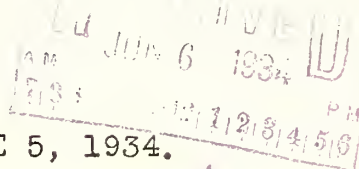
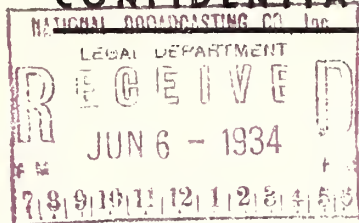


HEINL RADIO BUSINESS LETTER

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No. 729

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June 5, 1934.

HOUSE QUICKLY PASSES COMMUNICATIONS BILL

As in the case of the Senate, although there was considerable discussion, the Bill creating a Communications Commission passed the House without a record vote. The House Bill simply transfers the powers of the Federal Radio Commission to the new Communications Commission and does not undertake, in any respect, to change or modify the existing radio law.

The Senate Bill contains numerous provisions with regard to radio. The Senate Bill calls for five Commissioners, and the House, seven Commissioners. The Senate Bill provides for the creation of two divisions within the Commission, to be known as the Radio Division and the Telegraph and Telephone Division. The House calls for three - radio, telegraph and telephone. In the House Bill, the new Commission would begin functioning July 1st, in the Senate Bill, as soon as three out of the five Commissioners have been sworn in. These differences will all have to be agreed upon in conference between committees from the House and Senate.

In defending the House Committee's course in not adopting a provision with regard to non-profit making stations, Representative Rayburn said:

"We had up what is known as the 'Father Harney amendment', that came to us in the House as it did in the Senate. That provided for the allocation of 25 percent of all the time to religious, educational, and, though I do not believe they used the word 'uplift', yet they used a word that corresponds to it. If we began to take away from the Radio Commission its authority to allocate, we would be in the same position that the Congress would be in if, after giving to the Interstate Commerce Commission its function of regulating railroads and fixing the rates, we would then start out to introduce and pass measures to revise the rate structure. In that way we would probably get into a lot of trouble. Our thought - at least, my thought - was this: If 25 percent should be allocated, or the allocation of it taken away from the Radio Commission, why not take away 30 percent or 40 percent or 100 percent? Also, if you allocate 25 percent to education and religion, then what difficulty is the Radio Commission going to have in dividing that 25 percent between Catholic, Jew, a Protestant, and other sects, and also between what colleges, where located, and what other time might be supposed to be taken into consideration for morals, education, and uplift? Our committee took that position and we believe it is a wise one."

Representative Hamilton Fish, of New York, said a year ago the Republicans could not get on the radio anywhere.

"I imagine you feel you can be generous with the Republicans now because you keep adding to your publicity agents every time a Republican talks on the radio", Mr. Fish continued, addressing the Democrats. "So you can afford to let one or two of us speak now and then and develop an excuse for some more jobs for deserving Democrats to handle publicity."

"I think it is unfortunate that the radio is controlled by the administration or terrorized by the administration to the extent that the policies of the administration literally burn up the radio time day and night."

Following this, Mr. Fish read from an article in the "American Political Science Review" for October, 1933, as follows:

"The Democratic records show a curious situation so far as radio expenses are concerned. During the campaign itself, only \$182,450 was spent for this purpose; but the list of 'unpaid obligations', filed at the end of the year showed \$160,964 outstanding in radio bills, more than \$100,000 of which was owed to the National Broadcasting Co. Almost all of these debts remained unpaid on May 31, 1933. * * * Such a situation is certainly unhealthy and gives rise to the suspicion that there may have been some kind of understanding between the Democratic National Committee and the radio companies."

"I do not want to make specific charges on a matter of this kind", Representative Fish observed. "I assume, of course, all Democrats are honest, but what commitments were made during the campaign by party managers and whether any promises were indirectly made to radio corporations, I am not able to prove. At the same time, it does look as if something was wrong if these bills have not been paid. They ought to be paid in fairness to yourselves and your own party and to the country."

"I would like to propose an amendment, or I would like to have some Democrat propose it instead, that no public official or members of his family shall be paid any money for speaking over the radio. There is no reason in the world why the secretary to the President, Mr. Howe, should receive \$900 for making a radio speech that is not worth 9 cents."

Representative McFadden, of Pennsylvania, told of the alleged treatment of a station in his State.

