGANIZATION RUMORS STIR FCC, INDUSTRY

With the report persisting in the face of official denials that a reorganization of the Federal Communications Commission will be recommended to the next Congress, broadcasters and FCC members were watching developments with keen interest.

An indication from the White House that the governmental reorganization bill might be revived in a different form gave impetus to the speculation although the bill that passed the Senate specifically exempted the FCC from its provisions.

The original Brownlow Committee report, however, it was recalled, proposed that the Federal Communications Commission be absorbed by the Commerce Department and be split into an administrative and engineering bureau and a quasi-judicial commission that would determine policies.

The rumor that Thomas G. Corcoran, author of many New Deal acts, was at work on a bill aimed at abolishing the FCC and substituting a three-man agency came out with a bang this week in a Washington Post story. While similar stories in trade publications and gossip columns had gone officially unnoticed, the Post story brought immediate formal denials from Corcoran and Chairman Frank R. McNinch. Mr. McNinch adopted the unusual procedure of issuing a mimeographed story to the press, in fact.

Nevertheless, the report persisted that Corcoran had been considering the proposal - first suggested by Chairman McNinch at a press conference - of substituting a three-man board for the seven-man Commission, but that the idea had not received White House approval. Hence, the furore that arose when the report was published.

Chairman McNinch, while shouting his innocence of any move to abolish the FCC, has several times indicated his dissatisfaction with the present set-up because of his inability to get 100 percent support from the Commissioners.

At his last press conference, in fact, he stated in answer to questions that he believed a three-man agency might function more efficiently than the present Commission and that he stood ready to make certain recommendations to the President along that line when invited to do so. To date, however, the President has pointedly not requested his advice.

Reports persist that the President is dissatisfied with the Chairman because of his failure to effect a "house cleaning" without bringing down upon the Commission more unfavorable publicity than it had even in the heyday of the Federal Radio Commission.

The President is said to be desirous of returning Mr. McNinch quietly to the Federal Power Commission, but the FCC "purge" has placed the Chairman in such public limelight that his transfer could only be interpreted as an acknowledgment of failure.

Mr. McNinch himself indicated he would return to the Power Commission early this Fall, but now his transfer is uncertain because of the suggestions in the press that he was quitting under fire and to escape a Congressional investigation.

Meanwhile, the dissension within the Commission persists though it is confined largely to executive meetings. Commissioner T.A.M. Craven, whose refusal to be a "rubber stamp" during the "purge" brought Mr. McNinch's wrath down on his head, has shown no signs of weakening in his resistance of proposals by the Chairman that he considers unsound or dangerous.

Despite reports in gossip columns that the Administration axe was being sharpened for Commander Craven, it is learned from an authoritative source that the President is still well pleased with the work of the former Naval officer whom he has known intimately since the days when Mr. Roosevelt was Assistant Secretary of the Navy.

Commissioner George Henry Payne, long the stormy petrel on the FCC, on the other hand, has been unusually quiet during recent weeks although his votes have registered his opposition to Mr. McNinch's policies. The reason for his change in technique, it is understood, is advice from his physicians to "take it easy".

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MACKAY ORDERED TO FILE REQUEST IN BALTIMORE CASE

The Federal Communications Commission this week ordered the Mackay Radio & Telegraph Company to file an application within 30 days for permission to use Postal telegraph facilities already leased between Washington and Baltimore.

Acting on a case that has been pending before the FCC since September, 1936, the Commission over-ruled a motion by Mackay counsel to dismiss the proceedings and held that Mackay's use of the Postal facilities constitutes an "extension" under the provisions of Section 214 of the Communications Act.

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12/9/38

DEMPSEY REORGANIZES LEGAL STAFF INTO DIVISIONS

William J. Dempsey, General Counsel of the Federal Communications Commission, this week announced that he had effected a reorganization of the Legal Department with the aim of promoting efficiency. It was accomplished, he said, without making any personnel changes.

The Department, he said, has been divided into three divisions - Common Carrier, Broadcast, and Litigation and Administration. These will be headed by Assistant General Counsels James A. Kennedy, George B. Porter, and William C. Koplovitz, respectively.

Under the new set-up the two Broadcast divisions have been consolidated into a single division which has been subdivided into five sections. These are, namely, New Stations; Changes in Existing Facilities; Renewals; Section 310(b) matters; and Revocations and Service Complaints. This new arrangement will enable the attorney or attorneys assigned to a matter to handle it from the time it reaches the Law Department until it is finally acted upon by the Commission.

Few changes have been made in the Common Carrier Division. The Litigation and Administration Division is divided into four sections - Litigation, Research, Hearings and Legislation and Rules and Regulations. Two conference rooms have been set up for conferences on Commission business between lawyers of the department and persons not connected with the Commission. Offices of staff members will not hereafter be used for conference purposes, it was said.

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NEW PLAN ON PROGRAM COMPLAINTS IS STUDIED

An entirely new plan for handling program complaints against radio stations is being studied by the Special Committee named last Spring by the Federal Communications Commission and is expected to be made public shortly.

The nature of the plan has not been disclosed, but it is understood that it will permit more self-regulation within the industry and do away with the present procedure of calling a station to account after complaints are made against a single program.

Members of the Committee are Commissioners T.A.M. Craven, George Henry Payne, and Eugene O. Sykes.

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FCC REFUSES TO SPONSOR TELEGRAPH PARLEY

The Federal Communications Commission yesterday (Thursday) declined requests that it sponsor a conference to consider proposals for legislation that might lead to a telegraph merger.

Such a conference had been requested by the trustee in receivership of the Postal Telegraph and Cable Corporation and by an officer of the American Communications Association. It had been suggested to the Commission that all parties interested might agree upon legislation to be recommended to the Congress, empowering the Commission to act upon any application that might hereafter be filed for consolidation or merger of the Western Union Telegraph Company and the Postal Telegraph and Cable Corporation.

The Commission took the view that, as it has no jurisdiction over mergers of telegraph properties, its sponsorship of such a conference, and any effort on its part to arbitrate possible differences of opinion among the parties interested, would be inappropriate. It was felt that the handling of this matter should be left to the Congress.

Proposed legislation to vest in the Commission power to act upon proposed mergers of telegraph companies, and other carriers of written communications, and to safeguard the interests of their workers, was recommended by the Commission in 1935. The Commission has such authority over telephone mergers. The proposed legislation affecting telegraph companies has not yet been acted upon by the Congress.

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LOHR SAYS RELIGIOUS PROGRAMS MUST BE SUSTAINING

Religious broadcasts must continue on a sustaining basis, Lenox R. Lohr, President of the National Broadcasting Company, declared in an address on Wednesday at the biannual meeting of the Federal Council of Churches of Christ in Buffalo, N. Y.

After tracing the history of NBC's cooperation with religious groups and stressing the importance of maintaining freedom of worship, Mr. Lohr said:

"Commercial sponsors may purchase time to advertise only goods and certain services. During a campaign, time is sold to political parties, in which they may promote their official candidates. However, ideologies, economic and political beliefs, and propaganda are unsuitable, and unacceptable for commercial programs.

"The National Broadcasting Company does not sell time to anyone to discuss religious matters. If time were sold to one denomination, it would be to all. It takes little imagination to see that enough time to go around does not exist. Even if it did, we would be guilty of making available the powerful weapon of radio to those who had the most money with which to present their religious views. It is our policy instead, to provide time, without monetary recompense, to the three great types of religious faiths prevailing in America - the Protestants, the Jews, and the Catholics - as distinguished from individual churches, or small group movements."

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"WAITING FOR LEFTY" STIRS FCC TO MORALIZING

The Federal Communications Commission this week deliberated seriously over a report of its Legal Division on the profanity in Clifford Odet's world-famed play, "Waiting for Lefty", but after some moralizing decided to do nothing about it.

The matter was brought to the attention of the FCC because of a complaint against a broadcast of the play, which is in the WPA Federal Theatre Project repertoire, by Station WQXR, New York City. The Legal Division culled all of the profanity from the play and presented it before the Commission with a suggestion that some action would be advisable.

Commissioner T.A.M. Craven, who registered the first objection against any FCC censorship of Eugene O'Neill's "Beyond the Horizon", told his fellow Commissioners that he saw nothing particularly wrong about it.

Commissioner Thad H. Brown remarked that it sounded like language used in the trenches and Chairman Frank R. McNinch moralized that it wasn't the kind of language that should enter a home.

Commander Craven, a veteran Navy officer, remarked that he had heard worse profanity in an Admiral's office and that he probably had used just as bad language in his own home at times.

Somewhat non-plussed by this attitude, the FCC decided to renew WQXR's license without a hearing although Commissioner Brown withheld his affirmative vote until after he had examined the script of the radio drama.

Station WQXR, it was pointed out at the FCC meeting, is one of the "high brow" stations of New York and maintains unusually high program standards.

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"MONOTONY PROBE" BRINGS JIBES FROM PRESS

With the removal of the Federal Communications Commission's chain-monopoly hearing from the spacious Labor Department auditorium to a small FCC meeting room, Washington newspapers began poking fun at the lack of public interest in what reporters labelled the "monotony probe".

W. C. Lent, NBC engineer, continued on the stand this week and explained in detail various engineering and technical exhibits.

During his testimony Wednesday he stated that some 12,000,000 persons in various parts of the United States would be unable to receive adequate service from the NBC network under the proposed FCC standards.

With the Congressional monopoly inquiry completely overshadowing the FCC investigation, the Washington Daily News this week reported the latter as follows, in part:

"All of three spectators turned out to take a gander at the Federal Communications Commission's super-colossal investigation of alleged monopoly in radio. Which gives you some idea of why they're calling it the 'Monotony Probe.'

"What started out with such a bang that it took the huge governmental auditorium to hold the eager throng of observers, is now housed in the FCC hearing room. A freight elevator and two phone booths in the Post Office Building are being reserved for future sessions, it is believed. Some 20 people, all told, were there yesterday, almost all either FCC staff or National Broadcasting Co. witnesses. Four disconsolate reporters for the trade press carried on doggedly.

"Just so none of the immortal words bandied back and forth between investigators and witnesses will be lost for posterity, a huge recording machine, manned by a couple of sound engineers, engraves every word on phonograph discs. More than 100 records have been cut so far; each one plays 15 minutes, provided anyone would ever want to play it.

"Its publicity thunder deftly filched by the Capitol Hill monopoly probe, which has an all-star cast of big names, the FCC searchers are trying to make up in volume what they lack in interest.

"Although there have been only 11 days of hearings, 1289 typed pages of transcript have been taken and documentary evidence two feet high has been stacked up. Cooperating fully in attempts to break records, the NBC has devoted 12,000 man-hours to the compilation of just one exhibit, No. 97, in case you're interested."

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12/9/38

POST-DISPATCH BEGINS FACSIMILE SERVICE

W9XYZ, an experimental radio facsimile broadcasting station operated by the St. Louis Post Dispatch, began this week the world's first regular broadcast on ultra high frequency of specially prepared facsimile newspapers, according to the New York Times. The broadcast will continue daily at 2 P.M.

Experimental laboratory broadcasts of printed matter, photographs and cartoons have been in progress for more than a month and results have been studied by engineers of KSD, commercial broadcasting station of The Post Dispatch. During the last two weeks they have been recorded on fifteen receiving sets placed in the homes of members of the station's staff.

These sets, manufactured by the Radio Corporation of America, are the first capable of receiving high frequency facsimile broadcasts, permitting station operation at any hour of the day.

Experimental equipment recently in use by a few other stations employed standard broadcast wave lengths, restricting the period of their use in the early morning hours when regular commercial broadcasting stations were quiet.

Within the next month the manufacturer expects to put out receivers at a cost of about \$260. Several will be put in public places for demonstration. The range of Station W9XYZ, broadcasting on 31,600 kilocycles, is twenty to thirty miles.

No. 1 of Volume 1 of The Post Dispatch's first radio edition consisted of nine pages, eight and one-half inches long and four columns wide, using the newspaper's regular seven-point type.

On the first page were the leading news articles of the day. Then followed sports news, several pages of pictures, an editorial cartoon, a summary of radio programs and radio gossip, and a page of financial news and stock market quotations.

Printed on only one side, the copy may be cut or folded to make pages of the facsimile newspaper. It is unnecessary for the reader to be on hand when a broadcast begins, since a clock, set for the scheduled time, will automatically start the receiving set and stop it at conclusion of broadcasting. It requires fifteen minutes to transmit one page.

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12/9/38

TRADE NOTES

The name of the Crosley Radio Corporation was changed this week by authority of the Federal Communications Commission to the Crosley Corporation.

As soon as their existing network commitments are fulfilled, two more stations will be added to the Columbia network. They are KOIL, Omaha, and WWNC, Asheville, N.C. Both were CBS members prior to their present affiliation.

