HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

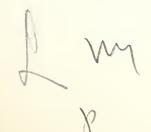
WASHINGTON, D. C.

CONFIDENTIAL - Not for Publication

INDEX TO ISSUE OF AUGUST 2, 1938

Farm Radios Increase; Still A Market2
Greece Prohibits Private Radio Transmitters
WLW Hearing Ends; Long Delay On Decision Seen4
FCC "Hard-Boiled" In Denying Four Applications
Net Affiliates To Hold Parley Aug. 16-17
Finch Gets Patent On Facsimile Tube
McNinch Out Of Hospital, Goes To Beach8 ABA Fails To Act On Court Broadcasts8
Trade Notes9
Radio Exhibits Planned At World Fairs
June Radio Advertising Below 1937
Airport Seeks To Bar Transmitter

No. 1146



FARM RADIOS INCREASE; STILL A MARKET

A material increase in farm radios since 1930 and a huge gain since 1925 is indicated by a special report issued this week by Director William L. Austin, Bureau of the Census, Department of Commerce. This summary presents a condensed statistical history, based upon the results of a special cooperative survey covering 3,000 farms in selected counties of 40 States and upon returns made for those counties in the regular censuses of 1925 and 1930. Percentages given are those for the same counties in the three designated years, so that a fair comparison may be made.

On January 1, 1925, only six percent of the farms in these representative counties had radios. On April 1, 1930, the percentage was 29, while on January 1, 1938, it is reported as 62 percent.

The three Southern geographic divisions - the South Atlantic, East South Central, and West South Central - reported between one and three percent of farms having radios in 1925. These rose, respectively, to 51 percent, 40 percent, and 37 percent in 1938. The proportion having radios in the intermediate period was without exception between these extremes and for each region of the United States showed a consistent and progressive gain.

An increase in the number of farms reporting radios accompanies similar but less striking advance in other farm facilities, such as electric lights, running water in the house, automobiles, telephones, etc. These facilities, together with the value of farm dwellings, are often used as an index of the farmer's scale of living and are recorded periodically by the Census.

The results of the survey are so pronounced that several significant conclusions appear justified, the Census Director said, even though the survey is neither sufficiently representative nor comprehensive to give more than a general indication of the level of living on the farms in the Nation or of the trends. The farms included in the survey are probably somewhat above the average of all farms in the counties included, and those counties, in turn, above the average for the country as a whole.

For the particular farms included in the survey, out of every 10 approximately 7 had autos, 6 radios, and on 4 the operator's dwelling was lighted by electricity. On 3 farms out of every 9, water was piped into the dwelling and on 2 of these into a bathroom. Telephones were on 3 out of every 8 farms, tractors on 1 out of every 3, and motor trucks on 1 out of every 4. The average dwelling contained 6 rooms and was valued at approximately \$1,500. The level of living indicated by these figures is very substantially higher than that for all farms in these counties for 1930. The proportions of farm operators having electric lights, water piped into their dwellings, and water piped into a bathroom are roughly 50 percent greater. The proportion having radios is approximately double. The relative number with autos is about 10 percent greater, with motor trucks 50 percent greater, and with tractors 100 percent greater.

Although judged by this summary the living conditions on farms have definitely improved, a large proportion of the farms are not yet provided with the various facilities which are commonly accepted as requisites for good living. ing differences are shown by the survey between various groups. The lack of facilities on the farms of the Southern States is outstanding and, in part, reflects the low level of living of Negro operators. Only 4 out of the 285 Negro and other non-white operators included in the survey and located in the Southern States reported electricity as compared with more than one-third of the white operators in the same area. The differences as regards water piped into the dwelling, bathrooms, and telephones are just as striking. A comparison of the number of rooms and the value of the dwelling also shows the decided contrast between white and Negro operators. The average dwelling of Negro and other non-white operators for all farms included in the survey contained 3.8 rooms and was valued at \$311 as compared with an average of 6.2 rooms and \$1,602 for white operators.

