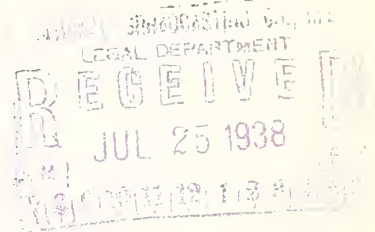


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF JULY 22, 1938

| | |
|----------------------------------------------------------|----|
| WLW Asks More Time For Super-Power Experiments..... | 2 |
| WJJD Cited In Patent Medicine Ad Complaint..... | 3 |
| Church Named Director Of G.O.P. Radio Activities..... | 3 |
| Monopoly Probe Counsel Promises Fair Inquiry..... | 4 |
| President Names McDonald To Rushmore Memorial..... | 5 |
| Oral Argument Monday On Ultra High Frequencies..... | 5 |
| Commissioner Payne Host To Secretary And Mrs. Ickes..... | 6 |
| Army And Navy Watch Television's Progress..... | 7 |
| Radio First Purchase On Electrified Farms..... | 8 |
| Scot Professor New Head Of BBC..... | 8 |
| Television Five Years Off, Says Philips Co..... | 9 |
| Trade Notes..... | 10 |
| Broadcasting Abroad - Egypt..... | 11 |
| Many Dailies Dropping Radio Comment, Survey Shows..... | 12 |

No. 1143

g L my
p

WLW ASKS MORE TIME FOR SUPER-POWER EXPERIMENTS

The Crosley Radio Corporation, of Cincinnati, this week presented a mass of statistical data, engineering and financial, to the super-power committee of the Federal Communications Commission in support of its request for an extension of its experimental 500 KW. license.

Toward the close of the first week of the hearing, the inquiry had failed to develop any of the expected sensations as Commissioner George Henry Payne remained silent and Powel Crosley, Jr., owner of WLW, failed to make an appearance.

Frequent clashes between Duke M. Patrick, counsel of Mr. Crosley, and George Porter, Assistant FCC General Counsel, marked the hearing as WLW put a parade of witnesses on the stand. At one point Mr. Porter explained that he wished to make a record for "further proceedings" either before the FCC or in the courts, indicating that the Nation's station will fight to retain its experimental station to the last ditch.

Considerable interest was aroused by exhibits presented by E. J. Ellig, Comptroller of the Crosley Corporation. Mr. Porter, during cross-examination, sought to show that WLW profits had shot up after its power was increased from 50 KW to 500 KW., experimentally, in April, 1934.

Indications were that the FCC committee would delve deeper into the profits of WLW before the hearing ended as Mr. Ellig's report dealt with Crosley operations generally, including manufacturing.

Earlier James Shouse, Vice-President of the Crosley Corporation, testified at length regarding the program service of WLW, while Gerald Branch, of WLW, explained tests which had been made to determine how much better service was rendered by WLW with 500 KW. than with 50 KW.

An odd fact developed, however, showing that 1.3 percent of 1045 listeners reporting one survey had found the WLW signal stronger when it used 50 KW. than when it used 500 KW. The vast majority, however, or 95 percent noted a decrease in signal when WLW returned to 50 KW. Three and seven-tenths percent found both signals the same.

Engineers of the applicant discussed in some detail technical tests relating to fading, static, and other obstacles to reception of WLW's super-power signal.

G. F. Leydorf said that the worst static level in the United States is in the southeastern section and that the strongest signal was needed to penetrate the area.

X X X X X X X X X

WJJD CITED IN PATENT MEDICINE AD COMPLAINT

The Federal Communications Commission this week designated for hearing the application of Station WJJD, Chicago, for renewal of license after an investigation of complaint that the station was carrying patent medicine advertising.

Announcement of the hearing in a formal press notice inaugurated a new policy of the FCC in making public complaints against broadcasting stations following preliminary inquiries by members of its own staff.

With regard to the WJJD case, the Commission said:

"The investigation did not disclose that the advertising was in accord with stipulations entered into by the manufacturers with the Federal Trade Commission and the Food and Drug Administration, Department of Agriculture, following proceedings and cease and desist orders entered by those agencies."