Through the affiliation of CMQ, Havana, and its complementary short wave station, COCQ, with the National Broadcasting Company, effective immediately, the number of NBC stations is brought to 166. Five of these are foreign stations. The other foreign stations directly affiliated with NBC are CBF, CBM and CFCF, Montreal, and CBL, Toronto.

John H. Mason has been transferred from the WABC Technical Division, where he has served since 1930, to the post of Assistant Program Director in the Production Department of the Columbia Broadcasting System.

Ernest C. Augsten, of Hartford, Conn., has increased his radio repair business 125 per cent in the past few months by moving from a Main Street location to a "hospital" on the city's outskirts, according to a recent Associated Press report. Augsten's ambulance draws up to the homes with two attendants garbed as internes, ready to rush the "patient" to the hospital on a stretcher. He now employs seven "doctors" and "nurses" in his gleaming white establishment compared to the three who worked in his old place, and, he says, new customers are coming in at the rate of 1,000 every thirty days, with business up 125 per cent.

A construction permit was granted this week for a new radio station at Rock Hill, S. C., to be operated by R. W. Spencer on 1500 kc., with 100 watts power, daytime only.

According to the Danish Radio Broadcasting Monopoly, there was in Denmark at the end of September, 1938, 751,744 radio owners. A year previous the figure stood at 673,914, an increase of 72,000 or 10.3 percent. Figuring that Denmark has 3,750,000 inhabitants, there is now one radio receiving set for every five inhabitants.

12/9/38

Frank R. McNinch, Chairman of the Federal Communications Commission, will be the speaker on a special program over the National Broadcasting Company networks designed for the recognition of Universal Bible Sunday, a nation-wide celebration planned by the American Bible Society. The subject of his address, which will be broadcast on Sunday, December 11, from 3 to 3:30 P.M., EST, over the NBC-Red Network from Washington, D.C., will be "The Organized Attack on Religion". Commissioner McNinch will protest against assaults which have been made on the Protestant, Catholic and Jewish faiths.

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RADIO, TELEPHONE COMPANIES UNDER WAGE-HOUR ACT

The Wage-Hour Administration stated Wednesday that radio stations and telephone companies must abide by the Labor Standards Act as well as banks, insurance companies and newspapers.

Certain firms in such fields had claimed exemption from the minimum wage and maximum hour provisions. They had pointed out that Congress provided exemptions for retail and service establishments doing the bulk of their selling and servicing in intrastate commerce.

In an interpretive bulletin, the General Counsel of the Wage-Hour Administration replied that in his opinion Congress meant by the words "service establishments" only such firms as hotels, restaurants, laundries, garages, barber shops, beauty parlors and funeral homes.

"Service establishments", he said, "are usually local in character and render a service to the ultimate consumer for direct consumption. The service is usually purchased in small quantities for private use rather than for industrial or business use."

The interpretation acknowledged that banks, radio stations, telephone companies, utilities and similar establishments perform a "service".

"It is nevertheless our opinion", he said, "that such enterprises are not, in the ordinary case, sufficiently similar in character to retail establishments to be considered service establishments within the meaning of Section 13 (A)(2)."

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ZENITH PROFITS \$648,382 FOR HALF YEAR

Zenith Radio Corporation reports a consolidated operating profit for the first six months ended October 31, 1938, of its current fiscal year, amounting to \$648,382.94, after depreciation, excise taxes and liberal reserves, but before provision for Federal Income and Excess Profits Taxes or Undistributed Profits Taxes, as per the Company's books, according to Hugh Robertson, Vice-President and Treasurer.

Supplementing its current line of receivers, the Company has just placed on the market a new receiver, incorporating the Zenith Wavemagnet, a recent development in the Company's laboratories. This set requires no batteries, no antenna or ground - it works anywhere. It is only necessary to plug it into any electric light socket, 110 volt AC or DC, and excellent reception is obtained, when other radios refuse to function. In addition to use anywhere in the home where portability may be desired, this new receiver meets a long standing requirement of offices, hotels, hospitals, clubs, schools, colleges, etc. It is expected that sales of this unit will contribute substantially to the Company's volume during the balance of the current fiscal year.

The Company is expanding its operations in the field of manufacturing sets under contract for motor car builders. It is the aim of the management to obtain a sufficient volume of this business to enable it to keep its plants operating continuously throughout the year.

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COLUMNIST COMES TO DEFENSE OF RADIO

A spirited defense of radio was carried in the Chicago Daily News recently in the column of Howard Vincent O'Brien. It follows in full:

"I know at least one person who won't have a radio in his house. Why should he, he asks? Nothing but cheap jazz and patent medicine advertisements. Fare for morons. Tripe.

"Poor fellow, he doesn't know what he's missing. He doesn't realize how rapidly radio is growing up, to what an extent it has become an indispensable medium of communication.

"The milestones of progress fly by fast. The crisis in Europe demonstrated what radio can do in the transmission of news and information. I had hardly recovered from my awe at that when I had a demonstration of what radio can do in the transmission of ideas - 'art', if you care to use an indefinable word.

"This was 'Air Raid', written by Archibald MacLeish and broadcast by Columbia. For power and subtlety this piece could be ranked with the best of drama, opera or symphonic music. It was, in short, art of the first class, showing what radio can do when it is served by a poet of MacLeish's caliber.

"There are those who insist that radio can never rise above the level of its listeners - that level being, it is assumed, a woefully low one. According to these critics, 'art' can have no place on the air because the sweaty masses - the simpletons who send box tops for souvenirs - have no appreciation of 'art'.

"I wonder. I have an idea that Homer smote his bloomin' lyre for the amusement of the masses; and I suspect that more of the masses would have clapped their hands at the surge and thunder of Shakespeare's iambics if more of them could have crowded into the pit of the Globe Theater.

"I think it more than doubtful that appreciation of good writing, good music and good pictures is limited to the 'cultured' few. I would guess that 'Air Raid' was just as moving an emotional experience in the sod house of a Nebraska farmer as it was in the drawing room of a Long Island millionaire.

"My own experience with radio began in France, in 1918, when we were thrilled by our ability to send and receive messages at a distance of 50 yards.

"Lately I have been having a new thrill. Thanks to Comdr. Eugene F. McDonald, Jr., naval officer and radio technician, I have become an addict of the short waves. Last evening I listened to news reports from London, Paris, Berlin, Rome and Guatemala City - all in English, all as clear as any local station.

"Such access to the world requires no elaborate equipment, What it does require is knowledge of when and on what wave lengths these stations are on the air.

"Radio's greatest weakness is the lack of information as to what is on the air. More and more, I think, it will be the function of the newspaper to supply that information.

"There is evidence that newspaper antagonism to the radio, based on a fear that radio was diverting advertising revenue, is dissolving. It is doubtless true that some of the money formerly spent in newspaper advertising now goes into radio, but I think that much of that money will presently flow back. Radio advertisers will discover that newspaper advertising is an indispensable link between program and listener. It is obviously absurd to spend large sums on time and talent when only by accident does the customer learn of their existence.

"The time will soon come, I believe, when radio advertisers will make regular use of newspaper advertising to sell, not so much their products as their radio programs. As that revenue develops, the newspapers will devote more space to radio news.

"The world is black with strife; but man's knowledge grows steadily greater."

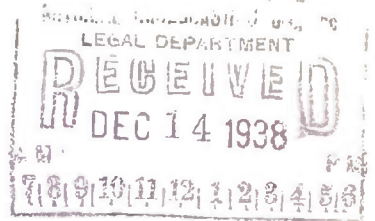
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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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No. 1182

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J. H. P.

December 13, 1938

WHEELER WARNS RADIO ADS MAY BE LIMITED BY LAW

On the eve of a meeting of the Executive Committee of the National Association of Broadcasters to discuss plans for self-regulation of the broadcasting industry, Senator Wheeler (D.), of Montana, warned the industry that unless it reduces advertising content of programs voluntarily, he will sponsor a bill to have it done by law.

Senator Wheeler, who as Chairman of the Senate Interstate Commerce Committee, has charge of radio legislation in the Senate, spoke at the annual dinner meeting of the Federal Communications Bar Association at the Raleigh Hotel in Washington.

At the same time he assailed Government propaganda programs that are put on the air under the guise of educational programs.

Senator Wheeler took a decided stand against proposed super-power stations, warning that they undoubtedly would result in a monopoly of the air, to be followed by a demand for Government ownership. And, he added, such a step might go further and threaten the democracy of the country, through its control by some future President who might desire to perpetuate himself in office. He told the radio lawyers that there was a question in his mind whether Mussolini, Hitler or Stalin would have been successful in their respective rises to power if they had not had absolute control of the radio.

Senator Wheeler told the lawyers that they should see not only that the Commission functions in a fair and square manner, but that they should see to the regulation of their own radio clients to the end that there would be the least possible regulation by Congress. Unless this is done, he warned there is going to be a demand for Government ownership of the radio, and he added that the American people will rue the day when that time comes. He said that he could not caution the radio industry too much along that particular line.

Senator Wheeler digressed from his prepared address to discuss the part which he said radio would play in the preservation of democracy in this country. He said he didn't believe democracy is a failure here and the way to prove it was to make it work. The way to make it work is to preserve the right for the views of all sides of an issue to be presented over the radio. No radio station, he said, has the right to present only one side of an issue.

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He took a rap at radio commentators who day after day and week after week present what he described as one side of issues. If the people are going to hear the views of one commentator, then there should be commentators to tell the other side, he said, adding that the town hall idea should be enlarged by every station in America.

Senator Wheeler said that he realized that radio stations must have income from advertising, but he added that it was his sincere belief that there is entirely too much radio time consumed by commercial advertising. When, he continued, six or seven minutes of a 15-minute program are devoted to commercial announcements, the effectiveness is greatly reduced, and the program is definitely in bad form. Limited advertising will attract more people to radio programs and there will be more listeners for the advertising, he declared.

"What I chose to call the 'intelligent selfishness' of radio stations", he said, "should dictate a policy of limited advertising with its accompanying increase of listeners. Failure by the industry to rectify this obvious defect in programs inevitably will lead to drastic legislation by the Congress of the United States. And such legislation, I, for one, not only would support but would introduce it, and actively seek its enactment."

Senator Wheeler said that a grave danger, a two-fold threat, "a political and economic monster", seems to be appearing on the broadcasting scene.

He said that 5 per cent of the 700 stations in the country made half the profits in the industry during 1937. It represents, he continued, a trend toward monopoly which is particularly dangerous in broadcasting. He asserted that it was dangerous because it threatens the economic system, but also dangerous because it threatens the social and political system.

While he said that he would not place the responsibility for this discrepancy in the division of profits solely at the door of the operators, or leave it entirely with the licensing authority, it is, nevertheless, a serious problem and should be solved before it becomes more threatening.

"Just as certain as we permit monopoly in radio - or anything which savors of monopoly or monopolistic practices to develop - just so certain are we to have Government ownership and control of radio broadcasting", he asserted. "It is inconceivable to me that the people of the United States will permit a favored and privileged few to control an instrumentality that may mean life or death to democracy. Monopolized radio, public or private, is the means by which dictatorships are created and maintained."

Senator Wheeler was introduced by Duke M. Patrick, retiring President of the Association, who was toastmaster for the dinner. Earlier in the day the Association held its annual meeting at which Frank Roberson, former Assistant General Counsel of the Federal Communications Commission, was elected President. Others elected were Philip J. Hennessey, Jr., First Vice President; Paul M. Segal, Second Vice President; Herbert M. Bingham, Secretary, and John M. Littlepage, Treasurer. Former Representative Swagar Shirley was named to the Executive Committee.

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NO BAN ON DIES, SAYS LENOX LOHR

Lenox R. Lohr, President of the National Broadcasting Company, denied Sunday that any desire to avoid a controversial discussion had figured in the refusal of Stations WJZ and WEAF to broadcast statements by Representative Martin Dies, of Texas, December 3rd.

Mr. Dies, who is Chairman of the House Committee Investigating Un-American Activities, spoke at a luncheon of the American Defense Society in New York on that date. WJZ and WEAF were asked to broadcast the proceedings, but were unable to do so because they were already committed to other programs, Mr. Lohr said.

Mr. Dies, who did not ask the company to broadcast his speech, has spoken over the NBC system seven times since last April and was scheduled to speak again from Washington at 8 P.M. Tuesday (today).

"We have no knowledge of Congressman Dies' proposed speech, and he is free to express his views or opinions whether they are controversial or not", he continued. "There is no policy of the NBC preventing discussion of controversial subjects during its sustaining periods. On the contrary, we invite discussion of controversial subjects in which the public may have an interest and furnish our facilities gratis for discussion by responsible persons on both sides of a question."

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WIFE OF RMA PRESIDENT DIES

Mrs. Albert S. Wells, wife of the President of the Radio Manufacturers' Association, died Friday evening, December 9th, following an accident last Wednesday while riding horseback. Private funeral services for relatives and friends were held on Monday, December 12th, at the family residence, 6201 North Kilpatrick Avenue, Chicago, and were followed by services at 2 o'clock at Acacia Park Cemetery Chapel, Irving Park Boulevard.