"Mr. Spriggs, who operates Station WNBO, at Washington, Pa., was the object of certain charges - foolish charges mostly - in regard to operations that were paid for and otherwise. He wanted to continue his operations when he found out the Commission were after him and began appealing to sources from which he thought he could get relief. He employed certain attorneys in this city. Not being successful, he sought political influence", he said. "He sought the assistance of Joseph F. Guffey, Chairman of the Democratic State Committee in Pennsylvania. Mr. Guffey turned him over to his appointee in the Department of Justice, a

Mr. Vann, and Mr. Lohnes, an attorney here, and they assured him that they would get the matter straightened out with the Commission. They undertook it and certain other attorneys in the city of Washington, D. C. were employed apparently to assist Mr. Spriggs. All of a sudden Mr. Spriggs found out that the attorneys here employed were working in the interests of Mr. Guffey, and that Mr. Guffey wanted this radio station for his own account for political broadcasting in Pennsylvania."

Representative McGugin, of Kansas, said that when the government had the power to issue licenses to operate radios, it inherently follows that this government has too great power over the control of speech.

"I have no personal complaint", Mr. McGugin continued. "No Republican Member of Congress can have any personal complaint, so far as I know. It is my understanding that a Republican Member of Congress can get on the air whenever he wants to with either of the chains on any reasonable time or occasion, but there it stops. The ordinary private citizen who is a Republican cannot get on the air to discuss the other side of some of this so-called 'new deal' legislation.

"Former United States Senators who are Republicans have been denied the opportunity to appear upon the chains to discuss these public questions. I can say of my own personal knowledge that the Honorable James A. Reed, former United States Senator from Missouri, was denied the right of the air to discuss his views of the proceedings in the Wirt hearings. This was a denial of freedom of speech. A Republican Member of Congress - yes - could have had the aid to discuss it if he had wanted to, but it is not enough that Members of Congress of the minority party or with minority views may have the benefit of the air. This right must be extended to other citizens. The very week that former Senator Reed was denied the opportunity to discuss over a national radio hook-up the treatment accorded to his client, there appeared upon that same network propaganda from private citizens who were denouncing and criticizing Dr. Wirt.

"In other words, private citizen James A. Reed was denied the opportunity to discuss one side of that question, while other private citizens had an opportunity to use the air to discuss the other side of the question. The only answer can be that those in charge of the radio facilities were either currying the favor of this administration in permitting private citizens to take the air to denounce Dr. Wirt, or they were afraid of currying the disfavor of the administration if they permitted Senator Reed to speak over the air to criticize any of the 'brain trusters.'

"There still remains the freedom of the press. The press carried the same subject matter openly, both sides of it, and carried the views of Senator Reed as well as the views of those who had contrary ideas.

"So in conclusion I wish to say that with all the greatness of radio, the liberty of the people of this country yet rests in the press and not in the radio. I hope that at some time a plan may be devised whereby the use of the air will be free without censorship or discrimination.

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REHEARING SCHEDULED ON RADIO CODE LABOR PROVISIONS

Labor provisions of the Radio Broadcasting Industry Code will be considered at a public hearing Wednesday, June 20, in the Raleigh Hotel, Deputy Administrator William P. Farnsworth will be in charge.

On the basis of the hearing, a decision will be made on whether to continue the labor provisions as they were approved November 27, 1933, by the President, or what changes are necessary.

The Code Authority has investigated the operation of these provisions, particularly in respect to broadcast technicians. Copies of their reports to the Administrator are available at the Code Authority office, 970 National Press Building, Washington, D.C.

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FORD SHORTWAVE STATIONS ON THE GRILL

Following closely a court decision upholding the Administration in barring agents of the Ford Motor Company from obtaining Government automobile contracts, the Federal Radio Commission yesterday (June 4) started hearings on whether licenses of three of the Detroit manufacturer's radio stations should be revoked. These three short-wave experimental stations are X8XC and W8XE, at Dearborn, Mich., and W9XH, at Lansing. They operate with 1000 watts power on a frequency of 389 kilocycles.

Gerald C. Gross, a Radio Commission engineer, testified shipping interests asked revocation of the licenses on the ground that the Ford stations drowned out distress signals on the Great Lakes. He said the problem would be solved if lake ships could afford modern receiving apparatus.

Ford services to American aviation, including erection of a mooring mast at Dearborn, Mich., and perfection of radio and other aviation equipment, which the company undertook at its own expense, were cited by Ford representatives before the Commission as reasons why the Government should not take away the permits of the stations.