X X X X X X X X

GREECE PROHIBITS PRIVATE RADIO TRANSMITTERS

The Greek Ministry of Finance has issued an announcement to the effect that the importation from abraod and the use by private individuals of radio transmitting equipment is now strictly prohibited, the U. S. Commerce Department reports. Only Government departments will be allowed to own and operate radio transmitters.

Amateur transmitting is still very little developed in Greece, and the new measure seems destined to eliminate all interest in this field. At present there are only three amateur transmitters in use, which are covered by special licenses, and which apparently will not be affected by the new regulations unless their licenses are revoked specifically.

WLW HEARING ENDS; LONG DELAY ON DECISION SEEN

With the conclusion of a 1.0-day hearing on the application of WLW, Cincinnati, for renewal of its 500 KW. experimental license, indications were that the future of super-power in this country will not be determined by the Federal Communications Commission before next year.

While the WLW hearing was concerned only with the Cincinnati station, the decision of the FCC in this case, it is believed, will form the basis for a general policy on superpower.

The same Committee that conducted the WLW inquiry also held hearings on a proposal to raise the present FCC limitation of 50 KW. on regularly-licensed broadcasting stations.

Its findings and recommendations in both inquiries must be passed upon by the full Commission before they become effective. Moreover, it was apparent from the testimony and argument of WLW during the recent hearing that the Nation's Station will carry its case to the courts if the FCC decides not to renew its experimental license.

Andrew D. Ring, Assistant Chief Engineer of FCC, was the final witness of the Commission last Friday following testimony by Robert E. Bausman, Commercial Manager of WIRE, Indianapolis, and Myron E. Elges, of William G. Rambeau Co., New York, representatives of WIRE.

The gist of the testimony of the two commercial radio spokesmen was that WLW competed with WIRE in coverage. Elges, who one time sold time for WLW through Transamerican, said that the Cincinnati's rates are "a little expensive" but that selling was fairly easy because of WLW's claim that it had primary coverage in eight important cities.

X X X X X X X X X

Quoth that whimsical sage of American radio, Harold Hough, when asked by <u>Broadcasting</u> to comment on the Texas elections which assured the governorship for W. Lee O'Daniel, a WBAP flour-selling buildup turned statesman by listener demand:

"He is not a landslide - he is an earthquake, and he is strictly the outcome of radio showmanship, all of which means, I guess, that the few of our remaining radio advertisers will soon turn politicians. Charlie McCarthy will become Emperor of America, and Jack Benny is a cinch for the White House in 1940. Really, Texas is in a terrible turmoil. If the heat doesn't get us, the hill-billies/will."

FCC "HARD-BOILED" IN DENYING FOUR APPLICATIONS

The Federal Communications Commission this week adhered rigidly to previously-stated policies in denying the applications of four important applicants for new broadcasting facilities.

The decisions, grouped in a single order, were that facilities could not be granted: El Paso Broadcasting Co., of El Paso; World Publishing Co., of Tulsa, Okla.; KGKL, Inc., San Angelo, Tex.; and The Tribune Co., Tampa, Fla.

In the El Paso case the FCC reaffirmed its policy of granting more than one station in a city to a single applicant. It was pointed out that Dorrance D. Roderick, a majority stockholder in the El Paso Company, had been granted a permit this year to erect and operate a 100-watt station using 1500 kc.

Regarding KGKL, Inc., the FCC said: "The operation of this station during night-time hours would be expected to cause objectionable interference to the services of Mexican stations (XEFO-XEYO, Mexico City).

Regarding the Tribune Company's application, the FCC stated that Tampa, with three stations, already "has assigned to it an equitable share of broadcast facilities of the regional classification."

Applicants for the Tampa station were S. E. Thomason, Chicago and Tampa publisher, and John Stuart Bryan, President of William and Mary College and Richmond publisher.