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ROLE OF RADIO, PRESS, MOVIES CITED BY ACKERMAN

Radio was cited as one of the three modern weapons of mass distribution of words and ideas that must be kept open to the public if liberty is to be maintained in this country, in an address Sunday by Dean Carl W. Ackerman, of the Graduate School of Journalism, Columbia University, at the Washington Cathedral.

"The fate of liberty is not being determined in Washington, or in newspaper offices, or over the radio or in our schools and colleges, or in the pulpit", he said. "Mass opinion, rather than the opinion of intellectual and religious groups, is determining the course of current history.

"Nations fight today with new weapons which destroy morale, hope, faith, confidence, family, racial and spiritual relationships. These weapons may be as destructive of human values and human relationships and of the established institutions of civilization as any military or naval implements. And the massive walls of this Cathedral cannot protect us from attack by these new weapons any more effectively than they could withstand a bombardment, unless we are prepared to defend ourselves with these modern weapons. The modern weapons are words and ideas collected and distributed by the instrumentalities of communication, - the printing press, the radio and the motion picture - to the market places, to the community centers of the nation. These instrumentalities are the agencies of free discussion. They serve as the connecting link between the Bill of Rights and the public usefulness of these rights.

"The task of increasing public faith in liberty depends, I think, upon how the church relates its work to the new market places of the nation created by the radio, the press and the motion picture.

"We cannot isolate a cathedral in the Nation's Capital and expect it to be a National Cathedral. We must recognize that the scientific and the technological developments in the field of communications have enlarged our opportunities and our obligations.

"Even though there may be many practices and policies of the press, the radio and the motion picture industries to which the church should take vigorous exception, all of us should recognize, I think, that during recent years they were important contributing factors in the nationwide revival of public discussion and public interest in liberty. Nevertheless, the significance of this public service does not warrant an indefinite franchise to maintain the status quo. The freedom of the press and of the radio does not belong to the owners of newspapers or radio stations. It belongs also to the church and to the school. It is a public right, in no sense a governmental prerogative or an industrial monopoly.

"The church should focus its new perspective of liberty on the potential services of the press, the radio and the motion picture to religion. This broad field of communications must serve the church and the initiative must come from within the church."

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REALLOCATION DISCUSSED AT BRUSSELS CONFERENCE

The preparation of a draft plan for the redistribution of wavelengths among Europe's broadcasting organizations was among the technical matters that provided the main items on the agenda of a conference of the International Broadcasting Union (U.I.R.) held recently in Brussels under the chairmanship of Monsieur A. Dubois (Holland), the British Broadcasting Corporation reports. About 125 delegates, representing thirty countries, took part.

The preparation of the wave plan - which was initiated at the International Radio Communications Conference at Cairo last Spring - was undertaken by the Union's Technical Commission, which met under the chairmanship of Monsieur R. Braillard. Three sub-committees were appointed: one to prepare a complete report on the present wavelength situation and on the wishes of the various delegations; one to study the technical bases that could be used for establishing the new plan; and one to give final form to the resolutions. The plan, after submission to the Council of the U.I.R. will be passed to the various European Governments for consideration, and will finally be discussed and adopted at the European Broadcasting Conference to be held in Switzerland early in 1939.

Relays of foreign programs were discussed at an unofficial conference of experts, held under the chairmanship of the President of the U.I.R.'s Program Committee. Fourteen countries, the Secretariat of the League of Nations, and the principal networks of the United States were represented. The conference set up the bases for the exchange of programs and delegates offered their most interesting Winter-season programs for relay. In view of the success of this conference, the delegates agreed that in future two such meetings a year shall be arranged.

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Hearst Radio, Inc., of New York, last week filed its long-delayed application with the Federal Communications Commission for approval of a voluntary transfer of Station WINS to the Metropolitan Broadcasting Corp.

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DR. JOLLIFFE, HEDGES TESTIFY IN MONOPOLY PROBE

Testimony of Dr. C. B. Jolliffe, Chief Engineer of the Radio Corporation of America, and William S. Hedges, Vice-President in Charge of Station Relations, for the National Broadcasting Company, last week-end and the beginning of this week took some of the "monotony" out of the chain-monopoly investigation by the Federal Communications Commission.

Mr. Hedges explained at some length the details of NBC contracts with affiliated stations after Dr. Jolliffe had discussed engineering problems.

Declaring that it is to the economic interest of radio stations to be affiliated with one of the major networks, Mr. Hedges described his own experience in the operation of Station WMAQ, Chicago, before and after it joined the NBC.

"Stations came and went until networks were formed in 1926", he said. "It was not until then that the radio industry found its economic foundation."

Mr. Hedges denied that there have been arbitrary deletions of affiliated stations by the National Broadcasting Company and stated that affiliated stations may cancel a network commercial program if they can convince the network that a local program is more in the public interest. Practically, he said, there have been no disputes of this character between the network and the affiliated stations.

Only 68 percent of what the sponsor pays for a radio program goes to the network and the stations, Mr. Hedges testified, the other 32 percent being absorbed by the advertising agency and preliminary expenses.

The station's share of the 68 percent increases in accordance with the length of the program series. Thus NBC gets the full amount for the first 16 hours. For the next 25 hours the station is paid 20 percent of the gross on the basis of its rates, for the next 25 hours the station gets 30 percent, and for all over 66 hours it is paid 37 percent.

At the conclusion of the testimony of Dr. Jolliffe, a statement by Sir Noel Ashbridge, Chief Engineer of the British Broadcasting Corporation, was ruled out upon a motion made by William J. Dempsey, FCC General Counsel.

Dr. Jolliffe had quoted Sir Noel on the basis of a telegram received from him with regard to an engineering theory on radio coverage.

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Earlier the RCA Chief Engineer stated that reception is generally better in England than in the United States due to atmospheric conditions.

He also stated that, contrary to popular belief, all of this country is not adequately served by radio. Some 21,000,000 persons, or 17.4 percent of the population, he said, have to depend upon secondary service of broadcasting stations and that in some rural sections this is very poor.

"It might be possible to rearrange our present stations geographically so that all the radio audience could have primary service", he said, "but under the American system of broadcasting stations must be located generally in centers of population where they are assured of economic support."

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MRS. ROOSEVELT TO PAY TAXES ON RADIO EARNINGS

Mrs. Franklin D. Roosevelt intends to pay income taxes on her future radio earnings, although the Treasury had ruled them tax exempt, it was disclosed this week by friends of hers.

The "purely personal" decision by the President's wife, it was said, was made to avoid any chance of future criticism.

In the past, she has paid income tax on all her earnings except those from radio broadcasts, which were paid direct to a designated charity. Since she received no income for herself, the Treasury ruled in 1934 that such radio earnings were not taxable income.

Mrs. Roosevelt has made no radio broadcasts during the past year, but White House sources said that if she signs any new contracts she will have the money paid directly to her so that it will be taxable.

Mrs. Roosevelt's radio earnings were thrust into the national spotlight in 1937 when Representative Hamilton Fish, Republican, of New York, accused her of using a "loop-hole" to avoid the taxes.

In 1935 Mrs. Roosevelt's radio booking agent was quoted as saying she had made \$119,000 for charity and turned down \$1,000,000 more because suggested programs did not meet her specifications. In 1934 she reported her broadcast receipts were \$36,000, paid directly to the American Friends' Service Committee in Philadelphia.

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::: TRADE NOTES :::

Col. Robert R. McCormick, publisher of the Chicago Tribune, voiced approval of radio reports of court trials, declaring that "radio will bring the assizes to the countryside", in an address last week before the Chicago Bar Association.

Fulton Lewis, news commentator for the Mutual Broadcasting System, has made application for admission to the Senate Press Gallery on the same terms as newspaper correspondents. A former reporter for Universal Service, Mr. Lewis has indicated he will make a fight if the Committee denies his application.

The Columbia Broadcasting System has announced the affiliation, effective December 15, of a new station, WBRY, New Haven-Waterbury, Conn. Operating with a power of 1,000 watts day and night on 1530 kilocycles, WBRY is the only full-time station located in New Haven County.

The Federal Communications Commission this week granted the application of the Southwestern Bell Telephone Company for authority to acquire and operate all of the interstate toll lines of the United Telephone Company of Kansas.

A bound volume describing the activities of the Columbia Broadcasting System in covering the recent European crisis has just been issued by CBS under the title "Crisis". It is illustrated.

The Crosley Corporation, of Cincinnati, has filed an application with the Federal Communications Commission for a new facsimile station license to use 26,000 kc. with 1 KW power.

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~~SECRET~~
 FCC DENIES CROSLY PLEA FOR INQUIRY CHANGES

The Federal Communications Commission this week denied a petition of the Crosley Corporation requesting the Commission to adopt a different procedure in handling the WLW, Cincinnati, case. Pursuant to the Commission's action, oral argument will take place before the Commission on Thursday, December 15th at 10 A.M. Crosley's petition asked:

- (1) That the Commission grant leave to withdraw request for oral argument upon exceptions to the report of the Committee on super power filed by it on November 21 without prejudice to petitioner's right to renew its request;
- (2) That the Commission instruct the Committee to modify or amend its report to include specific or proper findings of fact upon each of the issues specified in the Notice of Hearing;
- (3) That the Commission adopt the report of the Committee as so amended as its proposed report; and
- (4) That the Commission take such other steps through counsel or otherwise as may be necessary to acquaint petitioner with the position taken or to be taken by the Commission with respect to each question of law presented by the record.

The Crosley application is for extension of Special Experimental Authorization to use 500 kilowatts power.

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SOVIETS PLAN RADIO SERVICE EXPANSION

The People's Commissariat for Communications of the U.S.S.R. has worked out a plan for improving radio service to the population in the current year, according to Pravda, Russian newspaper. A new powerful short-wave broadcasting station built near Moscow is to be put into operation. It will be possible to receive the broadcasts of this station directly in the most remote corners of the U.S.S.R., the paper said.

According to the plan of the Commissariat for Communications, 950,000 new radio outlets are to be established in the U.S.S.R. Of this number 330,000 will be set up in the villages. Moscow will receive an additional 80,000 radio outlets, and Leningrad 70,000. The number of wire transmitting

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radio stations is also to be increased. Seventy-three such stations with a capacity ranging from 10 to 500 watts are to be built.

It has been decided to devote particular attention to the improvement of existing radio installations, the paper stated. This would make it possible to improve the quality of radio broadcasts. First, it is intended to reconstruct 274 wire-transmitting stations and 136 sound-amplifying sub-stations. Until recently, the existing transmitting radio stations were supplied with electric current regularly. This leads not only to long interruptions in broadcasting, but also to complete cessation of transmission by certain stations. To put an end to this situation, the Commissariat for Communications had decided to built 140 powerstations. They will be built where at present there are no local power stations. In addition, 210 power stations which feed current to existing transmitting stations will be reconstructed.

Street loudspeakers are also to be manufactured. In fulfillment of an order placed by the Commissariat for Communications the Moscow Electric Plant named after Kuibyshev will turn out 90,000 dynamic loudspeakers.

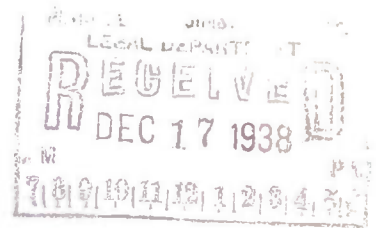
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NEW RELAY PRESS SERVICE IN REVISED FCC RULES

A new radio service which will assist newspapers in reporting events in isolated places where other means of communications are absent was made available this week by the Federal Communications Commission.

The special press service, included in a new set of rules governing miscellaneous radio services, would operate in the frequencies above 30,000 kilocycles. Station licenses would be granted to publishers or press associations.

Under this license, it was explained, a reporter could go aboard the hulk of a burning vessel, for instance, and radio his story to the relay press unit on the shore, which, in turn, could telephone or telegraph the story to his desk.

Other new classes of radio services embraced in the revised rules are:

Intermittent Services. A new class of stations is included in this group, namely "provisional stations" to which is allocated the frequencies assigned to "special services" under the previous rules. This class is to be used in connection with various projects which require radio communication for temporary periods in order to safeguard life and property.

This group also includes the licenses now issued to motion picture stations. Such stations have been in operation for nearly eight years and, according to motion picture producers, have resulted in the production of many pictures otherwise impracticable. Picture companies, for example, operating on location in the desert, not served by regular communication facilities, are enabled by these licenses to carry on radio communication with the main office regarding the production of the picture.

Geophysical Service. This service covers stations used in connection with investigations of the physical properties of the earth and its surrounding atmosphere. The only class licensed by the Federal Communications Commission is that termed Geological Station. Most of the major oil companies hold licenses of this class which help them to locate new oil bearing strata without the necessity of aimless exploratory drilling. The Federal Government operates a number of stations of this class, not licensed by the Commission, such as meteorological

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stations, engaged primarily in scientific studies of the atmosphere; volcanology stations, engaged in studies of physics and phenomena of volcanoes; and hydrological stations, operated primarily for the purpose of measuring, recording and studying the flow of water.

