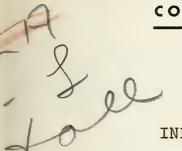
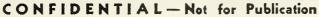
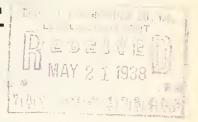
# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.







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## U.S. RADIO REPORT DELAYED AS CELLER BILL DIES

Commercial broadcasters had reason to rejoice this week at two developments which definitely blocked any prospect of the Federal Government entering the international broadcasting field at this time.

Chairman Vinson, of the House Naval Affairs Committee, abruptly closed hearings on the Celler Bill to establish a Pan American station in Washington after only two days hearing. The measure consequently will expire with the adjournment of Congress.

At the same time Chairman Frank R. McNinch, of the Federal Communications Commission, suddenly changed his plan for submitting an interdepartmental report to President Roosevelt on international broadcasting and announced that the survey will be continued. The report will not be completed before Fall, Mr. McNinch said.

While hearings continued on the McAdoo-Chavez Bill to establish a Pan American short-wave station in California, even sponsors of the project admitted that it has no chance of passing both Houses of Congress during the present session.

Commissioner McNinch, who is Chairman of the Inter-Departmental Committee appointed by President Roosevelt, issued a formal statement explaining his change in plans as he had previously stated repeatedly that the report was ready for submission to the White House.

"I have just discussed with the President the progress of the work of the Interdepartmental Committee to Study International Broadcasting", he said following a conference with the President, "and the President directed the Committee to continue its studies. The further investigations will be directed especially toward certain important phases of international broadcasting which, for lack of time, the Committee had not been able to study and include in its report. This additional work will require a matter of several months, as the Committee members are not free to devote their undivided attention to this matter but must carry on this activity in connection with their regular departmental duties.

"The Committee will probably not be able to submit its report to the President until some time this Fall. In view of the fact that the Committee is to explore other aspects of

international broadcasting, I shall not be prepared to testify this week before the Committee on Naval Affairs of the House on Bill No. 4281, introduced by Congressman Emanuel Celler."

The House Naval Affairs Committee concluded its brief inquiry after hearing a few more witnesses in opposition to the bill. General credit for killing the measure, however, was given to Mark F. Ethridge, Acting President of the National Association of Broadcasters, who assailed the proposal as "Nazi" despite the fact that it was intended to combat German and Italian propaganda in the Latin Americas.

Opposition to the bill was voiced before the Committee on the last day by representatives of the General Electric Company, the Westinghouse Company and the Columbia Broadcasting Company.

Speaking for the General Electric, Boyd W. Bullock said that the privately-owned radio industry in this country is equipped to take care of any short-wave service to Latin America which may be needed.

In a few weeks, he asserted, the General Electric will have facilities for the handling of South and Central American programs which will be "second to those of no other nation in the world."

"The General Electric Company intends to continue its technical developments in an effort to provide facilities for transmitting international broadcasting signals from the United States of a quality and strength second to none", he asserted.

The Westinghouse Company, the other principal American short-wave broadcasting organization, informed the committee that it had little to add to what Mr. Bullock had said.

The Columbia Broadcasting System voiced opposition to the bill as unnecessary and also because of the "prohibitive" costs involved.

Representative Celler, of New York, author of the bill, declared that the fight for enactment of the measure will go on. He said that the Administration is in favor of the bill.

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The American Trade Commissioner at Sydney, reports that was is said to be the first of its kind in the British Empire, as well as the most modern in the world, Sydney's radio-equipped ambulance service has completed its first three months of operation. The headquarters station has a transmitter of 200 watts, operating on 189 meters, which keeps in touch with 20 ambulance cars, each of which is equipped with a 10 watts transmitter operating on a wave length of 89 meters.

## SENATE AMENDS RADIO ACT TO CURB CRIMINALS

The Senate this week adopted an amendment to the Communications Act which is designed to prohibit the use of all communications facilities for criminal purposes. While aimed chiefly at wired lines, it applies as well to broadcasting stations. The amendment reads as follows:

"Sec. 610. Any person who uses any of the communication facilities, enumerated in this act in committing, or in attempting to commit, a felony as defined by section 335 of the Criminal Code of the United States, as amended (U.S.C., title 18, sec. 541), shall, upon conviction thereof, be punished for such use by a fine of not more than \$10,000 or by imprisonment of not more than 2 years, or both."