X X X X X X X X X

CHURCH NAMED DIRECTOR OF G.O.P. RADIO ACTIVITIES

Ted Wells Church, formerly with the Columbia Broadcasting System in Washington, this week was named Director of Radio Activities of the Republican National Committee with headquarters in Washington. He will serve as an aide to Franklyn Waltman, Jr., recently named Publicity Director of the G.O.P.

Mr. Church, at one time on the Washington bureau of the New York Herald-Tribune, has been engaged in private business for the last several months. In his new job, it is understood, he will make arrangements for the major hook-ups of radio stations for Republican speakers during the current Congressional campaign.

X X X X X X X X X

MONOPOLY PROBE COUNSEL PROMISES FAIR INQUIRY

The scheduled chain-monopoly inquiry of the Federal Communications Commission, which is due to reach the hearing stage early in September, will be conducted with the utmost fairness to all parties, according to the Special Counsel, William J. Dempsey, recently named by Chairman Frank R. McNinch.

Declaring that he was preparing for the inquiry with an open mind, Mr. Dempsey said:

"I know the Commission wants the investigation conducted in a spirit of fair play as an honest, unprejudiced, fact-finding inquiry."

Mr. Dempsey is now engaged in studying the social and economic report on broadcasting prepared by Commissioner T.A.M. Craven while Chief Engineer. He said he also would examine the voluminous record in the recent super-power hearings.

The Special Counsel, despite his 32 years, has had considerable experience in governmental regulatory and legal work. He joined the FCC last October after having served as Assistant General Counsel of the Federal Power Commission, working there also under Mr. McNinch, who was Chairman of that agency.

A native of Brooklyn, Mr. Dempsey is a legal resident of Santa Fe, N.M.. He joined the Federal Power Commission in May, 1937, as Assistant General Counsel. Prior to that he was identified with power litigation involving the Public Works Administration under Secretary of the Interior Ickes as PWA Administrator. He recently resigned as Special Counsel on those PWA cases now in litigation.

Mr. Dempsey attended grammar school in New York, and during his high school years resided in Oklahoma, when his father was an independent oil operator. He graduated from Georgetown University in 1927. While attending Georgetown University Law School at night, he taught Mathematics and Physics at the University during the day. He received his law degree in 1931 but had been admitted to the District of Columbia bar the preceding year. He was admitted to the New York bar in 1931 and joined the legal staff of BMT Corp., subway operators, handling utilities litigation and trial work.

In 1933, Mr. Dempsey joined PWA and was associated with Jerome Frank, Special Counsel handling power litigation, and now a member of the Securities and Exchange Commission. Mr. Dempsey is married and resides in Washington with his wife and three children.

X X X X X X X X X X

PRESIDENT NAMES McDONALD TO RUSHMORE MEMORIAL

President Roosevelt last Wednesday named Commander E. F. McDonald, Jr., of Chicago, a member of the Mount Rushmore Memorial Committee. The announcement radioed to the White House from the U.S.S. HOUSTON on which the President is now cruising, stated that six new members had been appointed to the Mount Rushmore Committee. They were, in addition to Commander McDonald, Senators Norris, Independent, of Nebraska; Senator Townsend, Republican, of Delaware; Representative Keller, Democrat, of Illinois; Herman Oliphant of the Treasury Department and Russell Arundel, of Washington. Senator Key Pittman, Democrat, of Nevada, is the new Chairman of the Committee.

The White House aides said Mr. Roosevelt had accepted resignations of four members of the Commission. They were Mrs. Silas H. Strawn, of Illinois, John A. Boland, of South Dakota, E. B. Gurney, of South Dakota, and Charles N. Day, of South Dakota.

The Mount Rushmore Memorial is the gigantic project of Gutzon Borglum, the famous sculptor, who in 1927 began the carving in the stone of Mount Rushmore, Black Hills of South Dakota, massive figures of Presidents Washington, Jefferson, Lincoln and Theodore Roosevelt. This memorial was dedicated by President Coolidge August 10, 1927, and \$100,000 was voted toward its completion by the last Congress.