In connection with all classes of stations in the miscellaneous service, provision has been made for the non-exclusive use of frequencies and for the coordination of operations so as to avoid interference and make the most effective use of the frequencies assigned.

Detailed provisions are included respecting applications for licenses, term of licenses, posting, maintenance of logs, inspection, measurement procedure and tests.

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GARY GIVEN POST IN EXPORT-IMPORT BANK

Just two months after he was summarily dismissed as General Counsel of the Federal Communications Commission, Hampson Gary, one-time American diplomat and long a member of the bar, was appointed on Tuesday as Solicitor of the Export-Import Bank by Jesse Jones, Chairman of the Reconstruction Finance Corporation.

The position is new in the Export-Import Bank, which comes under the supervision of the RFC.

At the time Mr. Gary was ousted as FCC General Counsel at the beginning of the Frank McNinch "purge", he was reported to have been offered a transfer to the RFC at a salary equal to the \$9,000 he received as Commission counsel. He refused the offer, however, and would not resign.

Mr. Gary, who had a distinguished career in the State Department in the Wilson regime, is a native of Texas and has long been a friend of Jesse Jones.

With the formation of the Federal Communications Commission, Mr. Gary was appointed to the one-year term by President Roosevelt as a Commissioner. Upon expiration he was named FCC General Counsel, a position he held for four years.

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WLW HEARING POSTPONED UNTIL DECEMBER 22

The Federal Communications Commission this week granted a petition by the Crosley Corporation for postponement of oral argument and enlargement of time for argument in the WLW, Cincinnati, case. The Commission set the argument for December 22, at 10 A.M., instead of December 15, and granted counsel an hour and a half for argument of its case. Counsel for the licensee had asked for two hours, and had stated that the December 15 date did not allow sufficient time for preparation.

Hearings in the investigation of chain and network broadcasting and monopoly will be suspended at the conclusion of the hearing on December 21, instead of December 23, in order that the full Commission may hear the argument in the WLW case. Hearings in the monopoly investigation will be resumed January 4th.

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McNINCH "PURGE" HELD "WITHIN THE LAW"

Chairman Frank R. McNinch's "purge of the Federal Communications Commission staff was "within the law", Harry B. Mitchell, President of the Civil Service Commission, stated this week upon receipt of a report from an investigator.

While explaining that the Commission did not approve the "purge" itself, Mr. Mitchell said that it did not violate any Civil Service Act or regulation although it abolished three jobs and ousted three veteran Civil Service employees without hearings.

"We have very limited powers, you understand", he explained. "There is nothing we can do about it under our present law."

G. Franklin Wisner, former Chief of Press Relations, who had been discharged with only a few hours' notice after 12 years' service and an "excellent" Civil Service rating, said:

"I'm not surprised at the decision. It merely confirms my original statement that the Civil Service system has broken down and that it offers no protection to Government employees.

"No one in the Government service can feel safe when the politicians can gang up on you and abolish a job on a technicality just to get their friends put in office."

Mr. Wisner was one of three Civil Service employees who were victims of the McNinch "purge". The others were Arnold G. Davis, former Chief Examiner, and Melvin H. Dalbert, Assistant Chief Examiner.

The Civil Service Commission balked Chairman McNinch in his first move to "purge" the FCC staff by turning thumbs down on his request that all key jobs within the Commission organization be removed from protection of the Civil Service by Executive Order.

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GERMAN STATIONS REPORTED BLANKING U. S. OUTLETS

American short-wave radio broadcasts are rendered almost entirely inaudible in Mexico by "blanketing" programs from Berlin or from local, German-owned stations, it was reported this week by Mexican visitors to Washington who asked that their names be withheld, according to the Washington Daily News.

They explained that German programs on the same or nearby frequencies set up interference which brings nothing but unintelligible gibberish through the loudspeakers. When American programs sign off, however, the German programs come through with perfect clarity, they added.

The German news programs themselves were characterized as "extremely subtle and highly anti-American".

The visitors added that German-made receivers are sold to Mexican peons for about 10 pesos, almost less than the duty, and in some cases are actually given away. The sets are similar to those in hotels, in that they can be tuned only to three or four particular stations, all of them German.

Station W8XK, Westinghouse's outlet near Pittsburgh, Pa., is cut out, it was declared, by German-owned stations in Mexico City itself, broadcasting in German and Spanish. Many other short-wave stations financed by German money are located in nearby "banana republics", the visitors said.

At the Federal Communications Commission, officials stated that they had received many complaints of interference with American broadcasts by German programs, but had been unable to prove malicious intent by the Germans. They added that frequent checks on German stations showed they did not vary from their assigned frequencies. They also declared, however, that they had reports of good reception in Mexico for certain American stations.

A check on the frequencies of American and German short-wave stations shows that almost every United States transmitter is flanked within 10 kilocycles by a German or Mexican station. This difference, FCC experts declare, is adequate for clear reception by a good set although they admit it could create sufficient interference to render programs inaudible on less expensive receivers.

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RENEWAL RULE TO BE ENFORCED, SAYS FCC

Strict adherence to the rule requiring broadcast stations to file application for renewal of license more than sixty days in advance of expiration of the license will hereafter be demanded by the Federal Communications Commission.

No temporary broadcast licenses or extensions of licenses will be issued under any circumstances where the stations fail to file applications for renewal, the FCC stated. When an application is received less than sixty days in advance of expiration of license, a temporary extension of license only will be granted, and the reasons for so acting will be made public.

Experience has shown that sixty days is the minimum time required for the staff to check and study applications adequately and for the Commissioners to give them effective study and consideration, it was said.

Under the Commission's rules applications for renewal of station licenses must be filed more than sixty days prior to the expiration date of the licenses. In many instances stations have filed applications late and in a few the Commission has failed to receive any application.

The Commission took the view that temporary extensions, even for thirty days, are unwarranted and may not be legally granted where no application has been filed. Licensees must accept full responsibility for filing their applications in good time and in proper form under the Commission's rules.

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PAYNE CALLS AT WHITE HOUSE AT OWN REQUEST

Commissioner George Henry Payne called at the White House and conferred with President Roosevelt for a quarter of an hour or longer on Wednesday of this week after requesting an audience.

As he left immediately for New York, no explanation of the visit was given out. Although rumors were current that Commissioner Payne is preparing to tender his resignation, persons close to the Commissioner discounted the idea.

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NBC'S LATIN AMERICAN PROGRAMS EXCEED NAZI, FASCIST

The National Broadcasting Company's international stations are sending more hours of radio entertainment into Latin America than either Germany or Italy, the Federal Communications Commission was told this week during the network monopoly hearing.

Varying from testimony on NBC's network operations, Frank E. Mason, Vice-President in Charge of Short-Wave Broadcasting, described the NBC work in the non-commercial international field.

He told the Federal Communications Commission that NBC with two transmitters broadcast 63 hours a week of Spanish and Portuguese programs and expects to increase this to 112 with the inauguration of new transmitters within a fortnight.

German programs directed at South and Central America, he said, occupy only 56 hours a week, and many of these are in German, obviously directed at native Germans who have settled there. Italian programs consume less than ten hours a week.

France has $33\frac{1}{2}$ hours of such programs, while England transmits $18\frac{3}{4}$ hours, Japan, 7 hours, and Holland, 4 hours.

Mr. Mason's testimony covered only NBC's operations, although the Columbia Broadcasting System, General Electric and the World Wide Broadcasting Foundation, of Boston, also transmit special programs in Spanish and Portuguese to Latin-America.

From the point of view of an American listener, who accepts a radio receiver as a necessity, the nations of the world are making much ado over a comparative handful of listeners.

Mr. Mason testified that whereas the combined Latin-American population is 120,518,170, they possess only 2,064,882 radio receivers. The United States, with a slightly larger population, has 26,500,000 radio-equipped homes, as well as automobile radios and often more than one set to a family.

The National Broadcasting Company makes no effort to transmit programs in English to the scattered Americans in the southern hemisphere, Mr. Mason said, feeling that they are too few and scattered and that they "will be good Americans anyway".

Many Americans abroad, he said, have asked the network to put popular radio features on the short-waves but experience has convinced NBC that native listeners resent English-speaking programs.

Short-wave listeners learn to depend upon the regularity of a news broadcast or language period rather than newspaper schedules, Mr. Mason said. They also become so fond of the announcers, often native to the country at which the program is directed, that they send him pictures of the new baby or the home.

"News broadcasts are the backbone of international broadcasting", he said, pointing out that most periods open with a quarter-hour news review. Recordings are widely used, he explained, because of time differences between the United States and receiving countries.

The only highlight of earlier testimony this week given by William S. Hedges, Vice-President of NBC in Charge of Station Relations, was his comment on a competitor, the Mutual Broadcasting System.

Questioned by Judge Eugene O. Sykes as to why certain NBC affiliates also are associated with other networks, Mr. Hedges said:

"NBC has not approved these exceptions, and it has found it impossible to understand why the Mutual Broadcasting System picks the NBC affiliate in Philadelphia (WFIL) when another full-time station without any network affiliation is available unless it is to attach itself as a parasite to benefit from the prestige which NBC has developed for its affiliate."

William J. Dempsey, FCC counsel, moved that the remark be stricken from the record, but it was retained upon objection being voiced by Philip Hennessey, NBC attorney.

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I. T. & T. ARRANGES FOR LONG TERM LOANS

International Telephone and Telegraph Corporation has announced that it has completed arrangements for long term loans in the form of ten year $4\frac{1}{2}\%$ notes for \$15,000,000 principal amount. Of this amount \$10,000,000 will be taken by the Export-Import Bank of Washington, and the remaining \$5,000,000 by a group of New York banks consisting of J. P. Morgan & Co., The National City Bank of New York, The First National Bank of the City of New York, Bankers Trust Company and Guaranty Trust Company of New York. The loans will be made on a basis to yield approximately $5\frac{1}{4}\%$. The above will complete the company's program for liquidating its maturing debentures and short term bank debt which together amounted to approximately \$60,000,000 on January 1, 1937. Upon the completion of the foregoing program, the International Telephone and Telegraph Corporation (Parent Company) will have no short term bank debts and the earliest of its maturities will be the new ten year notes referred to above.

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NAB TAKES FIRST STEPS TOWARD SELF-REGULATION

Taking its first steps toward self-regulation of the radio industry to offset stricter government control, the National Association of Broadcasters' Directors this week authorized Neville Miller, NAB President, to name a special committee to study radio programs and make appropriate recommendations to the next Association convention at San Francisco in July.

Although the Directors discussed many phases of the problem in executive session, the only action other than that to set up a committee, that drew unanimous support was a resolution to condemn liquor advertising on the air.

Mr. Miller said that two committees will be appointed by him in the near future. One will make a thorough study of broadcasting program standards and will suggest changes in the NAB code of ethics, while the other will constitute a Standing Committee, meeting four times a year, to police the code and keep it up to date.

Other actions taken by the NAB Directors were:

Authorized sale of NAB transcription library to E. C. Brinckerhoff & Co., New York, for \$25,000 cash and subsequent reimbursement conditional upon sale of the transcriptions.

Authorized appropriation of between \$5,000 and \$7,500 for continued operation of Joint Committee on Radio Research next year providing the networks also contribute.

Authorized an appropriation of \$2,500 to match an equal sum of the Radio Manufacturers' Association for a joint radio promotion campaign.

Adopted a committee report providing for admission of engineers, lawyers, and others as associate members of the NAB without voting privileges.

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CROSLY S-W STATION RAISED TO 50 KW.

The Crosley Corporation, operating the international broadcasting station W8XAL this week announced the construction of a new 50,000 watt transmitter to replace the old 10,000 watt W8XAL and the addition of operation on four more frequency bands, thus giving the new W8XAL a spot on all six frequency bands for international broadcasting.

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Unique feature of the new international broadcasting station is the installation and utilization of two 50,000 watt transmitters, which, when put into alternate operation, will provide instantaneous switching from one frequency band to another, thus making it possible for W8XAL to broadcast directly and surely to any predetermined continent or city.

And with provisions to operate on all six international broadcasting frequencies, W8XAL is now able to broadcast to any given part of the world, regardless of the time of day, the season of year and the period of the 11 year solar cycle.

An antenna system for W8XAL now under development will make possible directionalization to any country on any frequency, R. J. Rockwell, Technical Supervisor of the Crosley stations, said.

Cost of the new equipment and construction, not including antenna, has been quoted in excess of \$150,000.