At conclusion of the hearing, Ralph L. Walker, Commission Examiner, announced he would hand down a written report. Ford will have opportunity to file written exceptions to the Examiner's conclusions, and argue orally when the matter comes up before the full Commission in a few weeks.

W. O. Gassett, of Detroit, a Ford engineer, testified one of the stations under fire was the last in communication with the Shenandoah naval dirigible which crashed several years ago in Ohio. He added the Ford mooring mast had been of immeasurable value to Government lighter-than-air craft.

The engineer declared that if the licenses are not renewed Ford experimental work will cease. Under questioning he conceded research had been greatly curtailed since the depression, but said the organization was ready to resume once the license question was settled.

Commission officials commented privately that the radio dispute had its inception before the Detroit manufacturer's difficulties with NRA began.

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NO TIME LOST CONSIDERING COMMUNICATIONS BILL

Not a day was lost in naming the conferees and getting down to business following the passing of the Communications Commission by the House. It is usually customary to wait several days before appointing the conferees, but Speaker Rainey, speeding up things named the House conferees last Saturday, the day the Bill was passed. They were Chairman Sam Rayburn, of the Interstate Commerce Committee (D), and Representatives Wolverton (R), of New Jersey; Huddleston, of Alabama (D); Lee of Missouri, (D); and Mapes, of Michigan (R).

Of course nothing further could be done Sunday, but yesterday (June 4) Vice-President Garner named Senators Dill, of Washington (D); Smith, of South Carolina (D); Hatch, of New Mexico (D); Couzens of Michigan, (R); and Wallace White, of Maine (R), on the part of the Senate. This afternoon (Tuesday, June 5), the Conferees were called together for their first meeting. It is presumed from this that President Roosevelt has indicated that he desired the passage of the Bill expedited.

If the Conferees should agree upon the House Bill, because of the fact the Radio Act will not be repealed, the new Commission will be under the jurisdiction in the House of the Merchant Marine and Radio Committee, of which Judge Bland, of Virginia, is Chairman. If the Senate Bill is adopted, the Commission will be under the jurisdiction of the House Interstate and Foreign Commerce Committee, of which Mr. Rayburn is Chairman. In either case, insofar as the Senate is concerned, the Commission will be under the Interstate Commerce Committee, of which Mr. Dill is Chairman.

Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters has directed a letter to the House Conferees expressing approval of the Broadcasters of the House Bill, and urging them to stand pat. He has addressed another letter to the Senate Conferees expressing the hope, in behalf of the broadcasters, that they may yield to the House provision which is simply to abolish the Radio Commission, retain the Radio Act, but add no additional legislation until the new Commission has had an opportunity to make its recommendations.

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CHICAGO BUREAU WOULD REPRESENT NON-PROFIT AGENCIES

Representatives of educational, religious and other non-profit making organizations in Chicago have been approached by the Chicago Civic Broadcast Bureau, which describes itself as "an Illinois Corporation not for profit - to Act as a specialized business representative for public-interest organizations or agencies, in Chicago and vicinity, which may desire to carry on radio broadcasting under direct Federal license, with the purpose of serving the public convenience, interest, and necessity, and not of earning returns on any particular radio transmitting plant".

The officers of the Chicago Civic Broadcast Bureau are Arnold R. Barr, President; T. V. Smith, Vice-President; Mitchell Dawson, Secretary-Treasurer; Arnold R. Barr, Herbert Bebb, Mitchell Dawson, Frank N. Freeman, and T. V. Smith, Directors; Harris K. Randall, 315 Plymouth Court, Chicago, Manager.

"In seeking the best avenues toward radio improvement, it is wise to compare practices and results in other fields where amusement and advertising enterprises are conducted on public property", a prospectus of the Bureau sets forth. "Fortunately, there is in Chicago at this time an outstanding example of activities of this kind, conducted under a form of organization designed to do full justice to both the private and public rights involved. In A Century of Progress we see the occupancy of a valuable public site in Burnham Park granted free by a State authority, not to private commercial or amusement firms, but to a non-profit body of commanding personnel, broadly representing the various community forces of Chicago. This body then sells space to advertisers and amusement concessionaires, limiting their number so as to insure to all a fair opportunity to earn revenues out of which to meet their space rentals and other fixed charges. The central management uses the proceeds to meet the cost of the more purely public-interest features of the exposition. The final profits, if any, are divided among a number of institutions operated in the public interest.

"If we can imagine this relation reversed - the concessionaires in full control of the World's Fair, with a mere vague obligation laid upon them to see that their respective activities are 'in the public interest', we get a startling analogy to the anomalous interpretation of the 'public interest' prevailing on the air.

