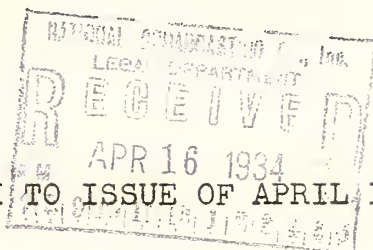


# HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.

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No. 715

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## BROADCASTERS ON GRILL AT COMING EDUCATIONAL CONFERENCE

"The Use of Radio as a Cultural Agency in a Democracy" is the subject of a forthcoming conference announced for May 7 and 8 in Washington, D. C. Invitations to the two-day meeting have been sent to leaders in education, recreation, government, and civic affairs. Called by the National Committee on Education by Radio, general sessions are to be held in the auditorium of the Interior Department Building, while group meetings are being arranged for other nearby buildings.

The National Committee on Education by Radio is a severe critic of the so-called "American" (i.e. commercial) system of broadcasting. It favors either the British system or out-and-out government ownership. It was this Committee which inspired the debates as to the superiority of the American system versus the British. Unquestionably the broadcasters and the networks will come in for quite a "panning at the forthcoming conference.

Formed late in 1930 as a result of the Chicago Conference called and presided over by the then United States Commissioner of Education, Dr. William John Cooper, the National Committee on Education by Radio is an organization representative of nine large national educational groups. These groups are the National Association of State Universities, Association of Land-Grant Colleges and Universities, National Education Association, National Catholic Educational Association, National Council of State Superintendents, American Council on Education, Jesuit Educational Association, National University Extension Association, and Association of College and University Broadcasting Stations.

The Chairman of the Committee is Dr. Joy Elmer Morgan, Editor of the Journal of the National Education Association. The Vice-Chairman is Dr. John Henry MacCracken, Associate Director of the American Council on Education. The other members of the Committee are: Dr. Arthur G. Crane, President of the University of Wyoming; Dr. James N. Rule, State Superintendent of Public Instruction in Pennsylvania; Rev. Charles A. Robinson, S.J., Saint Louis University; Prof. J. O. Keller, head, Department of Engineering Extension, Pennsylvania State College; Dean H.J.C. Umberger, Director of Extension, Kansas State College of Agriculture and Mechanic Arts; Charles N. Lischka, Assistant Director, National Catholic Welfare Conference; and Prof. Jos. F. Wright, Director, Radio Station WILL, and Publicity Directory, University of Illinois.

The Committee's full-time staff consists of Dr. Tracy F. Tyler, Secretary and Research Director, who is in charge of arrangements for the conference; Armstrong Perry, Director of the Service Bureau; and Eugene J. Coltrane, special representative in charge of field service.

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## COMMUNICATIONS COMMISSION BILLS MAKE HASTE SLOWLY

It is still any man's guess as to whether or not there will be a Communications Commission Bill passed this session. President Roosevelt has indicated that he would like to have Congress adjourn June 1st, which is only about six weeks off, very little time the way Congress works.

Senator Dill's Committee will try to finish its labors in considering the Senate Bill this week. It is reported, however, that Committee consideration of the Communications Bill in the House may extend over the next two or three weeks because of the number of witnesses expected to testify and due to the fact that the Rayburn Committee is entirely new to the subject, this being the first Radio Bill they have had to handle.

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## COMMISSION ADVOCATES REPEAL OF THE DAVIS AMENDMENT

After two days' sessions the hearings on the Communications Commission Bill introduced into the House by Representative Rayburn have been postponed for about a week until the Interstate Commerce Committee, which is considering the radio bill gets the Rayburn Stock Exchange Bill out of the way.

The high light of the two days' session was Judge E. O. Sykes, Chairman of the Federal Radio Commission, who advocated the repeal of the Davis Amendment.

Judge Sykes suggested, in behalf of the Commission, that the Radio Broadcast Division have jurisdiction over the broadcasting and amateur service, the Telephone Division shall have jurisdiction over telephones, other than broadcasting, by wire, radio or cable, and that the Telegraph Division have jurisdiction over telegraph communication by wire, radio or cable.