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1938 CANADIAN RADIO SALES INCREASE FOR FIRST NINE MONTHS

Sales of all types of radio sets to dealers in Canada during the first nine months of 1938 amounted to 128,322 sets valued at \$10,233,850, compared with 148,911 sets valued at \$12,617,630 in the corresponding nine months of 1937, according to a report to the Department of Commerce from the office of the American Commercial Attache at Ottawa.

During October, 1938, sales of sets to dealers amounted to 35,518 units valued at \$2,922,740, as compared with 36,473 units valued at \$3,178,168 in October, 1937. Inventories as of October 31, 1938, totaled 66,662 units as compared with 70,446 units on hand at the end of October last year, the report stated.

Projected production, November 1, 1938, to January 31, 1939, is scheduled at 33,815 units, including 28,020 alternating current chassis, 5,093 battery sets, and 702 automobile sets, according to the report.

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 ::: TRADE NOTES :::
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A conference has been called for next Tuesday, December 30th, by the Federal Communications Commission on a request by Press Wireless, Inc., for an amendment of Rule 241(a) so as to authorize multiple-address press service on a primary basis.

Frank R. McDonnell, for the past two years President of Advertisers' Recording Service, Inc., subsidiary of Jean V. Grombach, Inc., has been appointed account executive with Radio Sales, Columbia division representing the network's owned and operated stations. Previous to his activity with Grombach, he had been a member of the sales staffs of WINS and WHN. He takes the position vacated by Kingsley Horton, who has been names Sales Manager of WEEL, CBS station in Boston. Mr. Horton had served with Radio Sales for two years.

LeRoy Mark, President of Station WOL, Washington, died last Tuesday night in his residence at 3520 Thirty-Seventh Street, Northwest. Besides heading the local station of the Mutual Broadcasting System, Mr. Mark was President of LeRoy Mark, Inc., insurance firm with offices in the Colorado Building.

The Columbia Broadcasting System this week announced the appointment of Louis Ruppel to the position of Director of Publicity. He joins CBS December 28, leaving the Managing Editorship of the Chicago Times to take over his new duties. Luther J. Reid, previously News Editor of the Publicity Department, will become Assistant Director of Publicity at the same date.

J. N. (Bill) Bailey, since February, 1936, Press Relations Director of Stations WLW and WSAI, was this week appointed editor of the stations' news room, James D. Shouse, Vice-President of the Crosley Corporation in Charge of Broadcasting, has announced.

Thomas P. Littlepage, Sr. and John M. Littlepage, heretofore constituting the firm of Littlepage and Littlepage, announced this week that William A. Porter, Thomas P. Littlepage, Jr., and A. Rea Williams will become members of the firm as of January 1, 1939, and they will engage in the practice of the law, with offices in the Bowen Building, 815 - 15th Street, N. W. Washington, D. C., under the firm name of Littlepage, Littlepage, Porter, Littlepage and Williams.

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REACTIONS TO TELEVISION INTERVIEWS VARY WIDELY

"People interviewed before the television camera vary in their reactions", observes World-Radio. "To some the experience suggests that by comparison the Spanish Inquisition was a mere teasing match; to others the thought of being seen as well as heard is an inspiration which enables them to give of their best.

"But the effect on the interviewee is of less importance to the viewer than the effect on himself. Are television interviews interesting? Are they more 'alive' than interviews in sound alone, or is the sight of the interviewee a distraction? (These questions have been raised in criticism of the policy of bringing sporting personalities to the television studio to interview them on their past achievements and hopes for the future).

"The answer is best supplied by another question: Is it better to be blind or to be able to see? Television supplements voice and inflexion with gesture and facial expression. In Latin countries, therefore, it may be an even greater boon than in the north, where speakers convey their meaning with less waving of hands and puckering of eyebrows. But the fact remains that people of all nationalities do impress their personalities on others by look and gesture, and, if only for this reason, the television interview holds the attention to a greater degree than sound alone.

"'Picture Page', the weekly magazine feature at Alexandra Palace, consists almost entirely of interviews. Very often the subjects discussed are not of fundamental importance. But personality, whether of a stamp-collector or a flower-seller, is projected as forcefully as in a portrait by Velasquez or Van Dyck.

"To what extent music, per se, should be presented in television has always been a problem. Many people consider that music, or the manner in which it is produced, has no pictorial value, and they point to the unlovely apparition of a trombone-player in full blast.

"But there are various ways of making music look interesting, and ballet is one of them."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

DEC 22 1938

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MONOPOLY HEARING RESULTS NIL AT RECESS

If the Federal Communications Commission hopes to avert a Congressional investigation of itself and the radio industry on the basis of its own chain-monopoly inquiry, it is likely to be disappointed in the opinion of informed observers.

With five weeks of the investigation completed and the FCC Committee preparing to take a Christmas recess on Wednesday, it is apparent that no information or testimony not heretofore known to the FCC and available to the public has been produced.

Even Chairman Frank R. McNinch has lost most of his early enthusiasm for the probe and has left the tedious job of presiding at the hearing to Commissioners Eugene O. Sykes and Thad H. Brown. They, too, have found the role tiresome and usually take turns at presiding while the other goes out. Fifteen-minute recesses during the morning and afternoon also are taken to give everybody a rest.

Volumes of exhibits and testimony constitute the only tangible result of the hearing to date although it is likely that the inquiry will drag on through the Winter and into the Spring.

Chairman McNinch's ban on prepared statements, instead of speeding up the investigation, seems to have enabled NBC counsel to drag out the testimony.

A revival of public interest in the inquiry is expected after the holidays, however, when Lenox Lohr, President of the NBC takes the stand and as the Columbia Broadcasting System opens its case.

Once the CBS starts its parade of technical witnesses, though, it is probable that the hearing again will be avoided except by persons whose presence is required by their jobs.

A detailed account of relations between the NBC and its advertisers was given as last week's sessions came to a close. Roy C. Witmer, Vice-President in Charge of Sales, was the witness.

He explained provisions of a typical advertising contract and stated that some contracts are made directly with advertisers and others are negotiated through an agency. Thirteen weeks is the minimum time, except for special event broadcasts,

he said. This time was settled upon as a result of the network's experience with cancellations during the depression.

Before Mr. Witmer took the stand, brief testimony was given by Walter J. Damm, of the Journal Company, Milwaukee, and Alfred H. Morton, NBC Vice-President in Charge of Managed, Operated and Programmed Stations.

Earlier, William S. Hedges, Vice-President in Charge of Station Relations, was cross-examined by FCC General Counsel William J. Dempsey and his aides.

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FRANCE PLANS CHAIN OF TELEVISION STATIONS

A chain of television stations that will cover the whole of France is being projected by the French Minister in Charge of Communications Affairs, according to World-Radio.

The statement is attributed to M. Jules Julien, the Minister, and is said to have been taken from the Paris journal, L'Intransigeant.

The television stations at Lyons and Lillie, which are identical with the Eiffel tower transmitter, will be completed shortly, it was said, after which the chain construction will begin.

Television will be used more and more, the French Minister said, for outdoor transmissions, such as races, sporting events, and ceremonies, and everything possible will be done to popularize it.

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NEW STATION IN UTAH IS RECOMMENDED

Granting of a construction permit to Clifton A. Tolboe, doing business as the Citizens Voice and Air Show, for operation on 1210 kc. with 100-250 watts power, unlimited time, was recommended to the Federal Communications Commission this week by Examiner P. W. Seward.

At the same time he recommended that Stations WJBL, Decatur, Ill., and WBOW Terre Haute, Ind., be permitted to exchange frequencies of 1200 and 1310 kc., respectively.

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TELEVISION PRESENTATION ANNOUNCED, POSTPONED

President Roosevelt and some of his aides in the Administration almost got gifts of television receivers this week, but something went wrong and the sets never crossed the White House corridors.

Following the publication of a press release from the American Television Corporation, of New York City, stating that television receivers had been given to the President and others, a telegram was sent out Monday night to Washington correspondents saying:

"Important you cancel Tuesday White House television release. Event postponed."

While there was no official explanation for the cancellation, it was reported that White House officials had decided not to accept the gifts.

Besides the White House, television sets were to be installed in the homes of Secretary Ickes, Acting Secretary Ebert K. Burlaw of the Interior Department, and Marvin H. McIntyre, Secretary to the President.

As correspondents asked the question, "What are they going to receive?", the donor explained in a statement to the press:

"Although Washington is not yet equipped with a public telecasting station, the Capital is looked upon as the most active potential center of picture broadcasting because of its position of influence and effect upon public affairs.

"The set installed at the White House is of the all-electronic type, designed to receive the standard 441-line image and regular radio broadcasts as well as the sound affiliated with picture reception.

The installations were to be made by Samuel M. Saltzman, American Television Executive.

The new sight-and-sound receiver was described as a "videor" model designed to pick up telecasts from studio, theater and concert stage, or from the portable-mobile unit, a truck-borne camera which has been used successfully by broadcasters to televise sports and news events.

The cabinet which houses the cathode ray tube and other video-audio parts of the set was specially designed by Lurelle Guild, industrial engineer.

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EXAMINER RECOMMENDS WFBR SYNCHRONOUS EXPERIMENT

A new experiment in synchronous broadcasting, involving a regional station and the use of a low-powered secondary outlet, was recommended to the Federal Communications Commission this week by Examiner Tyler Berry.

Station WFBR, Baltimore, which is now building a new transmitter to use 5 KW. power daytime and 1 KW at night on 1270 kc., asked authorization to build and operate a synchronous station at Frederick, Maryland, with variable power from 10 to 100 watts. Frederick and Baltimore are about 45 miles apart by air line.

The synchronous station will be located at the Francis Scott Key Hotel, Frederick. The installation of the proposed synchronous station varies in no essential respect from the installation of any broadcasting station except for the addition of the synchronizing equipment which is designed to automatically adjust the frequency of the carrier radiated by the synchronous station to the same frequency as that of the master station, which will be located near Baltimore. A wire line connection from the master station to the synchronous station will be utilized for this purpose. The radiation of the synchronous station will be very much the same as if it were an independent broadcast station.

It is estimated that the construction of the proposed synchronous station at Frederick will cost approximately \$15,525.

Examiner Berry, in his findings of fact said:

"The experiments will embrace consideration of the use of a synchronous station on a regional channel; a determination of radiation efficiency of the synchronous radiator; a measurement of the coverage of the synchronous station; observations on night limitation to the station from co-channel stations and the location and delineation of the zones of interference between the synchronous station and the master station, where various powers are used at the synchronous station.

"The first three of the proposed experimental elements are not primarily of an experimental nature. However, the general experimental plan of the applicant is considered feasible, and if the authorization is granted, it would present an opportunity to make a study as to the actual ratio of the desired to the undesired signal as between the master and synchronous stations, in order to receive signals in the area where there is interference between the two. Information thus obtained would be of general application and would constitute some contribution to the advancement of the radio art. Also, if the experiments proposed prove successful, it will be possible to improve and enlarge the services of existing local and regional stations.

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"In this connection it should be noted that there are no specific rules or regulations adequately governing the operation of synchronous stations, and therefore, what is expected of an experimental synchronous program and the antenna efficiency required, if any, have not been adequately determined.

The proposed experimental operation and experimentation will be under the direct supervision of a qualified engineer, with an adequate staff of engineers competent to carry on the program of research and experimentation.

The interests of Stations WASH, WOOD, WFDX and WOL will not be adversely affected by reason of interference.

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PRINCETON TO STUDY "MARS INVASION"

With a \$3,000 grant from the General Education Board of New York City, Princeton University's radio project is embarking on a study of the effects of the recent Orson Welles broadcast of an "Invasion" from Mars, Dr. Harold W. Dodds, President of the University, announced this week.

The project has been working for more than a year on an analysis of the radio's influence on the lives of its listeners. The School of Public and International Affairs, supported by a \$67,000 grant from the Rockefeller Foundation, has been the sponsor of the work.

"Investigation of the broadcast, which was based on H. G. Wells' book, "The War of the Worlds", will be confined to the educational aspects of the situation, leading to "first, a determination of the general extent and nature of the public reaction of the broadcast; second, the social psychological reasons for this reaction in various types of individuals."

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The Federal Communications Commission this week denied the application of Juan Piza, of San Juan, Puerto Rico, for a permit to construct a new experimental broadcast station for the reasons that the applicant has now shown that either he or his technical staff is qualified to undertake his program of experimentation and for other reasons.

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PERFORMERS' RIGHTS STUDIED BY INTERNATIONAL LABOR

Another step in the battle over performers' rights in their productions on records and in broadcasts is reported by the International Labor Office at Geneva, Switzerland, the National Association of Broadcasters disclosed this week.

A committee representing recordings interests, broadcasters and performers suggested that the International Labor Organization adopt the following principles:

"Without prejudice to the exclusive rights of authors, no record and no broadcast may be made without the consent of the performer. (This provision does not cover recording for the internal technical needs of the broadcasting institution.)

"The performer is entitled to require that his name be indicated on records of his performances and when his performances are broadcast.