AUSTRALIA PURCHASES RADIO EQUIPMENT TO AID AIRCRAFT

The Government of Australia has awarded contracts for about \$460,000 worth of radio aids to aerial navigation, which will be installed at airports in New South Wales, Queensland, Victoria, South Australia, Tasmania, and the Federal Capital Territory, according to a report to the Department of Commerce by the office of the American Trade Commissioner at Sydney.

The equipment purchased included a supply of ultrashort wave landing beacons for six airports, two-way communication equipment for nine ports, and radio navigation beacons for four ports, according to the report.

NET AFFILIATES TO HOLD PARLEY AUG. 16-17

All independent radio network affiliates have been invited to a convention in Chicago at the Hotel Stevens August 16-17 to determine what part they will take in the forthcoming chain-monopoly investigation of the FCC this Fall.

The group includes about 275 stations which are affiliated with one of the three major networks but are independently owned. It was organized a year ago under the name of the Independent Radio Network Affiliates.

Decision to hold the Chicago conference was reached last week at a meeting of 18 station executives in New York at the invitation of Mark Ethridge, of WHAS, and Samuel Rosenblum, of WFIL.

It is understood that the consensus of the New York meeting was that the affiliates should stand with the network-owned stations in presenting a united front during the FCC inquiry.

Meanwhile, it was disclosed that John J. Burns, former General Counsel of the Securities & Exchange Commission, had been retained by the Columbia Broadcasting System as its Chief Counsel for the chain investigation.

X X X X X X X X X X

STATION CP GRANTED; ANOTHER RECOMMENDED

The Federal Communications Commission this week granted a construction permit for a new broadcasting station in Johnson City, Tenn., and Examiner P. W. Seward recommended a permit for a station in Emporia, Kans.

W. Hanes Lancaster and J. W. Birdwell, of Johnson City, were granted a permit to use 1200 kc., 100-250 watts, unlimited time, over Richard M. Casto, of Johnson City, and the Knoxville Journal Broadcasting Co.

Examiner Seward approved the Emporia Broadcast Company's application for 1370 kw. with 100 watts daytime.

FINCH GETS PATENT ON FACSIMILE TUBE

W.G.H. Finch, former Assistant Chief Engineer of the Federal Communications Commission and now President of the Finch Telecommunications Laboratories, Inc., New York City, has been awarded a patent on a new simplified and inexpensive gaseous type of facsimile recording tube.

Although this new tube was developed primarily for facsimile reproducing systems it also is particularly useful for sound recording and television, Mr. Finch explained. Prior gas filled tubes, he said, were not satisfactory for high quality facsimile reproduction work due to the intensity of the cross-section of the resultant spot of light focused upon the record sheet which resulted in fringes between the successive scanning lines, causing line by line construction of the picture to be visible to the eye.

In this new type of recording tube a novel source of light is produced having a uniform cross-sectional intensity beam of light but with a predetermined shape. Besides the uniform cross-sectional intensity of the gaseous discharge, the tube maintains a square beam for recording. This square beam of light varying in intensity in accordance with the picture signals is sharply focused by a lens system upon the film mounted upon the drum of the facsimile unit.

An important advantage of the new tube is that it produces this uniform glow across the square aperature so that the lens system may be focused directly upon the aperature so that the image of the light is directly produced upon the film.

The electrodes consist of a cylindrical cathode and a flat plate anode containing the square aperature located directly above the cathode. This cathode is set into supporting insulation material which is mounted upon the extension tube from the glass stem. The insulation member contains the projection or projecting fins used for cooling the electrode.

X X X X X X X X

Deletion of Station WRDO, Augusta, Me., for violation of FCC regulations and the Communications Act's ban on unauthorized transfers was recommended to the Commission this week by Chief Examiner Davis G. Arnold. WRDO has asked for a license renewal.

McNINCH OUT OF HOSPITAL, GOES TO BEACH

Chairman Frank R. McNinch, of the Federal Communications Commission, will return to his office "in a week or tendays", his secretary said Tuesday. The Chairman left the Naval Hospital the end of last week, stopped at his desk for a short while, and then left for a beach resort.