Judge Sykes suggested the addition of the following paragraph to Section 211, which deals with contracts:

"The Commission shall have authority to require the filing of any other contract of any carrier and shall also have authority to exempt any carrier from submitting copies of such minor contracts as the Commission may determine."

To Section 214 having to do with extension of lines and circuits, he offered the following:

"Provided, however, that the Commission may upon appropriate request being made, authorize temporary or emergency service preliminary to any proceeding under this section."



Judge Sykes said that if no changes should be made at this session, the Commission, with the single exception of an amendment which has already been submitted to take care of the Mexican situation, to withhold its further suggestions for amendment until a later date. This exception would prohibit a studio in this country transmitting from here to Mexico to be broadcast back into the United States.

If changes are to be considered at this session of Congress, Judge Sykes advocated that a section be added to the bill prohibiting lotteries. Also that the so-called Davis Amendment providing for equal radio facilities for all parts of the country be repealed. As a substitute for the Davis Amendment (Section 9 of the Radio Act), Judge Sykes suggested the following:

"In considering applications for licenses, or modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such a distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide an equitable distribution of radio service to each of the same."

"With slight changes, this is Section 9 of the Radio Act of 1927 prior to its amendment. Developments during the past few years have made it possible to measure accurately radio broadcast service", said Judge Sykes.

"The provision of the Bill which contains the 'Davis Amendment' to the original Section 9 of the Radio Act of 1927 is contrary to natural laws and results in concentration of the use of frequencies in centers of population and a restriction of facilities in sparsely populated States, even though interference would permit the operation of one or more additional stations. Because of the size of the zones, this distribution results in providing ample broadcasting service in small zones and lack of service in large zones. Experience has proved that the section as proposed is very difficult of administration and cannot result in 'an equality of radio broadcasting service.' In the provision suggested, service is made an important criterion making it possible to carry out the statutory provisions of public interest, convenience and necessity without artificial restrictions."

Judge Sykes advocated the following amendment to Section 16, the appeal section of the Radio Act:

"An appeal may be taken in the manner hereinafter provided from orders of the Commission to the Court of Appeals of the District of Columbia in the following cases:

"(1) By any applicant for renewal of an existing radio station license whose application is refused by the Commission, and



"(2) By any licensee of a radio station whose license is revoked by the Commission.

"Such appeal shall be taken by filing with said court within 20 days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Commission. Unless a later date is specified by the Commission as part of its decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Commission in the City of Washington.

"Within 30 days after the filing of said appeal the Commission shall file with the court the originals or certified copies of all papers and evidence presented to it upon the application involved or upon its order revoking a license, and also a like copy of its decision thereon, and shall within 30 days thereafter file a full statement in writing of the facts and grounds for its decision as found and given by it.

"At the earliest convenient time, the court shall hear and determine upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision of the Commission and, in event the court shall render a decision and enter an order reversing the decision of the Commission, it shall remand the case to the Commission to carry out the judgment of the court; Provided, however, That the review by the court shall be limited to questions of law and that findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Commission are arbitrary or capricious. The court's judgment shall be final, subject however, to review by the Supreme Court of the United States upon writ of certiorari on petition therefor under Section 347 of Title 28 by appellant, by the Commission, or by any interested party intervening in the appeal.

"The court may, in its discretion, enter judgment for costs in favor of or against an appellant, but not against the Commission, depending upon the nature of the issues involved upon said appeal and the outcome thereof. Provided, however, That this section shall not relate to or affect appeals which are filed in said Court of Appeals prior to the passage of this Act."

K. F. Clardy, member of the Michigan State Utility Commission endorsed the Bill but urged that a provision be not incorporated which might deprive the State Commissioners of rights to govern intra-State rates and services. Paul A. Walker of the Oklahoma Commission said State Commissions were unable to deal with telephone companies.

