

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

LEGAL DEPARTMENT
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ARTICLE 1 BROADCASTING CO., INC.
VICE PRESIDENT AND GENERAL ATTORNEY
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No. 751

[Handwritten signatures and initials]

August 21, 1934.

DILL RADIO SPEECH INQUIRY STIRS UP NEWSPAPER RUMPUS

A letter and questionnaire sent out by Senator Dill, of Washington, on official Senate stationery under Government frank to all radio stations seeking information as to the probable demand by stations for news to broadcast, in addition to that already furnished by the Press-Radio Bureau, has apparently again started the old row between newspapers and radio stations over the question of news-broadcasting. Senator Dill explained the inquiry was made for the purpose of gathering material for a speech he intended to make next month at the Broadcasters' convention but he has been accused by his critics of securing the information to use in a news venture in which he is personally interested.

One critic said that the Senator was in some way identified with the American Newscasting Company, organized for the purpose of furnishing news bulletin service to broadcasting stations. Another went so far as to say that Senator Dill had sought the opportunity to address the Broadcasters and that the information brought in by the letter and the questionnaire would really furnish him with the basis for making a decision as to whether or not he would attempt to organize a radio station news-service when his Senate term expires January 1st.

Senator Dill is reported to have remarked on several occasions that he believed this offered an opportunity for a promising new business and it is further said that he remarked to several persons that he believed he might undertake such a venture as this rather than seek another term in the Senate.

Senator Dill's circular letter to broadcasters read as follows:

"On September 17th I shall address the National Association of Broadcasters at Cincinnati, Ohio, on the subject of "News by Radio". I am anxious to know just what the individual stations are doing as to broadcasting news. I am writing you this letter to ask about your station.

"I have prepared a blank with certain questions for your convenience, and I would appreciate it very much if you would do me the favor of answering these questions. Of course, if any of them ask for information you do not feel free to give or do not want me to use in a general survey of this subject, I want you to tell me so.

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"If you have time and are willing, I would appreciate a letter from you also, giving your views and experience as to the place that news broadcasts have on radio programs.

"Personally, I believe the American people want flashes and spot news by radio. Since the press associations refuse to allow the use or sale of their reports, it would seem the radio stations might well form a great associated radio service, planned and operated without profit, somewhat after the Associated Press or the United Press, such organization to be owned by the stations and managed by directors chosen by them.

"Recent developments of short wave teletype machines would make it possible to keep down transmission costs and give exclusive service to stations in the organization.

"Such a service would really be an aid to newspapers, because the newspaper will always have its field as a journal and must always be depended upon to give detailed accounts and to keep permanent records of news events.

"Any comment you can give me on this whole subject, I shall appreciate."

The questionnaire attached to Senator Dill's letter contained the following questions:

"Does your station broadcast local news? If so, how often?

"From what source do you secure national and world news?

"Do you believe news should be sponsored or a station service not commercialized?

"Do you use press-radio five minute service? Is it satisfactory? Unsatisfactory? Why?

"Do you believe your listeners want news by radio?

"Do you think an associated radio news service owned by the radio stations and run without profit is desirable?

"If you can estimate how much your station could expend for news service, it would be quite helpful in making this survey."

The Editor & Publisher had this, in part, to say about the proposition:

"Under Government frank, and with a franked reply envelope enclosed, Senator C. C. Dill, of Washington, on August 6th, sent a curious and mischievous circular letter to the various radio broadcasting stations of the country. * * * * *

"Mr. Dill seems to be personally and inordinately interested in the radio business. He is particularly meddlesome in reference to news-broadcasting and has private opinions about it, quite apart from any measured official judgment. Editor & Publisher learns that Senator Dill is in some way connected with the American Newscasting outfit of Washington, or expects to be after he quits his seat. * * * * *

"It is a brazen falsehood, of course, that the press associations 'refuse' to allow the use or sale of their reports. As everyone, including Senator Dill, knows, they give their reports to the radio press bureau for transmission under a prescribed and mutually accepted code, to the public over the air, an entirely gratuitous service conducted solely in the interest of the public, because the press has recognized the right of the people to get certain information by the most rapid means.

"But the imaginative Senator proposes a mutual radio news association, to compete with the existing press associations, setting up a plan which he naturally hopes will be supported by the radio concerns. He bases this upon public advantage, but in our view it is a piece of demagoguery of the first water. Just how the Senator fits into his big idea remains to be seen. * * * * *

"This man, powerful though he may be, cannot intrude his personal or official motives to disturb the existing and satisfactory present relations between radio and press. His intermeddling does not smack of statesmanship. Keep your eye on Senator Dill, of Washington!"