"If, on the other hand, the requisite broadcast licenses in the Chicago area were entrusted to hands well qualified to hold public resources as a public trust, these could obviously exercise a corresponding control over the city's broadcasting. They could supervise program material, collect fair prices for time in bulk from commercial agencies competent to serve advertisers, and use this money in maintaining a service of strictly non-commercial broadcasting, both recreative and educational.* * *

"The Radio Act does not require that each license be held by a different person: one private party now holds licenses on two out of Chicago's three regular clear channels. In many cities one party holds 100% of all facilities locally assigned; for example, the University of Illinois at Urbana, Ill. The City of New York has held a broadcast license for years (Station WNYC). The Federal Government recently transferred an important Chicago channel from one private party to another, without compensation of any kind to the first, over his violent protest, and without denying that his broadcasts had been 'serving the public interest.' The action was upheld in the U. S. Supreme Court.

"In Elmira, New York, all the air time used is controlled under license issued to Cornell University at Ithaca. The university, holding this time for its educational station WESG, but not now requiring for educational purposes all of the time it controls, sells the remainder to a reputable commercial concern at a bulk price and retains the right to rule out objectionable advertisements.

"There is absolutely no governmental requirement that licensees shall own the transmitting plants from which their broadcasting goes out: many of them do not. * * * *

"The Chicago Civic Broadcast Bureau temporarily is controlled by individuals. Under its by-laws full voting control will pass into the hands of the public-interest agencies which affiliate with it as 'participating members.' Financial and other supplementary data will be laid on request before the administrative officers of any institution or organization which is operated in the public interest and not for the profit of individuals, and whose interest in broadcasting does not proceed from a desire to profit financially therefrom, or to employ profitably any particular electrical apparatus.

"The Bureau will offer every legitimate aid to its participating members toward obtaining for them appropriate radio licenses. Following this, the Bureau's planned services will extend to the advantageous selling, in bulk, of blocks of time on the air, as well as to other methods of obtaining funds for the conduct of broadcasting. They will extend also to the purchase of transmission service, by radio and by wire, for the account of licensees whom the Bureau may represent; and where desired, to the purchase of talent and production of programs. Legally, the Bureau will continue to be well advised, in the interest of its member agencies as servants of the public good."

Dr. Smith is professor of philosophy at Chicago University; Dr. Freeman is professor of psychology at Chicago University; Mr. Dawson is a lawyer, and Mr. Bebb is Vice-President of the Chicago City Club.

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6/5/34

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: ANNOUNCING THE CONFIDENTIAL COMMUNICATIONS NEWS SERVICE :
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: With the creation of the new Communications :
: Commission, the scope of the confidential Heinl News :
: Service will be enlarged to include all branches of :
: Communications. The Communications Commission will be :
: covered by this Service just as radio has been covered :
: in the past. :

: The confidential service was started in 1924 :
: and has been issued without interruption ever since. :

: Even despite the depression, the Service has :
: been able to hold its own and today is subscribed to by :
: representative concerns in the radio manufacturing, :
: broadcasting and communications industries. :

: Because the Service is privately published and :
: does not depend upon advertising for its existence, it :
: has been possible to be more outspoken and independent :
: than any industry organization bulletin, or trade paper :
: carrying advertising. :

: The support given the Heinl Radio Business :
: Letter by its subscribers has been greatly valued. If :
: now subscribers could bespeak a good word to any pro- :
: spective subscriber in the Communications field, or :
: could give us the names of anyone who might be interest- :
: ed in becoming a new subscriber, it would be deeply :
: appreciated. Thanks, in advance! :

: R. D. H. :
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WHITE FLANNELS O.K. FOR RMA BANQUET

Formal dress will not be required for the big banquet at the Stevens Hotel Grand Ball Room celebrating the Radio Manufacturers' Association tenth anniversary on Wednesday evening, June 13. "Considering the Chicago climate and comfort of guests, formal evening dress is not mandatory", Paul B. Klugh, Chairman of the Banquet Committee said. "In Chicago, according to the Banquet Committee, in June, 'formal' attire includes summer clothing, white trousers, etc. Either formal or summer formal attire will prevail at the banquet."

The coast-to-coast broadcast by the NBC for the banquet from the Stevens Hotel Grand Ball Room has been completed by Bond Geddes, Executive Vice-President.