"The performer is entitled to claim from his employer a separate remuneration, distinct from the remuneration for the performance itself, if his performance is broadcast (in the case of theatrical performances or concerts given in theatres or public halls), even when his contract contains no provision to that effect.

"Performers should be protected against clandestine recording (that is recording without the performer's knowledge and consent) and against all use of such records.

"The broadcasting organizations are entitled to register artists' performances for broadcasting at a later date without making a payment additional to that stipulated for the direct broadcast. On the other hand, if subsequent use is made of the registration, special remuneration must be given for it.

"Exercise of these rights should be vested in performers or, in the case of group performances, in the persons empowered to this effect.

"The acquisition from an artist of the right to record all his future performances in consideration of a lump sum payment should be prohibited.

"The experts also agreed on including in the proposed regulations provisions concerning the duration of the rights of performers, their transfer to the heirs of the artist, exceptions to be allowed in the application of the rights of performers for concerts in the public interest, and methods of the transmission of all or part of such rights. They also stressed the necessity of providing for arbitration in case of dispute."

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If the Organization adopts these principles at a future June meeting and if they are adopted by the United States Senate, they will have the force of Federal law in this country, the NAB explained.

The United States was not represented on the committee that adopted these principles, but is represented at the June conferences.

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RADIO NOTABLES ENJOY GRIDIRON DINNER

No dinner during the entire year brings more celebrities under the same roof than the Gridiron, and this year was no exception to the rule. President Roosevelt, however, broke a precedence of forty years by not speaking at this dinner. There are always two set speeches at the Gridiron - one by the President of the United States, and the other usually by an outstanding citizen of the opposing political party. This year, however, President Roosevelt nominated Postmaster General Farley to speak for him. The other speaker was Thomas E. Dewey, of New York.

Among the radio celebrities present was the newest of them all, Orson Wells of the Mercury Theater, whose amazing broadcast was the subject of a Gridiron skit. Others identified with the industry who attended, were:

Capt. Taylor Branson, leader of the United States Marine Band, who at the old Navy station at Anacostia, put on one of the first musical broadcasts in this country; Gene Buck, President, American Society of Composers; Harry Butcher, Vice-President, Columbia Broadcasting System, Washington; Raymond Clapper, new NBC radio commentator; Martin Codel, Editor, Broadcasting Magazine; Irving Herriott, counsel for the Zenith Radio Corporation; Maj. Lenox Lohr, President, National Broadcasting Company; Commdr. E. F. McDonald, Jr., President, Zenith Radio Corporation; Edgar Morris, Washington representative of Zenith; Kurt G. Sell, German Broadcasting Company; and Gerard Swope, President, General Electric Company.

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"Listeners Digest", a monthly devoted to publishing the best radio broadcasts, in whole or in part, will make its appearance in January. Published by Conde Nast Press, it will sell for 25 cents a copy and will accept no advertising.

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BRITISH BROADCASTING HOUSE TO DOUBLE SIZE

Excavation of the site upon which Broadcasting House, London, will be extended to more than twice its present size has begun, according to the British Broadcasting Corporation.

More than a million cubic yards of earth will be removed, and the depth to which the building will go - fifty-four feet below pavement level - will be lower than the vaults of the Bank of England, BBC stated. Broadcasting House is probably London's deepest building. So large will be the volume of the pit from which the superstructure will ultimately rise that it would have a capacity of nearly ten million gallons of water.

The work of excavation and the erection of retaining walls around the site, which has already been cleared, will be complete by about the middle of 1939. Soon afterwards, work will begin on the construction of the new building, which will be ready for occupation by the end of 1940. The site area at ground-floor level is 20,950 square feet, compared with the 17,390 square feet of the existing building.

The elevation - one of five schemes submitted - has been approved by the Royal Fine Art Commission. The architectural treatment of the extension will continue and amplify that of the existing facade to Portland Place, the two parts of the building forming a complete architectural entity that will be both dignified and in harmony with its surroundings.

Five underground studios will be incorporated in the extension, and in order to eliminate all possible risk of extraneous noise each will be constructed as a separate shell, floated and isolated from the building itself. There will be a General Purposes studio, 80 ft. long, 54 ft. wide, and 30 ft. high; three Dramatic studios; an Effects studio; and a number of rehearsal rooms.

Above ground-floor level the extension is designed as an office building, with rather more accommodation than Broadcasting House has at present. There will be a Control Room suite on the seventh floor but this does not replace the present Control Room.

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TWO STATION TRANSFERS APPROVED BY FCC

The Federal Communications Commission this week approved the license transfers of two stations. One was Station WMBO, Auburn, N.Y., from Roy L. Robertson to the Auburn Publishing Company, which publishes the Citizen-Advertiser, for \$15,000.

The other involved a stock redistribution and a change in the ownership of Station KFDM, Beaumont, Tex., from the Magnolia Petroleum Company to the Sabine Broadcasting Company.

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CBS BUYS COLUMBIA PHONOGRAPH COMPANY

The Columbia Broadcasting System this week purchased the American Record Corporation from Consolidated Film Industries, Inc., it was announced by William S. Paley, President of Columbia. An interesting aspect of the purchase is that the Columbia Phonograph Company, one of the American Record Corporation subsidiaries, some years ago was the owner of the Columbia Broadcasting System. Through the acquisition the Columbia Broadcasting System takes over the manufacture and distribution not only of Columbia phonograph records but also of Brunswick, Vocalian and other well known labels.

"The popularity of home records has grown tremendously during the last few years", Mr. Paley said, "and there is every indication that future increases are assured. Technical advances in radio combinations, phonographs, record playing attachments, and in the discs themselves, have greatly improved the quality of music that records can reproduce in the home. As a result there has been a widespread revival of interest among people of all ages in both classical and popular records."

"Within a few weeks", Mr. Paley said, "we hope to know enough about the details of the new company to issue statements covering general policies and the personnel who will be in charge. Our primary purpose will be to find new patterns for both serious and popular music which will give the greatest enjoyment to the public. We plan to accelerate record sales both by vigorous business management and by innovations in the production and marketing of records. Special interest will be paid to the field of education."

"Broadcasting and records have a great deal in common", Mr. Paley continued. "Both appeal to the ear, rely in general on the same artists, and have a great many similar technical problems. We feel that the Columbia Broadcasting System in entering the record business is broadening the base of its service along natural lines. Intensive consumer studies have disclosed the fact that the use of phonograph records is supplemental to and not a substitute for radio listening. They indicate also that radio broadcasting in itself has widened the market for records. People come to know compositions by hearing them on the air, then buy records so that they can hear the music they are familiar with at the moment they want to hear it."

The American Record Corporation's subsidiaries are Columbia Phonograph Company, Inc., Brunswick Record Corporation, American Record Corporation of California, and Master Records, Inc. A number of inactive subsidiaries are also included. Of the stock acquired by the Columbia Broadcasting System 20 percent will be held by a minority group under an option giving the broadcasting company the right to re-purchase it after a period of years.

The American Record Corporation has pressing plants in Bridgeport, Connecticut, and in Hollywood capable of manufacturing a large share of the entire output of this country. The corporation has several foreign exchange agreements, notably with Columbia Graphophone, Ltd. and Electrical Musical Industries, both in London, by which the outstanding American and European recordings are exchanged.

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COMMENTATOR ADDRESSES OPEN LETTER TO McNINCH

Dorothy Thompson, distinguished newspaper commentator, addressed an open letter to Chairman Frank R. McNinch, of the Federal Communications Commission in her syndicated column Monday regarding the Father Coughlin broadcasts.

Quoting from Chairman McNinch's address to the National Association of Broadcasters at White Sulphur Springs, and from his rebuke of the National Broadcasting Company in the Mae West episode, Miss Thompson asks why the FCC Chairman hasn't had something to say about what she considers a more important "abuse of the air".

"In view of the policy which you so clearly enunciated a month ago, may I ask whether you have been listening to the broadcasts of Father Coughlin?" she wrote. "Have you sent for the records of them? And if you have, do they, in your opinion, contribute to the fomenting of 'racial or religious persecution?' Do you believe that they serve to 'injure any racial, religious or other group?' Whether you feel that they do or do not, you would be rendering a public service, first, to the broadcasting companies, and second, to the American public, by making a ruling on the matter.

"In case they have escaped your attention, may I say that in a somewhat cautious and subtle manner, in a style which is not unfamiliar to me, since I became acquainted with it some years ago when I was living in Germany, Father Coughlin is coupling in his own mind and in the minds of his hearers, Judaism with atheism and with communism.

"It would seem to me, in view of your statement of policy last month, to be fitting that the Federal Communications Commission should analyze these broadcasts, the groups that are supporting them and demanding that they be continued on the air and the effect they are having on American public opinion.

"I am aware that the Federal Communications Commission is constrained, and rightly so, by the Act which created it, from censorship.

"Nevertheless, it issues or withhold its licenses to broadcasting networks on the basis of whether the radio is serving "the public interest, convenience and necessity". And on several occasions it has been led to reprimand broadcasting companies because of the nature of their programs. We all recall the fact that when Mae West went on the air with a rather ribald script called 'The Garden of Eden', the Federal Communications Commission called for records of the program, demanded a hearing, and issued a reprimand to the broadcasting company responsible for the number, and threatened to take it into account in considering the renewal of licenses for all stations that carried it. . . .

"And finally, does the Federal Communications Commission believe that the truth or untruth of a statement of fact transmitted over the radio is a matter affecting 'public interest, convenience and necessity?'

"If it does, then it would seem to me that Father Coughlin's recent broadcasts might be investigated from the viewpoint of whether or not what he has been saying is true, or whether he is disseminating misquotations and misrepresentations."

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An endless chain of pickets composed, police said, of 1,800 persons, marched Sunday around the block in which Station WMCA, New York, is located, according to the Associated Press. Many carried placards demanding the Rev. Charles E. Coughlin's speeches be carried again by the station. WMCA barred the Detroit radio priest on November 27 when he failed to submit an advance copy of his speech. The American Patriots, Inc., sponsored the picketing.

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I. T. & T. INCOME \$6,155,819 FOR NINE MONTHS

Consolidated net income of the International Telephone & Telegraph Company as set forth in a statement to stockholders this week, amounted to \$6,155,819 as compared with \$7,044,070 for the nine months ended September 30, 1937.

Gross earnings including gross profit on sales amounted to \$49,559,953 as compared with \$46,271,243 for the corresponding period in 1937. However, taxes increased by \$1,156,218 and as a result of the further decline in the U. S. dollar value of certain foreign currencies, the income account for the 1938 period includes a net foreign exchange loss, mainly in value of net current assets, of \$1,619,483 as compared with a net exchange profit of \$492,200 for the same period in 1937 as set forth in the notes to the statement of income accounts. Total interest charges of the corporation and subsidiaries increased \$993,960, principally as a result of subsidiary company financing. The interest charges of the corporation will be reduced upon the retirement of the corporation's ten-year 4½% convertible debentures due January 1, 1939.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1185

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FCC FINDS "CENSORSHIP" REPORTS TOO HOT TO HANDLE

The Federal Communications Commission this week postponed action on two contrary reports from its own Committee on program complaints recommending new policies for handling cases that border on censorship.

At the same time the Commission, finding the issue politically hazardous regardless of the action taken, refused to release the Committee reports.

While members involved declined to discuss the reports, it was learned that one report has been submitted by Commissioners George Henry Payne and Eugene O. Sykes, as a majority of a three-man committee, and another by Commissioner T.A.M. Craven as the minority.

The FCC, finding the reports too hot to handle for the time being, postponed action until after the first of the year. There were some indications it might delay a decision indefinitely unless forced to act by the Committee itself.

The majority report is understood to suggest merely minor changes in the procedure of handling program complaints by the Legal Department, leaving the Commission free to clamp down on stations which broadcast programs that arouse public protests.

The majority report, it is reported, proposes an entirely new policy of non-interference and strict observance of the non-censorship provisions of the Communications Act.

Under this procedure the FCC would not punish or reprimand a station for a broadcast as it did the National Broadcasting Company for the Mae West-Charlie McCarthy program. It would make recommendations to proper governmental agencies whenever a station was believed guilty of violating the laws against broadcasting obscene or indecent language, conducting lotteries, or carrying false advertising.

Then stations would be left free to exercise their own judgment and censorship providing they maintained a strict freedom of speech over the air and kept their programs generally above public criticism.

The censorship issue has been full of dynamite for the Commission ever since Chairman Frank R. McNinch took office due to his insistence that the Commission crack down on stations whose programs brought complaints from listeners.

The first instance of indirect FCC "censorship" was the Mae West case, for which NBC was given a stern rebuke and stations were told the incident would be held against their records.

Subsequently, the FCC called NBC stations to account for the broadcast of Eugene O'Neill's Pulitzer-prize play, "Beyond the Horizon", but later abruptly dropped the matter when newspapers joined broadcasters in labelling the action the most dangerous form of censorship.