Further the newspaper publication comments:

"There is not unanimity in acceptance of the Press-Radio report, and several independent news gathering organizations have sprung up, for supplying unsubscribing stations with news. The most formidable of these are Trans-radio Press Service and the Radio Newscasting Association."

This was evidently based on the fact that the Trans-radio Press Service has announced that it has formed a subsidiary Radio News Association, Inc., for distribution of news by short wave radio on a national basis. According to Hubert Moore, President of Transradio and the new company, Radio News Association is capitalized at \$50,000. W. G. Quisenberry, until recently with the London bureau of the United Press, is Vice-President and News Manager of the subsidiary. Otis Peabody Swift, formerly with the United Press, has been made Sales Director of Transradio. Mr. Moore also said his organization had made an agreement with WLS, in Chicago, which included the consolidation of this station's news-gathering corps, consisting of 300 correspondents in the Middle West.

JOLLIFFE NEW FCC CHIEF ENGINEER

Dr. C. B. Jolliffe was named Chief Engineer, and E. J. Jett, A. D. Ring, and W. G. H. Finch, Assistant Chief Engineers at a meeting of the Federal Communications Commission held yesterday (August 20).

Dr. Jolliffe served as Chief Engineer of the Federal Radio Commission from March 1, 1930, until it was abolished by the creation of the Federal Communications Commission July 11, 1934. Since then he has been Chief Engineer of the Communications Commission serving on a temporary basis. Dr. Jolliffe is a Republican.

Dr. Jolliffe was born in West Virginia November 13, 1894, and received his B.S. degree from W. Va. University in 1915, and the degree of M. S. from the same University in 1920.

He received the degree of Doctor of Philosophy (Ph.D.) from Cornell University in 1922. From 1917 to 1918 and from 1919 to 1920 he was an instructor in Physics at W. Va. University, and from 1920 to 1922 he was an instructor in Physics at Cornell University. From 1922 to 1930 he was connected with the Radio Section, Bureau of Standards. At the Bureau of Standards he was Assistant Chief of the Radio Section carrying on research on radio wave propagation and the development and maintenance of standards of frequency. This work resulted in several scientific publications.

Dr. Jolliffe was given credit for the success of the Fourth Annual Convention of the Institute of Radio Engineers, of which he was Chairman, held in Washington in 1929. Dr. Jolliffe was named Chief Engineer of the Federal Radio Commission March 1, 1930. Before and since then he has attended several International Radio Conferences as one of the American delegates or as an expert adviser.

Dr. Jolliffe is a member of Phi Beta Kappa and Sigma Xi. He is a Fellow of the Institute of Radio Engineers and a Fellow of the American Association for the Advancement of Science.

For several years Mr. Ring was Senior Engineer in the Broadcast Section of the Federal Radio Commission and Mr. Jett was an Assistant Chief Engineer.

Mr. Finch has been Chief Engineer of the American Radio News Corporation (Hearst) and has been a Consulting Engineer in New York. He holds several patents on tele-typewriting.

V. Ford Greaves, who has been an Assistant Chief Engineer, was transferred to San Francisco to serve in the Field Force.

All the other engineers who were employed by the Federal Radio Commission were re-employed on a permanent basis and several of them were given promotions.

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Paul Lion, of Charleston, S. C., James P. Buchanan, of Texas, and B. J. Shimeall, of the Bureau of Aeronautics, were added to the Engineering Staff.

Col. Davis Arnold was transferred from the Veterans' Bureau to the Commission's Law Department at the same grade and salary.

All the other employees of the Commission who have been serving on a temporary basis were placed on a permanent basis.

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BROADCASTING STATIONS MUST FURNISH NAMES OF STOCKHOLDERS

The Broadcasting Division of the Federal Communications Commission has ordered all broadcasting stations, if a corporation, to submit a list of stockholders and the amount of stock held by each and if a partnership or other than a corporation, a list of persons owning any interest therein. Under the old Radio Act, it was said at the Commission, there could be a dummy holding company and the actual owners need not be revealed.