Reinald Werrenrath, baritone, in solos and chorus with a double sextette of male voices from the Chicago Opera Company, and Miss Alice Mock, formerly of the Chicago Grand Opera, supported by a double octette of women's voices, will be the outstanding stars of the musical program.

"No speeches" will be the order of the evening.

The annual meeting will open Monday, June 11, with a meeting of the RMA Board of Directors, and on Monday evening there will be a reunion of all past officers of the Association at a "President's Dinner" tendered by President Fred D. Williams of the Association.

Prominent speakers have been secured for the opening meeting at 10:30 A.M., Tuesday, June 12, of the RMA and Radio Wholesalers' Association conventions, in the Stevens Hotel Grand Ball Room.

New officers of the RMA for the coming year will be elected Wednesday afternoon.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted
(June 5, 1934)

WFBC, Greenville News-Piedmont Co., Greenville, S. C., C.P. to change frequency from 1200 kc to 1300 kc., increase power from 100 w. night, 250 watts day, to 250 watts night, 1 KW-LS and make changes in equipment; WTAG, Worcester Telegram Pub. Co., Inc., Worcester, Mass., authority to determine operating power by direct antenna measurement. Also granted license covering local move of transmitter; 580 kc., 500 watts, unlimited; KMBC, Midland Broadcasting Co., Kansas City, Mo., license for auxiliary trans.

950 kc., 1 KW, for emergency purposes; KOA, National Broadcasting Co., Inc., Denver, Colo., license covering installation of new equipment; increase in power and moving of transmitter locally, 850 kc., 50 KW, unlimited; WCSC, South Carolina Broadcasting Co., Charleston, S. Carolina, modification of license to increase day power from 500 watts to 1 KW; WBNS, WBNS, Inc., Columbus, Ohio, modification of C.P. to extend completion date to Sept. 1, 1934; WHET, Dothan Broadcasting Co., Dothan, Ala., special temporary authority to operate from 6:45 to 10 P.M. CST, on June 8; KGIW, Leonard E. Wilson, Alamosa, Colo., special temporary authority to operate simultaneously with KIDW from 8 A.M. to 12 noon, MST, daily, except Sunday, for period ending not later than June 30; KIDW, The Lamar Broadcasting Co., Lamar, Colo., same as above only simultaneously with KGIW.

Also, State of Washington, Dept. of Fisheries, on vessel "Governor Isaac I. Stevens", and on vessel "Governor John R. Rogers", police service license, 2490 kc., 50 watts.

Miscellaneous

Julio M. Conesa, Puerto Rico, granted petition to remand to docket application for C.P. for new radio broadcasting station to operate on 1420 kc., 100 w.; case reopened to permit applicant to submit further evidence; Charles Dixon Gentsch, Greensboro, N. C., C.P. to erect new station heretofore set for hearing, was dismissed at request of applicant; KGKO, Wichita Falls Broadcasting Co., Wichita Falls, Texas, special experimental authority heretofore set for hearing, was dismissed at request of applicant.

Ratifications

Action taken May 28: WTAG, Worcester Telegram Publishing Co., Inc., Worcester, Mass., granted extension of program test period for 30 days; Action taken May 29: KORB, Radiomarine Corp. of America, New York, granted 60 day authority to operate aboard "Sundance" pending receipt and action on formal application, 5500 to 17000 kc., 50 watts; WKDI, same Co., granted 60 day authority to operate aboard "Buccaneer", pending receipt and action on formal application; Action taken May 31: WIFJ, Same Co., granted 60 day authority to operate 200 watt transmitter aboard vessel "Sierra", WIFK, same Co., same - aboard vessel "Col. E. M. Young"; WIFL, same Co., - same - aboard vessel "Sumatra."

Action taken June 1: WGLC, O. T. Griffin and G. F. Bissell, Hudson Falls, N. Y., granted voluntary assignment of license to Adirondack Broadcasting Co., Inc.; WQDX, Stevens Luke, Thomasville, Ga., granted temporary authority to remain silent for period of 15 days, in order to replace antenna system; WJJD, WJJD, Inc., Mooseheart, Ill., granted special temporary authority to operate station without approved frequency monitor for period of 15 days; WFEA, N. H. Broadcasting Co., Manchester, N. H., granted modification of C.P. for extension of 30 days from May 30 of time allowed for making field survey and submitting data; W2XBR, Radio Pictures, Inc., New York, granted special temp. auth. to operate station for period of 30 days from June 1 on 1550 kc., power as in existing license.

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