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## COMMISSION GRANTS PERMISSION TO BROADCAST NEWS TO STATIONS

An action which may be of far reaching consequences to the press of the country was the amending by the Federal Radio Commission of the rule with regard to broadcasting news so that it may now be transmitted direct to stations by short wave. Previously news could only be broadcast for publication by press associations and newspapers. The new amendment to this reads "or for public dissemination by any class of radio station, the emissions of which are intended for the general public."

The amendment was made following a hearing of the Radio News Service of America, a New York concern, which had applied for the privilege of broadcasting news to stations by short wave, the stations in turn to rebroadcast the bulletins to their listeners.

The apparent object of the Radio News Service of America is to set up a rival service to the bureau recently established by the press associations and newspaper publishers in cooperation with the broadcasters. In the latter service, only two bulletins are broadcast each day. It was the contention of the Radio News Service of America that listeners demanded more news than this.

It is evidently the plan of this service to sell news to stations which in turn will seek commercial sponsors for these bulletins.

Ivan Johnson, President of the Radio News Service of America, told the Radio Commission that 92 small stations had agreed to take his news service. Johnson declared that he fully expected to be able to sign up 300 to 400 stations. He said that he had made arrangements with Press Wireless, Inc., and the American Radio News Corporation (said to be owned by Hearst) to send out his bulletins.

Johnson said he proposed to broadcast from 5000 to 10,000 words a day and to charge the small stations \$10 to \$15 a month and the large ones more. He thought the average would be about \$100 a month. He expected to establish branches in New York City, Chicago and San Francisco and that the stations themselves would serve as news feeders.

Although it was said at the Commission that press associations and newspapers had been duly notified of the application of the Radio News Service of America, no one appeared to oppose it. The Commission expected bitter opposition on the part of the press and was considerably mystified when opponents failed to appear. It was said that this left no alternative to the Commission than to amend the rule.

"It looks to me as if the newspapers have been caught napping on this", an official of the Radio Commission said. "I am not sure that the Radio News Service of America is of enough substance to carry the thing through but it has been the medium of letting down the bars to others and in my opinion may result in setting up direct competition between broadcasting stations and the newspapers in the dissemination of the news."



## DILL BILL REPORTED FAVORABLY WITHOUT AMENDMENT

The Senate Committee on Interstate Commerce Friday afternoon reported favorably upon the Communications Commission Bill introduced by Senator Dill, of Washington, and recommended its passage without amendment, or with but few minor amendments.

This means that there is apt to be a spirited fight on the Bill when it reaches the floor of the Senate. Both broadcasters and commercial communications companies are opposed to it and this will certainly be manifested. It is not possible to say at this time how soon the Senate will take up the Bill.

In the Dill Bill, as reported, the Communications Commission is reduced from seven to five members, appointed for six-year terms. This necessitates two divisions, one for radio and the other for telephone and telegraph, instead of the three divisions originally intended to be created.

The bill contains a new appeal section which provides for review in three-judge United States District Courts of orders of the Commission which revoke, modify or suspend radio station license. Refusals to grant applications for new stations or renewal of licenses, may be appealed to the Court of Appeals in the District of Columbia.

The Commission is directed, in the Dill Bill to investigate and report on the desirability of permitting the States to set up independent accounting and depreciation systems; and also the desirability of having Congress allocate by law fixed percentages of radio facilities for educational, charitable, religious, labor and other non-profit organizations.

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## HIGHEST WOODEN TOWER COMPLETED FOR GERMAN RADIO STATION

What is reported to be the highest wooden tower in the world has just been completed at Muehlacker, Germany, for radio broadcasting, according to advices to the Commerce Department from Assistant Trade Commissioner Rolland Welch, Berlin.

The new tower is 190 meters in height (about 625 feet) and has on the top an antenna ring weighing 1,320 pounds, 10 feet in diameter. The ring is said to guarantee fading-free reception within a circumference of 130 kilometers. This Muehlacker station also has a vertical one-wire aerial connected with the wooden tower.