Consequently, when the Orson Welles, "The War of Worlds" broadcast occurred, all of the Commissioners except Chairman McNinch shied away from the matter, and the Commission finally announced that it would take no action as none was necessary.

Meanwhile, the National Association of Broadcasters has taken the lead in a move within the radio industry to police radio programs. The matter was discussed at length by the Board of Directors of the National Association of Broadcasters last week and committees are to be appointed shortly to make a study and report to the NAB convention next July in San Francisco.

It is generally expected, moreover, that the question of radio censorship will come up for debate at the approaching session of Congress and that attempts will be made to amend the present law.

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ZWORYKIN GRANTED BASIC TELEVISION PATENT

Fifteen years after he had applied for it, Vladimir K. Zworykin was granted a basic patent on the electronic television system he developed by the U. S. Patent Office this week. The patent has previously been denied, but the action had been reversed by order of the U. S. Court of Appeals for the District of Columbia.

The electronic system has been generally adopted by all experimenters in the television field, displacing the original mechanical system. Television receivers which are being made to be placed on the market next Spring, it is understood, are of the electronic type.

Just what affect, if any, the belated granting of a patent to Dr. Zworykin will have on the industry was not immediately apparent.

Dr. Zworykin applied for the patent Dec. 29, 1923, four years after emigrating here from Russia. At the same time he assigned his patent to the Westinghouse Electric and Manu-

facturing Company of East Pittsburgh, which now controls the rights. The patent contains forty claims covering the "tele-eye", on which the transmission centers, other phases of transmission and the receiver.

The tele-eye, or cathode ray vacuum tube, containing a screen with myriad photo-electric elements and a "gun" generating an electronic scanning beam. The tele-eye makes an electrical image which, because of the scanning beam, can be broadcast by radio waves as a succession of impulses. The receiver turns these impulses into an image that can be seen on a fluorescent screen. The beam gives this system its name, electronic.

The New York Times, in explaining the patent, said:

"Dr. Zworykin turned from mechanics to nature for his inspiration in the development of his 'iconoscope', or 'electric eye', which simulates the human eye by means of an electric 'retina' and 'optic nerve'.

"The inventor announced the perfection of his instrument in 1933 after most experiments with television had functioned through the use of a revolving mechanical disk which broke up the image into parts for transmission. The 'electric eye', which was the culmination of ten years of intensive research, 'saw' the image as a whole, just as the human eye does.

"The 'iconoscope' consists of 3,000,000 tiny photo-electric cells so small that they can be seen only under a microscope. The 3,000,000 cells are held in a mica sheet four by five inches, with 10,000 crowded into the space of one square centimeter. The whole is enclosed in a vacuum tube sixteen inches long and eight inches in diameter.

"As a counterpart to the iconoscope, which corresponds to the human eye, there is a kinescope, the receiving instrument corresponding to the human brain. Both have one element in common, a cathode-ray tube, which emits a powerful beam of electrons. But instead of the mica sheet with the 3,000,000 photo-electric cells, the kinescope has a fluorescent screen on which the image is reproduced.

"The iconoscope takes the light from an object through an ordinary motion picture camera lens. Inside the cathode ray tube an electron beam playing on the 3,000,000 cells transfers the image into electrical energy in the form of short radio waves. The waves are picked up by the cathode ray tube of the kinescope and transformed back into light energy in the form of the original image.

"In some respects, the artificial eye is more sensitive than the human eye. It can 'see' wave-lengths of the invisible spectrum such as ultra-violet and infra-red, thus making it a 'superhuman eye' which can be used for a microscope with a range of vision far beyond the limits of other microscopes.

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FCC STUDYING TELEGRAPH POLICY, SAYS JETT

The Federal Communications Commission is studying the question of thorough-going telegraph regulation with a view to determining the position this country should take at future International Conferences on the subject, Ewell K. Jett, Chief Engineer of the Commission disclosed this week.

Speaking before an American Bar Association group at the Mayflower Hotel, Lieutenant Jett emphasized necessity for "giving serious consideration to the question of telegraph regulation".

Senator White, Maine, Chairman of the United States delegation to the International Telecommunications Conference at Cairo, Egypt, last Winter, in a report on the Conference said nothing had done more to militate against this country's influence at such conferences than the attitude of aloofness toward telegraph regulation.

Senator White pointed out that this country's refusal to go along with other countries in telegraph regulation had been due to the policy "not to invade the field of management and operations".

A resolution offered by Louis G. Caldwell, urging Senate ratification of the Radio Regulatory Convention adopted at Cairo, was voted.

Gerald C. Gross, Chief of the International Section of the FCC, reported on the recent radio conference at Guatemala City.

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FCC HEARS ORAL ARGUMENT IN WLW CASE

The Federal Communications Commission on Thursday listened for nearly three hours to Duke M. Patrick, counsel for Powel Crosley, Jr., argue for renewal of the super-power experimental license of Station WLW, Cincinnati.

Some fifty questions were asked by the Commissioners with some indication that Chairman Frank R. McNinch and Commissioner Paul Walker might support the recommendation against renewal by the three-man committee.

Commissioner T.A.M. Craven, a member of the committee and a technical expert, challenged Mr. Patrick to produce evidence that WLW's proposed program of research and experimentation will be likely to contribute substantially to the art of broadcasting.

He also asked for evidence to indicate that WLW needs 500 KW. to carry forward its experimentation. His intimation was that the experiments could be made just as well with 50 KW.

Mr. Patrick called attention to the sun spot cycle and asserted that the super-power is needed to overcome this interference.

While the Committee did not make the profits of WLW an issue in its decision, Mr. Patrick challenged the right of the FCC to regulate or control a radio station's rates. His challenge brought an immediate response from Chairman McNinch, who indicated he held a different view.

There was no indication as to when the Commission will come to a decision in the WLW case.

Meanwhile, it was learned that the same Committee which recommended discontinuance of WLW's experimental license will make a report around January 15th on the proposals that the FCC rules be amended to eliminate the 50 KW. power limitation.

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FCC HINTS AT AD CONTROL IN MONOPOLY PROBE

Members of the Federal Communications Commission conducting the chain-monopoly investigation, hinted at possible control of radio advertising as the inquiry was recessed Wednesday over the holidays.

Roy C. Witmer, NBC Vice-President in Charge of Sales, was questioned closely by the Commissioners, as well as William J. Dempsey, FCC counsel, regarding the network's policy as to advertising on the air.

The cross-examination was significant in view of the fact that Senator Wheeler (D.), of Montana, recently warned the industry that unless steps are taken to reduce commercialism on the air that he will sponsor legislation to require it by law.

Commissioner Eugene O. Sykes asked Mr. Witmer how much time in a quarter hour program should be allowed for commercial announcements.

Mr. Witmer stated that the National Broadcasting Company had no written policy regarding the length of commercial announcements and that he believed the interesting manner in which it is presented should be the basis for control.

Some advertising that takes only a minute is "terrible", he said, while other commercial announcements that are spread over several minutes are "interesting".

Mr. Witmer cited a number of products that cannot be advertised over NBC in support of his contention that the network considers good taste and its listeners in signing advertising contracts.

Such products as cathartics, antiseptics for bad breath, reducing foods or beverages, hair restorers or dyes, products which claim to remove wrinkles, fortune telling or character analysis based on handwriting, cemeteries, hard liquors, wines, and champagnes, and physicians and dentists may not be advertised on the network, he said.

The loss to NBC runs into several millions, he said.

"That is balanced by the cost you have of counter-acting the bad reaction", commented Commissioner Paul Walker.

Mr. Witmer also pointed out that the percentage of commercial advertisements on the air is less than the percentage of advertising in the nation's newspapers and magazines. The latter run about 40 percent advertising and 60 percent editorial matter, he said, whereas commercial programs on the air constitute only 34.5 percent of the time.

The NBC Vice-President was also questioned about "puffing" or exaggerated claims by advertisers, the plugging of movie stars, talks on controversial subjects during commercial periods, and children's programs.

Asked whether he thought political talks should be sponsored, Mr. Witmer said:

"I don't think a speech by the President should be sponsored."

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NAB BACKS WMCA IN COUGHLIN CASE; FCC SILENT

The National Association of Broadcasters this week issued a statement under the name of Neville Miller, President, endorsing in principle the refusal of Station WMCA, New York, to carry the talks of the Rev. Charles Coughlin.

At the same time Frank R. McNinch, Chairman of the Federal Communications Commission, declined to comment on the Coughlin case, Mr. Miller's statement, or the "open letter" to him from Dorothy Thompson, newspaper commentator.

"Broadcasts inciting racial and religious hatred are an evil not to be tolerated", Mr. Miller said.

"Radio has become a new force of tremendous power and influence in our life. It must be used in the public interest and not subjected to irresponsible abuse", he continued.

"The particular problem which we confront today is that of preserving the precious right of freedom of speech. However, the same Constitution which guaranteed us freedom of speech, also guaranteed other rights, such as freedom of religion, and in protecting one right we must not violate other rights.

"The right of free speech is a right which extends to every American citizen. It is a right which broadcasters interpret as one requiring that equal opportunity be available for the expression of honest divergence of opinion. But in administering this responsibility, we must also be cognizant of the fact that radio by its very nature reaches all classes of our fellow citizens, regardless of race, religion or conviction, and that there is no obligation to broadcast a speech which plays on religious bigotry, which stirs up religious or racial prejudice or hatred. Such a speech is an abuse of the privilege of free speech and unworthy of American radio.

"It must also be recognized that broadcasters are responsible under the law of our land for anything that may be said over their facilities which is libelous or slanderous. In a number of instances suits have been filed and judgments have been rendered against broadcasters in favor of the aggrieved, where libel or slander was proved. These decisions have placed the responsibility for libel or slander squarely upon the broadcaster.

"No obligation of free speech or of public service could justify broadcasters in allowing this great new social force to strike at the harmony of the nation. In a country of many races and many religions amicably dwelling together, broadcasts inciting racial and religious hatred are an evil not to be tolerated. In these troubled times throughout the world, there is a great need for national unity. And in the hearts of the vast majority of our people I believe there is a great yearning for unity.

"The responsibility for the content of programs rests upon the broadcaster; to determine what is in the public interest requires the exercise of an informed and mature judgment. He is well within his rights to demand an advance copy of any proposed radio talk. He is well within his rights to close his facilities to any speaker who refuses to submit it. He is well within his rights to refuse to broadcast a speech plainly calculated or likely to stir up religious prejudice and strife.

"Such action is merely an act of good stewardship, distinctly in the public interest, and is not an abridgment of the right of free speech. The situation parallels the example once given by the late Justice Oliver Wendell Holmes of the United States Supreme Court, where he declared that free speech did not give a man the right to yell 'fire' in a crowded theatre.

"The responsibility to accept or to reject broadcast material is one placed squarely on the shoulders of the American broadcaster. It is up to him to evaluate what is and what is not in the public interest. This responsibility the American people have delegated to him in his license to operate a radio station. The National Association of Broadcasters will defend his right to discharge that responsibility."

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RMA URGES TREASURY TO DROP RADIO TAX

Continuing its campaign to remove the 5 percent excise "nuisance" tax on radio, the Radio Manufacturers' Association has asked the Treasury Department to recommend complete repeal of the radio tax. The tax will expire June 30 next year unless continued by Congress.

A special RMA committee appointed by President A. S. Wells held a conference with Treasury officials presenting numerous reasons and data for discontinuance of the 5 percent tax next June. Representing the RMA at the Treasury conference were President Wells, Director A. H. Gardner, of Buffalo, Chairman of the Special RMA Tax Committee; James M. Skinner, another Director of RMA, and John R. Howland, of Philadelphia; J. McWilliams Stone, of St. Charles, Illinois, another RMA Director; Robert R. Kane, of Camden, N.J., and Bond Geddes, RMA Executive Vice President.

Since the RMA conference at the Treasury Department, Under Secretary Hanes has responded that the representations made by RMA "will be given careful and sympathetic consideration by the (Treasury) Department in the course of its study of present revenue structure". However, Senator Barkley, of Kentucky, Democratic leader, has conferred with President Roosevelt and discussed continuance of all "nuisance" taxes.

In urging the Treasury Department to recommend to Congress that the 5 percent tax be allowed to terminate on June 30, the RMA said, among other things:

"Radio is the universal public communication service and should, like the press, be free of any tax burden. Newspapers and magazines enjoy a mail subsidy, and the long established government policy of keeping public communications free and unburdened has just been endorsed by the President through reduction of postage on books, etc.

"Radio is a universal necessity, in general public use, and not a luxury. Less than one percent of receiving sets sold could possibly be classed as a 'luxury'.

"Repeal of the selective discriminatory 'nuisance' tax on radio would remove a burden from the service of radio to the consuming public, tend to increase sales of dealers and distributors, as well as manufacturers, increase broadcast listeners, and provide an immediate needed business stimulus. Radio taxes discontinued or repealed would be entirely or largely passed on to the public.