Friends denied that he had been very ill and insisted that he has fully recovered from his stomach ailment and will soon be in active charge of the Commission again. He has been away from the FCC a month.

X X X X X X X X

ABA FAILS TO ACT ON COURT BROADCASTS

There will be no change for the present in the status of courtroom broadcasting, according to Neville Miller, President of the National Association of Broadcasters, who attended the American Bar Association's convention in Cleveland.

The ABA found it difficult to set up an arbitrary rule to govern every situation involving the broadcasting of courtroom trials, police and traffic court hearings, he said.

In many cases, it was pointed out, the widest publicity by press and radio operated distinctly in the public interest as a deterrent of crime, but there were many courtroom situations where the broadcasting of every word spoken would prove hurtful to the public interest and the dignity of the court, the Committee on Cooperation Between Press and Radio and the Bar found.

Complaints were received from some quarters that broadcasting of traffic court pleadings work to the political advantage of the traffic court or police court judge, especially in bringing the name of the judge prominently before the public at election time. But there were other reports indicating that knowledge that traffic violations would be aired had served to cut down traffic infractions and promote a better safety record.

The ABA committee, therefore, found it difficult, without further study, to lay down set rules governing broadcast of judicial proceedings. A special committee will study the problem throughout the coming year. Meanwhile it was recommended that both jurists and broadcasters continue to test each situation in the light of serving the best public interest.

Marie and the second second second second second second									
		:						9	
								-	
			0	TRADE	MOTES	2	5		0
	•	٠	٠	114111	140 1110	•	•	•	
C								Ð	
9	9		0			. 0		C	c

Under a stipulation entered into with the Federal Trade Commission, M. L. Myers, M. L. Rauer and George Wallach, trading as Interstate Radio Company, 2757 Lincoln Ave., Chicago, agree to cease using on their letterheads, circulars and other printed matter the word "manufacturers" to imply that they manufacture the radio sets and premium merchandise they sell, or that they actually own and operate or directly control the factories in which such products are made, when such is not a fact. The respondents, according to the stipulation, represented themselves to be "manufacturers and distributors of radios and premium items" although the products they wold were made in plants or factories which they neither owned nor operated.

U. S. commercial radio was only a year old when WAPI, Birmingham, first raised its voice. When the first metwork program was heard, in 1927, WPAI had already been broadcasting for five long years. This Southland pioneer, now known as the Voice of Alabama, starts its 17th year August 10, as a member of the Columbia Broadcasting System, operating a 5,000-watt transmitter day and night at 1140 kilocycles.

An increase in power from 100-250 watts to 1 KW. and a transfer in frequency from 1200 to 1330 kc. was recommended for WRBL, Columbus, Ga., this week by Examiner Melvin H. Dalberg of the Federal Communications Commission.

The Columbia Broadcasting System has announced the appointment of Dudley H. Fay to its sales staff, effective August 1. Mr. Fay was active with the Curtis Publishing Company, where he represented the Saturday Evening Post, until 1935. For the next two years he served as account executive with J. Walter Thompson Company, Chicago. He has been a member of Time, Inc., since last August. Mr. Fay will handle special sales assignments in the New York office of CBS.

An increase in broadcasting time from daytime to unlimited for WTAD, Quincy, Ill., was recommended this week to the Federal Communications Commission by Examiner John P. Bramhall. The frequency is 900 kc.

RADIO EXHIBITS PLANNED AT WORLD FAIRS

The story of American system of radio will be told the millions of spectators at both the New York and San Francisco World's Fairs through plans now reaching completion at NAB headquarters.

Although definitely racing against a deadline (the staff of the National Association of Broadcasters was not fully assembled until June 15 last), an effective and dramatic portrayal of the story of radio will reach the eyes and ears of World's Fairs visitors on opening day.