Commander McDonald is an old and intimate friend of Mr. Borglum, and is well-known as President of the Zenith Radio Corporation of Chicago.

X X X X X X X X X

ORAL ARGUMENT MONDAY ON ULTRA HIGH FREQUENCIES

Oral argument will be heard next Monday by the Federal Communications Commission in the matter of allocation to services in the ultra high frequencies from 30,000 to 300,000 kc. The argument is a sequel to a recent hearing at which objections were made by communications companies to certain of the allocations, especially for television.

Appearances have been entered by the Mackay Radio & Telegraph Co., represented by James C. Phelps; R.C.A. Communications, Inc., represented by Col. Manton Davis, Frank W. Wozencraft, and John F. Gibbons; Press Wireless and Aeronautical Radio, Inc., by Louis G. Caldwell; International Business Machines Corp., by Raymond Beebe, Alfons B. Landa, and Robert W. Mapes; and television channels, LeRoy J. Leishman.

X X X X X X X X X

COMMISSIONER PAYNE HOST TO SECRETARY AND MRS. ICKES

Governmental officials, newspaper correspondents, and others were guests of Commissioner George Henry Payne of the Federal Communications Commission, on Thursday afternoon at the exclusive Chevy Chase Country Club, just outside of Washington, at a reception for Secretary Harold L. Ickes and his bride.

Two colleagues of Mr. Payne on the Commission, T.A.M. Craven and Norman S. Case, and several FCC subordinate officials were present. Guests in addition to Commissioners, who attended the reception follow:

Admiral and Mrs. S. C. Hooper; Captain and Mrs. Dudley Wright Knox; Lieut. E. K. Jett, Chief Engineer of the FCC, and Mrs. Jett; Commander and Mrs. E. M. Webster; Hampson Gary, General Counsel, FCC; Mr. and Mrs. W. Kingsland Macy; Francis Colt de Wolf, of the State Department; Count Fumasoni Biondi; Mr. Gideon A. Lyon, of the Washington Star, and Mrs. Lyon; Mr. George B. Parker, Editor-in-Chief of the Scripps-Howard Newspapers, and Mrs. Parker; Mr. Drew Pearson, United Features Syndicate, and Mrs. Pearson; J. Waldo Fawcett; Mr. and Mrs. James A. Kennedy; George B. Porter, FCC; Joseph P. Tumulty, former Secretary to President Wilson; Mr. Frederic William Wile, of the Washington Star, and Mrs. Wile; Mr. Lyle C. Wilson, United Press, and Mrs. Wilson; Jay Jerome Williams; Mr. Ernest K. Lindley, Washington Post, and Mrs. Lindley; Dr. and Mrs. Edward L. Corbett; Mr. Paul Y. Anderson, of the St. Louis Star-Times, and Mrs. Anderson.

Also, Mr. and Mrs. Leon Henderson; Hal Horan, London Daily Express; Mr. Arthur S. Henning of the Chicago Tribune, and Mrs. Henning; Mr. and Mrs. Roy Marcher; Frank P. Morse; Mr. and Mrs. Seth Richardson; Frank C. Waldrop, of the Washington Herald; Mr. and Mrs. Merle J. Pusey; Lieut. and Mrs. Raymond Asserson; Mr. Carl Bauman, Associated Press, and Mrs. Bauman; George Calvert Bowie; Mrs. Gladys Butler; Mr. and Mrs. Clifton Carter; Mrs. Karl Corby; Miss Mary E. Creveling; Mr. and Mrs. James D. Cunningham; Abraham Miller of the FCC; Mr. Gerald C. Gross, head International Division, FCC, and Mrs. Gross; Al Dibble; Mr. Warren B. Francis, Los Angeles Times, and Mrs. Francis; Miss Lenah J. Ferro; Andrew G. Haley; Hugh B. Hutchison; Mr. and Mrs. A. H. Jenkins; Miss Mary V. Johnson; Mr. and Mrs. Edgar M. Jones; Mr. and Mrs. Walter Johnson; Mrs. Ruth Koppialky.