"Radio and the press are the two great mediums of mass communication. Radio reaches a greater number of people, many of them exclusively, and is a larger and growing influence, with facsimile, television, and other new developments approaching rapidly. The policy of the Treasury Department and Congress is to eliminate special 'nuisance' excise taxes as rapidly as possible, and we earnestly submit that the excise tax on radio, imposed on public communication, should not be continued but should be allowed to lapse when the law expires June 30, 1939."

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CHANGE IN POLICE FREQUENCIES UNDER CONSIDERATION

The Federal Communications Commission is considering making a shift in short-wave frequencies assigned to police services, it was disclosed this week with the release of a duplicate letter sent to all licensees of zone and inter-zone police stations.

"The Inter-American Arrangement Concerning Radio Communications adopted at Havana in December, 1937, among other things, provides for the move of the amateur band covering frequencies lying between 1715 and 2000 kilocycles to the frequencies lying between 1750 and 2050 kilocycles", the FCC explained. "One of the purposes to be achieved by this shift is to make more frequencies available above 1600 kilocycles in order to adjust certain interference problems involving state police radio stations, United States Government stations, and certain stations authorized by the Canadian Government. It is expected that this shift of frequencies will also result in the reduction of interference to the existing state police stations.

"You will note that the three frequencies 2036, 2040, and 2044 kilocycles now available for intra-zone communication are involved in this problem. It is being found very difficult to find replacement frequencies for these three in the band immediately adjacent to 2050 kilocycles.

"Reports reaching the Commission indicate that there is a possibility that these frequencies could be replaced by higher frequencies to the general benefit of the police radio-telegraph system. One suggestion is that the three frequencies in the 2800 kilocycles band (2804, 2808 and 2812 kilocycles) be made available primarily for intra-zone communication; and the

"day only" restrictions be removed from the frequencies 5135, 5140 and 5195 kilocycles and that they be made available primarily for interzone communication, and secondarily for intra-zone communication as at present, and that three new frequencies be allocated of the order of 7000-8000 kilocycles on a 'day only' basis primarily for interzone communication, and secondarily, for intra-zone use.

"Under the terms of International Agreements, it is recognized that frequencies above 5000 kilocycles are particularly valuable for long-distance communications, and, therefore, they may only be assigned for domestic communication on the condition that no interference is caused to the service of other countries. The usual practice adopted by the Commission to insure this condition being met is to assign frequencies with a 'day only' or other appropriate restriction as to period of use, giving consideration of the propagation characteristics of the frequencies. Therefore, if the 'day only' restriction is removed from the frequencies in the 5100 kilocycle band, it will be necessary to place a restriction on them that they are not to be used in a manner to cause interference to the service of another nation. It is believed that if their use is restricted to the distances contemplated by the rules and regulations, these frequencies may be used with freedom without a great probability of interference. However, should interference occur, additional restrictions would have to be applied.

"Investigations indicate that 7480, 7805, and 7935, kilocycles may have some possibility of being available for the proposed police radiotelegraph communications. Before this matter is acted upon by the Commission, however, it is desired that daytime listening tests be conducted in the various police areas of the country to determine the suitability of these frequencies for interzone use in lieu of the lower frequencies. Reports on these tests should be mailed the Commission as soon as feasible under the circumstances and should contain the date, hour and frequency of each listening test, an estimate of the intensity and character of signals heard, the identity of the station heard if possible, and any other pertinent information that may be of value.

"Before taking action on this matter it is desired to receive your comments based on your experience in the use of radiotelegraph, and as it is necessary that the arrangements for the use of frequencies be shortly placed into effect, we request that your reply be expedited. It is also desired that you advise the Commission of your willingness to relinquish the frequencies now assigned between 2000 and 2050 kilocycles in order that the shift of the amateur band to 2050 kilocycles may be made at the earliest practicable date in accordance with the provisions of the Inter-American Agreement."

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::: TRADE NOTES :::
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The Federal Communications Commission this week repeal-
 Telegraph Division Order No. 24; adopted sections 343.01, 343.02,
 and 343.03, of Federal Communications Commission Regulations
 embodying the requirements of that order; and approved a revised
 form for reporting traffic damage claims in accordance with the
 provisions of Section 343.02.

The Radio Corporation of America on last Wednesday
 night inaugurated a program on Station WMAL, Washington local to
 the District of Columbia. It was labelled "Radio Center Open
 House" and will be carried weekly.

The Midland Television, Inc., of Kansas City, Mo.,
 conducting resident courses in radio and television and corres-
 pondence courses in those subjects and in airline radio opera-
 tion, has entered into a stipulation with the Federal Trade
 Commission to stop using in advertising matter representations
 in the form of purported testimonials or otherwise, the effect
 of which is to convey the impression that the writers or authors
 of such testimonials studied airline radio operation as students
 of Midland Television, Inc., or obtained employment as students
 of Midland through that organization's efforts, when such are
 not the facts.

New officers, elected on a temporary basis by the
 Columbia Broadcasting System for the American Record Corporation,
 were announced by the network this week. Pending appointment of
 permanent executives, the following temporary officers will head
 American Record Corporation; Adrian Murphy, President; Frank K.
 White, Treasurer; C. C. Boydston, Assistant Treasurer; Ralph F.
 Colin, Secretary.

Richard C. Hoyt, radio technician, who kept in daily
 communication from New York with the Byrd Antarctic expedition
 in 1934 for the Mackay Radio and Telegraph Company, with whom he
 was employed, died Tuesday in the Mount Vernon, N. Y. Hospital
 of injuries suffered when he fell under a train of the New York,
 New Haven & Hartford Railroad. He was 35 years old.

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DUE TO THE CHRISTMAS HOLIDAYS AND THE FACT THAT THE
 GOVERNMENT OFFICES WILL BE CLOSED, THERE WILL BE NO RELEASE
 OF THIS SERVICE ON TUESDAY, DECEMBER 27TH.

R. D. HEINL

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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December 31, 1938

NEW CONGRESS SEEN TAKING KEEN INTEREST IN RADIO

An over-hauling of the Communications Act and a thorough investigation of the Federal Communications Commission and the radio industry appear likely during the 76th Congress, which convenes on January 3.

While it is too early to determine what support such proposals will have either in the House or the Senate, radio and the FCC seem sure to stir up considerable debate.

That President Roosevelt has decided not to give the right-of-way to Thomas G. Corocran and others who have been studying FCC reorganization was indicated last week in announcement that the Chief Executive has warned department heads to leave the job of drafting legislation to Congress.

This statement, it is believed, will definitely forestall any definite Administration plan for an FCC shake-up. However, it will not prevent any "suggestions" for reform or any "inspired" bills from congressional friends of the New Deal.

The first probe into FCC activities, including the "purge" directed by Chairman Frank R. McNinch, will be conducted behind closed doors early next month.

Members of the House sub-committee that handles the FCC budget plan to put several of the commissioners on the grill, it was learned, and to lay the groundwork for further inquiry by Congress.

This sub-committee is headed by Representative Woodrum (Democrat), of Virginia, a friend of the Administration, however, and includes Representative Wigglesworth (Republican), of Massachusetts, arch-critic of the FCC in the past.

Senator Wheeler (Democrat), of Montana, chairman of the powerful Senate Interstate Commerce Committee, which handles radio legislation, has already indicated his dissatisfaction with certain aspects of the radio industry.

A resolution demanding a broad investigation of radio will be reintroduced by Senator White (Republican), of Maine, best informed member of either house on radio matters.

Because of the unpopularity of the word "purge" in congressional circles the McNinch "house cleaning" is apt to come in for close scrutiny and some debate.

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Censorship, whether by the FCC or broadcasters, is expected to be more clearly defined before the session ends because of the confusion that has been apparent in recent months. Whether this will take the form of an amendment to the Communications Act or not is conjectural at this time.

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WHEELER RAPS NAB STATEMENT; COLUMNIST TO DEFENSE

Broadcasters were a bit alarmed and somewhat confused this week by a sharp attack from Senator Wheeler (Democrat), of Montana, on an earlier statement by Neville Miller, president of the National Association of Broadcasters, on freedom of speech over the air.

Miller had said in a formal statement, interpreted as upholding Station WMCA, New York, in barring the Rev. Charles E. Coughlin from the station's air waves, that the radio industry could not tolerate "abuse" of freedom of speech over the air.

"Who is Mr. Miller that he should set himself up to say when free speech should be denied to any citizen of the United States?" the Senator asked.

"What special knowledge does he possess that he can judge when I or any one else abuses free speech?"

"In times of hysteria which sweeps this country there are always those superpatriots who believe they are destined to regulate the actions and the speech of their fellowmen."

In an interview, Senator Wheeler declared he did not agree with the political views of Father Charles E. Coughlin, for example, but said that "if Father Coughlin is intolerant, any radio station that would prevent him from speaking because it disagreed with him would be equally intolerant."

Mr. Miller had declared that broadcasts "inciting racial and religious hatred" were an "evil not to be tolerated." The Association of Broadcasters said Mr. Miller made his statement "in response to inquiries from member stations concerning the broadcasting of controversial radio talks by religious leaders."

The responsibility to accept or reject material prepared for the radio lies "on the shoulders of the American broadcaster," Mr. Miller said, "and it is up to him to evaluate what is and what is not in the public interest."

Senator Wheeler contended that opposition to continuation of Father Coughlin's broadcasts was a manifestation of "hysteria which, unless it is checked, is very apt to lead us into war with Germany or some other totalitarian power."

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The Montanan asserted also that "high public authorities should not seek to inflame the public mind or create hysteria," but that they could not be denied the right to express their views.

Striding restlessly about his office, he added, "But whatever any politician may think, this country is in no mood for war."

He suggested that if broadcasters were to take the responsibility for preventing abuses of freedom of speech, some groups might want to prevent Secretary of the Interior Ickes from "constantly making remarks about foreign affairs and attempting to stir the country up to the breaking point of diplomatic relations."

It wasn't a question of agreeing or disagreeing with a speaker's views, Senator Wheeler said, but "if a radio station can censor in one particular, it can do so in all particulars."

David Lawrence, newspaper commentator, a few days later in his copyrighted column asserted that both Senator Wheeler and Miller were right in their views of radio censorship.

"Both Senator Wheeler and Neville Miller, head of the National Association of Broadcasters, are right--that is, each is talking about different aspects of the same problem when they discuss the latest controversy over censorship of radio stations which permit speeches inciting racial or religious hatreds", he wrote.

"The Montana Senator doesn't want anybody to set himself up as a censor for any group of radio stations, and Mr. Miller would be the last, no doubt, to essay such a role.

"What the National Association of Broadcasters did in its recent meeting was to discuss ways and means of avoiding speeches that incite religious and racial hatred. Associations of editors often discuss what they think is good or bad for newspapers. They have at times discussed whether crime news is a help or hindrance to social progress. They have discussed what to do about news of commercial sports and the like.

"So now, when the trade association of broadcasters takes up what to do about speeches that promote religious or racial hatreds, it doesn't mean that radio has imposed a legal censorship. It means that each and every radio station may do as it pleases, but that customs will arise among radio stations, just as they do among newspapers, to avoid issues that tend to involve them in unnecessary controversies and sometimes in litigation."

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LARGEST LOUD SPEAKER PLANNED FOR WORLD'S FAIR

The Radio Corporation of America is building "one of the largest loudspeakers ever constructed" at the New York World's Fair--using the Perisphere as the horn of the instrument, according to the New York Times.

The huge speaker, which will be used to provide music at the Theme Center of the fair, is but one of the many powerful sound distribution and reproducing systems being supplied by the corporation for the exhibition grounds.

According to announced plans, a battery of thirty-six high and low frequency sound reproducers will be installed in a large concrete chamber below ground level at the base of the Perisphere, which with the 700-foot Trylon has become the symbol of the exhibit.

This chamber, which is entirely concealed from view, will couple the reproducers to the horn created by the Perisphere and the surrounding ground surface, forming a horizontal 360-degree circular speaker. The massive unit is being designed to cover the audible range of sound from 20 to 10,000 cycles. It will reproduce sounds so low that in the lower register "they will be felt rather than heard," according to the announcement.

According to Alexander Fisher, president of RCA's New York sound-distributing division, "no comparable unit has ever been built before because a large sphere has never before been available."

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1938 GROSS INCOME OF NBC \$38,432,170

The gross income of the National Broadcasting Company for 1938 was estimated this week by Mark Woods, vice president and treasurer, at \$38,432,170.87, a 6.1 percent increase over the previous twelve-month period.

This figure represents the official gross income of the company. The yearly billing figures, however, represent gross client expenditures before deduction of discounts. In arriving at the gross income figure, discounts as well as company revenue from sources other than time sales are taken into account.

For purposes of comparison, the eleven-months cumulative total of gross billings for 1938 was \$37,575,607.00 a rise over the same period last year of 7.3 percent.

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