It is possible also that NAB displays will receive active cooperation of the Radio Manufacturers' Association. This will mark the first time that the broadcasting industry, as such, has participated in a World's Fair.

X X X X X X X X X X

ARGENTINE TO RAISE CULTURAL LEVEL OF RADIO

The Argentine Government has issued a decree which sharply criticizes the programs of the commercial broadcasting stations in that country, and by the same decree appoints an official committee to study the matter with a view to correcting the situation as soon as possible, according to a report to the Department of Commerce by the office of the American Commercial Attache at Buenos Aires.

The decree was based on a report made to the Government by the Director General of Posts and Telegraphs, who has jurisdiction over broadcasting in that country, the report stated. It was pointed out that in spite of the detailed regulations designed to maintain the Argentine programs on a high cultural level, the stations have not complied therewith to the best public interest.

Since practically all of the commercial stations in Argentina are operating under a temporary concession, subject to revision or cancellation at any time, local observers were of the opinion that the committee's report would recommend a revision of these concessions in order to bring the stations into closer alignment with the Government's views, according to the report.

JUNE RADIO ADVERTISING BELOW 1937

The monthly index of radio advertising in Printers Ink, out this past week, shows a decrease in June of 2.9 percent from 1937 and an increase of 12.2 percent over May, when corrected for seasonal fluctuations. Time sales in the second quarter were 1.2 percent below the corresponding three months of 1937. This compares with a gain of 11.7 percent for the first quarter of 1938 over the same months of 1937. A study of the graph for several years indicates that the Summer decline is decreasing from year to year.

X X X X X X X X

AUSTRALIA TO USE RADIO IN DEFENSE PLAN

The greatly enlarged expenditures to be made on defense in Australia will include a substantial amount to provide more radio communication facilities, according to the <u>Sydney Morning Herald</u>.

"Under the new defense program radio services will be highly developed", the paper reports. "In the radio network the high-speed beam services will be allotted key positions, but these will be supplemented by high-powered naval and Air Force stations to be built immediately, and provision will be made for the rapid assembling and erection in Australia of other supplementary transoceanic services should the need arise.

"Special provision will be made for the rapid expansion of the network of small but effective stations for cooperation with units of the Air Force operating from all air stations.

"A system of naval 'spotting' by means of radio direction finding is being evolved to assist the Naval Board in detecting the movements of hostile units within striking distance of the Australian coast, and later an auxiliary service will be developed for 'jamming' communications from hostile stations."

AIRPORT SEEKS TO BAR TRANSMITTER

The Circuit Court for Prince Georges County, Md., has been asked to issue an injunction against the American Broadcasting Co., Inc., of Washington, to prevent erection of two WOL transmitting towers adjacent to the Queens Chapel Airport, near the intersection of Queens Chapel and Ager Roads.

Owners of the airport, which was licensed by the State Aviation Commission a year ago, contend the broadcasting company failed to comply with a law passed by the 1937 Legislature regulating the height of buildings and other structures near public landing fields.

The suit avers that erection of the towers will interfere with continued operation of the airport because they would be in direct line with the runways.

X X X X X X X X X X X X X

FRANCE REDUCES U. S. QUOTA ON RADIO

Official notice has just been received by the State Department that the French Government has now exercised the right of revision in connection with the Trade Agreement. The agreement, concluded in May, 1936, provided for the allocation of the United States in addition to the normal import quotas to which we are now entitled of annual supplementary quotas for certain specified products, including radio apparatus and radio tubes. However, it was further provided that those supplementary quotas would be subject to revision on July 1, 1937, and the first of July of the following years during the life of the agreement.

By this right of revision the supplementary quota on radio tubes, tariff ex 361 bis, has been reduced from 45 quintals to 1 quintal and that on radio apparatus and parts, tariff 524 bis g, from 588 to 1 quintal, effective July 1, 1938. Thus the total quota allotment to the United States, normal and supplementary combined, is now 385 quintals for radio tubes and 3,413 quintals for radio apparatus and parts.