"Sec. 2. Section 605 of the Communications Act of 1934 is hereby amended by changing the period at the end thereof to a colon and adding thereafter the following: "Provided further, That if the head of any executive department or independent establishment of the United States reasonably believes that a violation of any criminal law of the United States, the enforcement of which is under his supervision, may have occurred, may be occurring, or may be about to occur, through a gang, confederacy, or group of two or more persons, and he makes certification accordingly, the provisions of this section shall not apply to the investigation, detection, or prevention of such violation, or of any violation of any criminal law of the United States discovered in the course of such investigation, detection or prevention; a copy of such certificate, under the seal of the department or establishment concerned, shall be prima facie evidence of the existence of the conditions making this section inapplicable; and any evidence of a violation of any criminal law of the United States obtained under the authority of this proviso may be used against any person in aid of any prosecution for such violation. "

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#### ACTION ON HAVANA TREATY SEEN BEFORE ADJOURNMENT

The Senate is expected to ratify the North American radio treaty drafted at Havana last Fall before Congress adjourns in early June.

The Treaty has been submitted to the Senate somewhat belatedly by President Roosevelt and is now before the Foreign Relations Committee. An early report by the Committee appears likely although it was uncertain this week whether or not hearings will be held.

# PUBLIC SHOULD BE ONLY CENSOR, SAYS ETHRIDGE

"The radio broadcaster wants only the censorship of good taste and public opinion", Mark F. Ethridge, President of the National Association of Broadcasters, told the Federal Communications Commission Bar Association this week in Washington.

"It is necessary, of course", he added, "to safe-guard the public against the charlatan with false claims for his product, against the comedian with his smutty jokes or against the speaker with his profanity. General laws are already in effect touching on these and other matters.

"The broadcaster is glad to abide by them and to submit to periodic judgments, in hearings upon applications for renewal of license, as to whether he has kept the laws and served the public interest, but beyond that, program regulation should not go."

Mr. Ethridge asserted that radio can no longer be regarded as an "infant industry" and that it should not be treated as an adult.

"There has been a lot of loose talk, particularly during the past few months, about the attitude of the radio broadcasters toward government regulation", he said. "The charge has been made, I believe, that the broadcasters, in reorganizing, are making an effort to 'dominate the Commission.' Another charge has been made that there is some sort of active radio lobby in Washington up to sinister purposes. Allegations have been made, also, that we have some sort of monopoly. I believe that allegation came from one of the men who is charged with judging us - an allegation that came in advance of any hearing of the evidence.

"I do not know of any monopoly that exists in radio, but if one does exist, it is certainly the Commission's duty to ascertain the facts as it is trying to do by the investigation that has been projected, and deal with it, recognizing, however, that if there is a monopoly it could not have come into being without benefit of the midwifery of the Commission. All the broadcasters with whom I have talked welcome the hearings before the Commission; they feel that the air will be cleared of loose talk and smoke if the Commission approaches its inquiries of this Summer in an impartial, fair and friendly spirit - indeed in the spirit of inquiry rather than as a crusade. The broadcasters are not asking any sinister favors; they have nothing to hide, and, even if they tried to hide anything, the Commission has the power and the facilities to drag every phase of radio operation into the public eye.

"I think it is legitimate to inquire what the radio broadcasters do want. I shall undertake to outline a few of the things they feel they have a right to expect.

"They want a frank recognition of the fact that while radio has a primary basis of public interest, it also has a commercial basis in the united States. They believe it is best so; they believe, from the experience of other countries and from a study of the quality of programs in other countries, that American people get the best programs on earth.

"They want to perpetuate the recognition by Congress, by the Commission and by the public that, since the air belongs to the people, it belongs to all the people and to no group, party, clique, or even administration of the moment.

"They do not want to make the mistake that an element of the press - and I am now speaking as a newspaperman - has made in clamoring for freedom of the press as if someone were about to snatch it away. They recognize that the Constitution did not vouchsafe, franchises in freedom of thought and speech to a few people, but that it was a grant in right to all of us. If the public interest is to be served by radio, it must become the voice of minority groups as well as of majority groups. In no case can it ever become, or should it ever become, the voice of any individual.

"The broadcaster wants a greater feeling of security. He wants to feel that he is, before the Commission, not a prisoner at the bar, but indeed an officer of the court and a friend of the court and the people. He wants to feel that the Commission is not only in law but in thought judicial in its considerations and that no member of the Commission has any attitude except that of judicial determination of the merits of a case.

"Responsible broadcasters would like to feel that the era of political pressure is at an end; that cases which are brought to hearing before the Commission are decided upon merit, rather than upon any other consideration.

"There is another element of which the Commission must certainly be aware. The short-term license is against the public interest in that, whatever may be its purpose as far as the Commission is concerned, it is an effective threat over the control or management of a station."

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# EVIDENCE LACKING ON RADIO PROPAGANDA, SAYS BONE

Indications that the McAdoo-Chavez Bill to establish a Government-owned short-wave station may meet the same fate as the Celler Bill were seen Thursday when a sub-committee of the Senate Interstate Commerce Committee resumed hearings.

Senator Bone (D.), of Washington, Chairman of the subcommittee, complained that no concrete evidence of the dissemination of propaganda via radio in the Latin Americas by Germany and Italy had been presented to the Committee.