Also, Mr. and Mrs. George W. Mehrtens; Don Romer; Mr. and Mrs. Harry Ward and Miss Ward; Mr. J. D. Secrest, Washington Post, and Mrs. Secrest; Miss Leila Stiles; Mr. Ray Tucker, McClure Newspaper Syndicate, and Mrs. Tucker; Mrs. George D. Walter; Mr. Franklin G. Wisner, of the FCC, and Mrs. Wisner.

X X X X X X X X X

ARMY AND NAVY WATCH TELEVISION'S PROGRESS

Among the most interested observers of television development here and abroad are technicians of the U. S. Army and Navy who expect that the art will play an important role in future international conflicts.

Army radio experts are cooperating with private industry in giving television practical application. Experiments are being conducted with this new art in an effort to give staff officers directing wartime operations, a constant view of the battlefields instead of sketchy and delayed telephone or telegraph descriptions.

The Navy Department also is interested in developing such an apparatus, possibly for installation in observation planes flying above or near enemy ships. In future international troubles it may be that for want of a television set a war will be lost.

U. S. Government is the Nation's principal user of radio. Radio devices of many kinds are being used every day in innumerable bureaus. Their applications range from "soundings" 20 miles into the stratosphere to explorations for oil and minerals a mile or more below the earth's surface. The Bureau of Mines is using radio in geophysical prospecting.

The Weather Bureau is completing plans for establishing on September 1 the first regular observations of upper air conditions with a radiometeorograph. This is a miniature broadcasting system attached to a rubber balloon which automatically observes weather conditions as it rises above the ground and radios them to ground observers. In experimental flights the device already has explored the ceiling of the world far above the greatest altitude ever reached by man.

The Weather Bureau also is developing sensitive "static-finders" which will locate storms and trace their progress by the amount of interference they cause in the ether.

Today in war-torn Shanghai and other parts of the world radio keeps the Government at Washington in constant touch with its far-flung emissaries. The Coast Guard maintains an unceasing radio vigil along the Nation's shores.

A large corps of workers in the Bureau of Air Commerce supervise the mysterious directional radio beams which airline pilots follow as safely as a horse and buggy ambles down a country lane. Other experts of the bureau are working to perfect new "blind" landing beams and other devices to improve the record of safety in the air. They have completed work on an accurate radio teletypewriter.

The Naval Observatory is the only spot in the country which knows to the split second what time it is. It makes that knowledge available to everyone with its hourly time signals from the powerful Arlington Radio Station.

Radio direction-finders for ships and airplanes are in constant use by Government agencies, distant outposts in Alaska and isolated Indian reservations are in immediate communication with headquarters, the Army is perfecting the radio direction of tanks, artillery and other units, work is still under way in the radio control of unmanned boats and airplanes for possible use in time of war, and the lighthouse service maintains radio direction beams on some of its lightships to bring vessels into port.

X X X X X X X X X

RADIO FIRST PURCHASE ON ELECTRIFIED FARMS

What electrical appliance would you buy first if your home were wired for electricity tomorrow? The average farmer would buy a radio.

Skipping over electric washing machines and refrigerators, Mrs. Average Farmer next would buy an electric iron. In third place comes the electric washing machine to replace the old back-breaking tub, and fourth is the electric refrigerator. These facts were made public this week in a survey report of the Rural Electrification Administration.

The average farmer spends about \$180 for appliances during the first few months he has electricity, the report stated.

X X X X X X X X X X

SCOT PROFESSOR NEW HEAD OF BBC

Professor Frederick Wolff Ogilvie, 45-year-old economist, who since 1934 has been President and Vice Chancellor of Queen's University, Belfast, was this week appointed head of the British Broadcasting Corporation.

Like Sir John Reith, who recently vacated the post at the request of the Government to take over the reorganization of Imperial Airways, Professor Ogilvie is a Scot. Although an authority on adult education, unemployment, problems and the tourist industry, he has never broadcast. He will receive a salary of £9,000 to cater to the wants of 20,000,000 listeners.

X X X X X X X X X

TELEVISION FIVE YEARS OFF, SAYS PHILIPS CO.

While keeping abreast of technical progress in television, the powerful Philips Company, of The Netherlands, believes that visual broadcasting will not be accomplished on a large scale for five years and even then a television receiver will be a luxury.