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## SALTZMAN AGAIN SPOKEN OF TO HEAD COMMISSION

The name of Maj. Gen. Charles McK. Saltzman, former head of the Federal Radio Commission, has been again mentioned as a possibility as Chairman of the new Federal Communications Commission. It was pointed out that General Saltzman was well qualified for aside from his radio experience, he also served as head of the Army Signal Corps where he had experience with telegraph, telephone and cable as well.

It was further stipulated that General Saltzman was well thought of by Secretary of Commerce Roper and had a good deal to do with framing the report of the so-called Roper Committee upon which President Roosevelt based his Communications Commission message to Congress. Nominally General Saltzman is supposed to be a Republican but as is the case with most Army officers, politics are said to have been subordinated in his career. If the partisan point were raised, it was pointed out the General could easily qualify as a minority member of the Commission, inasmuch as two of them will be Republicans.

General Saltzman has been somewhat out of the picture lately due to the fact that on February 23rd he had the misfortune to slip on an icy pavement and broke one of his legs. He is now up and about but still walks with the aid of crutches.

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## TREASURY ESTIMATES 50% INCREASE IN RADIO SALES

Figures presented by the Treasury Department to Congress in connection with the pending tax revision bill contain an estimate by the Treasury that radio sales will increase 50 per cent in the two years ending July 1, 1935.

In consideration of the tax revision bill by the Senate Finance Committee, the Treasury submitted estimates of revenue from radio and other taxes. The actual receipts in radio and phonograph excise taxes for the fiscal year ending July 1, 1933, were \$2,206,763.39. The estimate of the Treasury to the Senate Committee for tax receipts from radio and phonograph sales for the year ending July 1, 1934, are placed at \$2,800,000, while the estimate for such taxes for the year ending July 1, 1935, was \$3,400,000. These Treasury estimates were a part of the figures considered by Congress in calculating its revenue from the excise or "nuisance" and other taxes in connection with the federal budget and are an indication of the opinion of Treasury authorities regarding prospective sales in the radio industry for the next two fiscal years.

An increase of 56 per cent in radio manufacture last February is indicated by Federal reports of radio and phonograph excise taxes collected. Internal Revenue collections during February 1934 of the 5 percent excise tax on radio products and phonograph records amounted to \$272,335.09; this compares with excise tax collections of \$173,987.28 in February, 1933.

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:::BUSINESS LETTER NOTES:::  
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David Sarnoff, President of the Radio Corporation of America, was among those invited to attend the reception given by the Russian Ambassador and Mrs. Troyanovski at the re-dedication of the Russian Embassy in Washington. This was the outstanding social event of the season in the Capital with practically every one in official life present excepting President Roosevelt.

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Station WOQ, United School of Christianity, Kansas City, Mo., recently removed from the air by the Federal Radio Commission, and later refused relief by the District of Columbia Court of Appeals, has now appealed to the Supreme Court of the United States.

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Senator Key Pittman, of Nevada, Chairman of the Foreign Relations Committee has appointed the following sub-committee to study the International Copyright Bill: Senator Duffy, of Wisconsin, Senator Van Nuys, of Indiana, and Senator Fess, of Ohio.

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Mrs. Thad H. Brown, wife of the Vice-Chairman of the Federal Radio Commission, is spending a short time in New York, and was the guest at luncheon of Mrs. Frank Mason, wife of NBC's Vice-President in Charge of Publicity, who entertained at the National Woman's Republican Club on 54th St. in New York. Other guests at the luncheon were Mrs. Frank-A. Vanderlip, Mrs. Merlin H. Aylesworth, Mrs. Kent Cooper, Mrs. Rex Cole, Mrs. Phil Lennen, Mrs. Charles Speaks, Mrs. Hattie Bell Johnston and Mme. Schnitzer.

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The number of radio receiving licenses in force in Great Britain at the end of March was 6,254,400, as compared with 5,497,000 a year before.

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Work in preparation for the next meeting of the International Consultative Committee for Radiocommunications is being coordinated by the Federal Radio Commission. The agenda contains about twenty-five technical questions. The meeting will be held in Lisbon, Portugal, in September.