"If there is any fear in high Government circles of the effect of European propaganda in South America, it has not been made evident at this hearing", he said. "If it is a menace to this country, the Senate ought to know it."

Senator Bone added that the proposed legislation was in the field of international relations and that was why he had tried to avoid "too much discussion of what Germany and Italy are doing, because I do not want to embarrass the Administration.

"It is peculiar that no witnesses had any concrete examples of this supposedly vicious propaganda to offer to this committee."

H. B. Otterman, the State Department's representative on the Inter-Departmental Committee studying international broadcasting, told the Committee that he could not discuss the Committee's findings until after the report is made to the White House, probably next Fall.

Two University professors of international law supported the idea of the United States Government broadcasting to South America.

Samuel G. Inman, professor at the University of Pennsylvania and lecturer at the American University in Washington, said he was "very deeply concerned about propaganda of totalitarian states to South America by radio and other means."

Dr. Herbert Wright, of Catholic University, Washington, agreed with Inman. He said the Government programs should say "what we are doing of interest to them" rather than trying to counteract what Germany, Italy and other nations are doing.

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## ETHICAL ADVERTISING GOOD BUSINESS, SAYS LOHR

The better advertising media have learned that it is good business to insist on high ethical standards, Lenox R. Lohr, President of the National Broadcasting Company, told the Third Annual National Federation of Sales Executives at Dallas, Texas, this week.

"It is of paramount importance, in a democracy, that broadcasting must never be throttled", he said. "It has demonstrated, under the established American system, with the advertiser, not taxes, paying the bill, that an equal opportunity can be given to all sides of important controversial public issues, to express their views and not the censored or one-sided views forced on listeners by dictatorial governments. Thus has freedom of the air been established to take its place with freedom of speech and freedom of the press. Any move curtailing one of them, will inevitably lead to restrictions on the other two, resulting in the ultimate destruction of all three and the American form of government.

"The better advertising media set up and enforced standards that help to keep advertising within the bounds of accuracy, common sense and good taste. This may not be as altruistic as it sounds. In so saying, however, I wish it to be fully understood that despite occasional transgressions, in my opinion the leaders of American advertising have, in general, demonstrated their willingness to forego financial gain rather than lower their standards of integrity.

"Nevertheless, looking at this matter from the most cynical point of view, experienced advertising men know that in the long run it is good business to insist on high, ethical standards in advertising. We can amend the old copy-book maxim to read, 'Honesty is the best business policy'. Over a period of years, the standing of any nationally advertised brand is dependent upon the faith which it has established with the public. The very fact that a brand is advertised constitutes a declaration on the part of the advertiser that he is willing to accept responsibility for the product bearing his label. When a product has stood the test of time, it has measured up to a genuinely high quality standard."

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## DISTRICT STARTS DRIVE ON UNLICENSED "HAMS"

As a result of efforts by the Federal Communications Commission to curb the increase of unlicensed amateur radio operators, the District of Columbia grand jury this week returned a "test" indictment against Samuel A. Trewolla, of Washington, D. C., charging violation of the Communications Act of 1934.

The case was presented by the Commission through United States District Attorney David A. Pine as a step toward cutting down the number of unlicensed operators, who, it was charged, constitute possibly serious interference with radio use in aviation, police and marine work.

Assistant United States Attorney Eugene Carusi, in charge of the grand jury, announced that in keeping with the request of the Commission, all alleged violators of the Communications Act will be vigorously prosecuted "in a determined drive to obtain the supervision over amateurs as provided by the Communications Act."

The indictment charges that Trewolla operated a radio transmitter without first having obtained a license from the Commission. Officials pointed out that Trewolla is a mature man, as compared with the large number of teen-age boys who play with radio as a hobby.

Mr. Carusi said conviction of violators of the Act carries a fine of \$10,000 or two years in prison. He said the Commission had informed him there were "thousands and thousands of unlicensed amateur operators who, for the most part, are merely young men interested in radio". He said he was told the number was increasing "at an alarming rate" since the development by radio manufacturers of transmitters sending the voice rather than code.

The Commission's examination for a license requires the ability to send and receive the Morse code, as well as possession of a thorough knowledge of radio equipment and operation. Mr. Carusi emphasized the fact that unlicensed amateurs who have been unable to obtain licenses may, because of incompetency, seriously interfere with radio traffic over the so-called "safety circuits" - aviation, police and marine.

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## TRANSFERS HIT IN REPORTS OF EXAMINERS

Unfavorable reports were submitted to the Federal Communications Commission this week by Examiners in two cases because the prices proposed exceed the value of the properties.

Chief Examiner Davis G. Arnold held that a price of \$30,000 for Station WCLS, Joliet, Ill., is excessive as the station formerly sold for \$12,500. The transferor, R. W. Hoffman, stated in defense that he had advanced \$16,141.26 in operating expenses to the station and had made only \$3,600.67 profit.