"Television in the Netherlands is still in the experimental stage", the U. S. Commercial Attache at The Hague reports, "although the progress already made in overcoming technical difficulties would, it is reported, justify the utilization of television in the Netherlands to the same extent as is being done in England, where performances are being given regularly. The Philips concern has secured a number at its laboratories at Eindhoven. The reproductions obtained with the company is newly developed 22-tube sight-and-sound receiver are considered satisfactory even when compared with the best obtained thus far elsewhere. With iconoscopes built in its own laboratories, both outdoor scenes and motion picture films can be transmitted direct, without the intervention of photography, by so-called interlacing at 25 pictures per second; in this manner, larger and clearer pictures are obtainable. There are still many improvements needed, but Philips has introduced complete television transmitters and receivers. This is some indication that the technical difficulties are being surmounted.

"A committee which was appointed to investigate and study the subject has filed a preliminary report. Recommendations have been made that experiments in television transmission be continued in order to awaken public interest. The committee finds that transmission can be done only on a modest scale for the time being. The erection in Amsterdam of a small transmitter with receivers installed in restaurants and department stores to ascertain the attitude of the public is advocated. The committee is continuing its investigations.

"The real problem of television is financial. To overcome this serious financial problem, experiments are being made to devise a cheaper apparatus and to extend the range of transmission which will render the general introduction of television practicable.

"At the Semi-Annual Trade Fair held at Utrecht in March this year, television demonstrations were held with a Philips portable television transmitter. These demonstrations are reported to have been very favorable. As to the practical introduction of television transmission, statements made recently by the Philips Company were not very favorable. In the Company's opinion, there are still so many problems that for the next five years, there will be no question of effecting television transmissions on a large scale and even then a television receiving set will still be a luxury article. Also there would remain the problem of producing actual and attractive pictures every day and every hour of the day for which enormous sums of money would be required."

TRADE NOTES

John Royal, Vice-President in Charge of Programs of the National Broadcasting Company, announced this week the appointment of Walter G. Preston, Jr., as his Assistant in Charge of Education. This is the first step in a reorganization of the educational set-up within the national program department. He joined NBC three years ago as Assistant to the Vice-President and Treasurer, and was appointed to his present position, Director of the General Service Department, in 1936.

WLW, The Crosley Radio Corporation, of Cincinnati, Ohio, was granted extension on July 21st of special experimental authority to operate a facsimile station from 12 midnight to 6 A.M. with 50 KW., for the period Aug. 1/38 to Feb. 1/39.

In order of frequency in kilocycles, the International Division of the Federal Communications Commission has just issued a world list of international short-wave broadcast stations.

Appointment of Vincent J. Gilcher, present Manager of Technical Services in the NBC Engineering Department, as head of the company's General Service Department was announced this week. Mr. Gilcher succeeds Walter G. Preston, Jr., who has been appointed by John F. Royal, NBC Vice-President in Charge of Programs as his assistant in charge of Education. To succeed Mr. Gilcher in the engineering post, O. B. Hanson, NBC Vice-President and Chief Engineer, named William A. Clarke, now Assistant Manager of Technical Services.

X X X X X X X X X X

The plant for the radio station of Tripoli, which is being constructed in the Zanzur oasis, is to be completed in August, according to the U. S. Commercial Attache at Rome. The auditors are already in the Exhibition pavilion of Tripolitania and a 6-fold underground cable unites them with the transmitter. An interesting characteristic of the radiation system in the Zanzur oasis is that it can be orientated toward the East or the West or have circular radiation. This is obtained by using two aeralis, each of which can radiate separately or serve as a reflector for the other. The Tripoli Broadcasting station will be inaugurated on October 28, 1938, as the beginning of the XVIIth Fascist Year.

X X X X X X X X

BROADCASTING ABROAD - EGYPT

Up to May 31, 1934, broadcasting in Egypt was conducted by 21 unofficial private stations in Cairo, Alexandria, Port Said, and in the provinces, which operated intermittently as advertising media, the majority of their programs were made up of Arabic and European phonograph records, according to the U. S. Commerce Department. The quality of the transmission was poor and there was no publication of programs in the local press. All of these stations were closed on May 31, 1934, to make way for Egyptian State Broadcasting.