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## WJJD 3rd CBS CHICAGO STATION

By gradual absorption, WJJD is becoming a Columbia System station in Chicago, being added to WIND, Gary, and WBBM, as CBS outlets, according to Variety, which continues:

"Due to public howls over the kicking off of the Philharmonic Symphony for baseball broadcasts, CBS has arranged to have WJJD take the Philharmonic on Sundays and also the Union Central Life Insurance Company's "Roses and Drums."

"There now is the rumpus whether or not WJJD will be able to announce itself as of Chicago instead of Mooseheart, Ill. Federal Radio Commission has granted that permission but the other stations in Chicago, with the exception of WBBM, have put up a protest, claiming that it is unfair competition and adding to the number of stations in Chicago, which is already stated as being overcrowded.

"Ralph Atlass, operator of WJJD and WIND, is the brother of Les Atlass, Vice-President of CBS and operator of WBBM."

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## ASKS PRESS ALLIANCE WITH RADIO IN BRITAIN

An appeal in the "interests of civilization" for a permanent alliance between broadcasting companies and the press was made by Maj. Gladstone Murray, one of the original heads of the British Broadcasting Corporation, before the influential Institute of Journalists in London.

Taking the recent violent attacks against that corporation by a section of the British press as "symptom of the underlying apprehension of newspaper proprietors, shareholders and editors", Major Murray said there was no reason why on this side of the Atlantic, British tradition should not advance on a basis of equitable adjustment of interests leading to a partnership in the public service.

"Under such well-established conditions all concerned with newspapers and broadcasting would stand to benefit", he said.

"Thus far by agreeing with newspapers and news agencies about the supply of material and news bulletins, also about the time and conditions of broadcasting such bulletins, the B.B.C. has gained a distinct advantage over the United States broadcasters.

"Nevertheless permanent relations are still far from being established and problems of the ultimate effect of broadcasting on the printed word, on sales, on advertisements and on public opinion remain unsolved. I believe the majority of the British people desire to see an early adjustment of these difficult relations."

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## TOMMY SARNOFF FURNISHES WALLABY MYSTERY TO N. Y. ZOO

When two wallabies (miniature kangaroos) presented to Tommy Sarnoff, 7 year-old-son of David Sarnoff, President of the Radio Corporation of America, and his brother, by E. T. Fisk, Managing Director of the Amalgamated Wireless of Australasia, arrived in New York this week, the crate was turned over to the Central Park Zoo.

The New York Times carried a two-column cut of Tommy and the wallabies and went on to say:

"Under the direction of Capt. Ronald C. Stout, consulting zoologist of the department, and Robert Hurton, head keeper, the crate was opened and the little gray creatures ventured out into the yard next to that occupied by Maggie, the new Canadian black bear.

"The baby wallaby reported born last week in Los Angeles was nowhere in evidence. A search of the crate failed to reveal it.

"'She must have died', remarked Mr. Hurton sadly.

"'No', replied Captain Stout. 'I don't believe so. Look at the way the female is looking into her pouch. I think the baby's down there.'

"'She's not carrying it', said the lion keeper. 'She's too thin.'

"'She may be', insisted the captain. 'Look at that.'

"The argument over the existence or non-existence of the baby wallaby continued until the breathless arrival of Tommy, who had just heard the news and had demanded he be taken to the Zoo immediately.

"At Mr. Sarnoff's office in Rockefeller Center his secretary explained that Mr. Fisk had been in New York last December and at that time had made the acquaintance of the Sarnoff children. She was positive that a baby wallaby had been born before the crate left Los Angeles last Friday.