A proposed deal between two Memphis newspapers, the Commercial Appeal and the Press-Scimitar, was disapproved by Examiner Robert L. Irwin because the buyer agreed to take over the debts of the seller, the Commercial Appeal, in buying WMPS. The Examiner held that the deal would be financially unsound.

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### NEW KNX TRANSMITTER TO BE PLACED IN OPERATION SOON

A new 50,000 watt transmitter, which is being constructed at Torrance, Cal., at a cost of more than a quarter of a million dollars, in conjunction with Columbia's new KNX Hollywood studios, will be in operation by late Summer or early Fall, according to A. B. Chamberlain, Columbia's chief engineer.

The transmitter project will include an antenna system consisting of a 490-foot uniform cross-section guyed vertical steel mast and a ground system of more than 120,000 feet of copper wire. A circular transmitter building to house the equipment will be built in modern design and so arranged that most of the operation will be visible to the public.

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The Federal Communications Commission recently decided a strange case of alleged blasphemy in favor of the broadcaster.

An engineer at a Yankton, S.D., station put on a record by Jehovah's Brethern and then went out for a sandwich. When he returned the telephone was sizzling with complaints. He then discovered that the record had struck a nick and was repeating over and over, "Jesus Christ!"

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A. D. Willard, Jr., General Manager of Station WJSV, Washington, was elected Second Vice-President of the Washington Advertising Club this week.

An article on the Pan American station proposals before Congress appears in the current Saturday Evening Post. It is entitled "Dog Fight on the Air Waves" and is by Chester Crowell.

Returning from a two months' tour of Europe, WOR's chief engineer J. R. Poppele and Mrs. Poppele will embark today (Friday) from Southampton, England, for New York aboard the S.S. "Washington" of the United States Lines. The Poppeles' itinerary has included visits in England, Holland, Belgium, France, Switzerland, Italy and Germany, during which WOR's chief engineer conducted a survey of broadcasting conditions and progress in the European radio world.

The Columbia Broadcasting System this week issued in pamphlet form a resume of its activities during 1937. 

A radio system, phonograph system, chi es system, sound system and intercommunications system are all combined in one, intricate and unusual piece of apparatus which is now designed and built by engineers of Philco Radio & Television Corporation. Installations are made through the International Business Machines Corporation, with one recently completed for the Southeast High School in Kansas City, Mo.

Charles J. Pannill, President of the Radiomarine Corporation of America, sailed Thursday on the French liner "Normandie" to attend the annual meeting of the International Radio Maritime Committee on June 13th in Paris. He said the Committee, representing the owners of 10,000 ships in the major countries of the world, would attempt to preserve the wave frequencies now allotted by international agreement for vessels at sea.

Recent developments in the RCA all-electronic television system were revealed to members of the press this week in demonstrations by the Radio Corporation of America and the National Broadcasting Company at Radio City. The demonstrations were designed to show the progress made by the two companies in technical and program experiments during the seven months elapsed since the system was last shown to the press.

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#### NBC GIVES FIRST TELEVISION CLASSROOM LESSON

Television's first American test as a medium for classroom instruction was made Thursday at Radio City when Dr. C. C. Clark gave a lecture-demonstration on the principles and uses of photo-electricity from the experimental television studios of the National Broadcasting Company to more than 200 students facing receivers sixty floors above him in the RCA Building. The demonstration, arranged by Dr. James Rowland Angell, NBC educational counselor, was broadcast over Station W2XBS with the cooperation of New York University.

Dr. Clark, Associate Professor of General Science at the University's School of Commerce, was questioned at several points during the demonstration by viewers over a talk-back radio circuit installed for the purpose. Instructor and students were thus linked together in much the same manner as in the classroom. It was clearly evident in the television image that Dr. Clark was listening to the questions, which were delivered in low voices in the distant viewing room.

"So far as we know", saidDr. Angell, former President of Yale University and now Educational Counselor to NBC, #this is the first attempt to use television as part of a classroom exercise. We hope to learn from it some things we do not yet know. We regard the possible uses of television in connection with educational work as literally unlimited. When this art is more completely developed it may be possible, for instance, to give demonstrations with material that cannot be moved into the classroom to suit the convenience of students. It may also be possible to show distant events in detail not visible to large groups. We are looking forward with great enthusiasm to the development of television for educational purposes."

Dr. Clark was assisted by two of his students at the University during the television lecture-demonstration. His talk began with a simple explanation of the photo-electric cell, proceeded through production of sound by use of the device, and ended with an exposition of the fundamental principles underlying the RCA all-electronic system of television.

The program was carried to NBC's Empire State tower transmitter by coaxial cable and there broadcast to the receivers high in the RCA Building.

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