Egyptian State Broadcasting, through the Marconi Wireless Telegraph Company, Ltd., of London, now operates all broadcasting. The Marconi Company has a 10-year monopolistic concession, to operate as agents for the Egyptian Government, receiving 60 percent of the listener's license fees. The main studios are in Cairo in a specially constructed building.

Egyptian State Broadcasting is modelled after British Broadcasting Corporation. There is no advertising, and private broadcasting is not permitted. The construction of a new station of 100,000 watts has been authorized and will be completed by the Government within about 2 years. Subsequently it is expected there will be a short-wave station.

Two simultaneous programs in Arabic and European languages are broadcast daily. Hours vary with time of year but are usually from 7 A.M. to 11:30 P.M. (Egyptian Time), with intervals morning and afternoon.

Programs are general with considerable emphasis on spoken features in Arabic. There is general complaint, listeners demanding a larger proportion of music.

The Egyptian State Broadcasting has its own library which is composed of a substantial number of classical and dance music records. They buy periodically new records and also receive on loan from various local phonograph distributors the latest dance features which secure some advertisement since the title, number and make of each record is broadcast.

A limited number of transcriptions, chiefly from American sources, are also purchased by the Egyptian State Broadcasting from time to time, though the prices of American transcriptions are rather high, hence the extensive use of phonograph records.

The Marconi concession constitutes the regulations governing broadcasting. Dealers are required to report all sales of radio with the identity of the purchases. An annual receiving set tax is applied, amounting to 80 piastres (\$4.) plus 5 piastres (25¢) per tube. Antagonism to this taxation is general.

MANY DAILIES DROPPING RADIO COMMENT, SURVEY SHOWS

Faced with increased costs, reduced revenues, and subsequent necessary economies, there is a growing trend among publishers throughout the country toward elimination of radio comment columns, an Editor & Publisher survey in key cities of the U.S. reveals.

"Lack of adequate advertising revenue from the radio industry, which commands so much free space in newspapers, long has been a sore spot to publishers, who are now taking the view that they have been the 'goat' in glorifying the other fellow too long", Stephen J. Monchak writes in the current issue. "They feel elimination of radio gossip columns is one way to save white space for more newsworthy matter.

"Following the example set earlier this year by publishers on the Pacific Coast and in the Mid-West, where radio gossip columns were successfully dropped, the movement is gaining ground. In some sections, it is indicated, elimination of program logs is under consideration.

"The movement broke out in concert, the survey reveals, coincident with sharp protests by publishers at the American Newspaper Publishers Association annual convention in New York, in April.

"Elimination of radio comment columns, initiated by five Los Angeles dailies - Times, Examiner, Herald & Express, Daily News and Evening News - early in April has become almost universal in Southern California, the survey reveals, and was accomplished with very little unfavorable reader reaction. Publishers, it is indicated, are well satisfied with the move, but show no disposition at present to throw out the radio logs.

"In the Los Angeles area only two dailies continue to run radio comment columns, the Hollywood Citizen-News and the Pasadena Star-News. . . .

"Little effect on radio listening habits has been noticed according to W. R. Penney, head of W. R. Penney Market Research Corp., which maintains a continuous check on radio listeners. Figures for May of this year, following the elimination of the columns, indicates very little fluctuation from the average trend, he said. Mr. Penney estimates that newspapers in the U. S. have been giving radio from 20 to 25 million dollars worth of space each year, and compares that with the \$100,000,000 which motion pictures spend for promotion, about 85% of which goes to newspapers.

"How newspapers figure they can give \$20,000,000 a year to a competitive industry, I can't see' he said. 'If newspaper advertisers had been alert, they wouldn't have allowed the development of the radio columns in the first place.'

"In Chicago, three newspapers dropped their radio comment columns within the past 3 months with no particular outburst of protest from readers, Editor & Publisher was informed. In fact, the number of letters received, complaining the columns were discontinued, was less than 200 on each paper."

X X X X X X X X X X