"Captain Stout said he did not wish to examine the female's pouch until she had become more accustomed to having people around her. If a baby were in it, he said, it might not come out for several weeks."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted  
(April 13, 1934)

WJR, WJR, The Goodwill Station, Inc., Detroit, Mich., modification of C.P. for approval of towers' location, formerly authorized in C.P.; also granted authority to extend commencement date to 4/16/34 and completion date to 10/16/34, to move transmitter from Pontiac to near Detroit, Mich.; KYW, Westinghouse Electric and Manufacturing Co., Philadelphia, Pa., modification of C.P. for approval of transmitter site at Josha Road, White-marsh Twp., Pa., and install new equipment (original C.P. covers move of station from Chicago to near Philadelphia).

Also, WMAL, National Broadcasting Co., Inc., Washington, D. C., C.P. to install new equipment, maximum power 500 watts, for auxiliary purposes; WCAE, WCAE, Inc., Pittsburgh, Pa., license covering local move of transmitter 1220 kc., 400 watts, for auxiliary purposes; WLBC, Donald A. Burton, Muncie, Ind., license covering change in equipment and increase in day power from 50 to 100 watts on 1310 kc., 50 watts night, simultaneous day operation with WTRC, share night with WTRC; WGN, WHN, Inc., Chicago, Ill., license covering changes in equipment and increase in power from 250 watts to 50 KW, 720 kc., unlimited time; WJBO, Baton Rouge Broadcasting Co., Inc., Baton Rouge, La., modification of C.P. extending commencement date to 10/1/34 and completion date to 12/1/34; WPTF, WPTF Radio Co., Raleigh, N. C., modification of C.P. to change type of equipment authorized by C.P.; KVI, Puget Sound Broadcasting Co., Inc., Tacoma, Wash., authority to take measurement of antenna power; WMPC, The First Methodist Protestant Church of Lapeer, Mich., modification of license to change frequency from 1500 to 1200 kc.; WIBM, WIBM, Inc., Jackson, Mich., modification of license to change hours of operation from specified to unlt'd

Also, WBAL, Consolidated Gas Elec. Light & Power Co., of Baltimore, Baltimore, Md., consent to voluntary assignment of license to the WBAL Broadcasting Company; WJBK, James F. Hopkins, Inc., Detroit, Mich., modification of license to change hours of operation from specified to unlimited and change frequency from 1370 to 1500 kc.

#### Action On Examiners' Reports

KFDY, S. Dak. State College, Brookings, S. Dak., modification of license granted to operate on 780 kc., 1 KW day, specified hours, daily except Sundays; 12:30 to 2 P.M. CST, sustaining Examiner Geo. H. Hill; KFYR, Meyer Broadcasting Co., Bismarck, N. Dak., modification of license granted to operate on 550 kc., 1 KW, 2½ KW LS, unlimited time, sustaining Examiner Hill (effective date in the above May 13, 1934); New, Jos. G. Mayer & Clarence R. Cummins, Erie, Pa., denied C.P. for new station to operate on 1420 kc., 100 watts, unlimited time, sustaining Examiner R. L. Walker (effective date of order April 20, 1934); WDBJ, Times-World Corp., Roanoke, Va., granted modification of license to operate on 930 kc. 500 watts, unlimited time, sustaining Examiner Geo. H. Hill (effective date of Order April 20, 1934)

#### Miscellaneous

WDAS, WDAS Broadcasting Station, Inc., Philadelphia, Pa., denied informal request for increase in nighttime power from 100 to 250 watts from 10:15 to 10:45 P.M. EST April 13, 20, 27 and May 4, 1934; WKOK, Charles S. Blue, Sunbury, Pa., granted consent to voluntary assignment of license to Sunbury Broadcasting Corp.; WTAG, Worcester Telg. Pub. Co., Inc., Worcester, Mass., temporary license made permanent increasing power from 250 to 500 watts; WESG, Cornell University, Elmira, N. Y., KWJJ, KWJJ Broadcasting Co., Portland, Ore.; WJAG, Norfolk Daily News, Norfolk, Neb., reconsidered action of March 30, 1934, granting renewals of licenses on a regular basis, and directed special temp. auth. be issued for the period ending Aug. 1, 1934, during the conduct of experiments involving stations KTHS KRLD WTIC and WBAL.

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