The order issued was as follows:

"Pursuant to the provisions of the Communications Act of 1934, IT IS ORDERED, that the licensees of all radio broadcast stations (including all special or general experimental, visual broadcast, relay broadcast or broadcast stations) shall, on or before September 1, 1934, file with the Commission verified statements showing the following information, as of July 15, 1934:

- "1. If the licensee is a corporation -
 - a. A list of the stockholders of record, together with the address and the amount of stock held by each;
 - b. Whether the stock is voted by a person other than the record holder, and if so, copy of the agreement or other instrument authorizing same;
 - c. A list of the officers and directors of said corporation, together with their addresses and the amount of stock held by each;
 - d. Any other arrangement or agreement with any person or corporation which may affect the conduct or control of the business of the licensee corporation.

- "2. If the licensee is a partnership, association, organization, or company (other than a corporation)
- a. A list of the persons or corporations owning any interest therein, the amount of interest held by each person or company, and their addresses;
 - b. A list of the officers and directors, and their addresses.

"IT IS FURTHER ORDERED, that the licensee shall inform the Commission of any changes subsequent to July 15, 1934, in the ownership of stock in the licensee corporations (or of the issuance of additional shares of stock and to whom issued), or any changes in the ownership of licensee-partnerships, associations, organizations or companies."

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COMMISSIONER PAYNE DISAVOWS CENSORSHIP

George Henry Payne, Vice Chairman of the Telegraph Division, Federal Communications Commission said in his radio address Tuesday night (Aug. 21) that "he could not conceive that radio censorship would be possible in the United States."

Commissioner Payne made this statement over the NBC network in an interview with Martin Codel, radio writer. "There is nothing in the law that would permit it", the Commissioner said. "It is impossible to conceive that the American people would tolerate censorship either of the press or of radio - in the latter case, at least, insofar as freedom of responsible expression is involved. As I say, we must respect the opinions of those whose fears are prompted by a conscientious vigilance, we need not be disturbed by those who are uneasy over what never will happen and never can happen."

In opening the program, four messages to Commissioner Payne to illustrate the various forms of communication which come under the jurisdiction of the new Federal Communications Commission, were read. By way of illustration he received and read a telegraph message from U. S. Senator Hiram Johnson, of California, a radiogram from Jesse I. Strauss, United States Ambassador to France, who was on the high seas, a cablegram via submarine cable from Robert W. Bingham, United States Ambassador to England, and a message carried by ship and international radiotelegraphy from Senatore Marconi, who was aboard his yacht on the Adriatic Sea.

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AMERICANS ALL READY FOR LISBON TECHNICAL CONFERENCE

Those who are to represent this country at the conference on technical questions of the International Radio Advisory Committee to be held in Lisbon, Spain, Sept. 22 have gone over their program thoroughly. The preparation of material for the twenty-five questions on the agenda is reported to be well in hand. Also the commercial companies interested have been heard.

The International Radio Advisory Committee was established by the Washington Radio Conference in 1927 and reestablished by the Madrid Conference in 1932. It is a body to which the international radio conferences refer their more technical questions.

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REPRESENTATIVE PRALL STILL LAID UP

Representative Anning S. Prall, of New York, who is supposed to be slated for the Communications Commission, and Senator Robert F. Wagner, of New York, who were injured in an automobile collision sometime ago, are still out of commission. Mr. Prall is in a hospital on Staten Island where he was taken in an ambulance after the accident, and Senator Wagner is in the home of the doctor who treated Messrs. Prall and Wagner at Westport, N. Y., near the scene of the mishap.

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WSMB PUTS UP STIFF FIGHT TO KEEP POWER INCREASE

Strong arguments were advanced at a hearing this morning (Tuesday, August 21) by Station WSMB, New Orleans, through H. Wheelahan, its manager and others, to retain an increase to 1000 watts power granted by the Commission. Station WADC, of Akron, Ohio, which broadcasts simultaneously on the same frequency as WSMB had protested against the increase.

It was contended the use of additional power interfered with the Ohio station and reduced its service area. The actual separation between the stations, Ralph Walker, Examiner, who heard the case said, is 920 miles and that generally required for similar stations is 1000. Mr. Walker said he hoped to be able to make his recommendations in the case within the next two weeks.

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FCC ASKS ICC TO COMPLETE WU VALUATION REPORT

The Federal Radio Commission has issued the following order requesting the Interstate Commerce Commission to complete a tentative valuation report of the Western Union:

"WHEREAS of the Communications Act of 1934 provides that the Interstate Commerce Commission, if requested to do so by the Federal Communications Commission, shall complete at the earliest practicable date such valuation of properties of carriers subject to this Act as are now in progress, and shall thereafter transfer to the Federal Communications Commission the records relating thereto;

"WHEREAS, the Interstate Commerce Commission now has in progress a valuation of the properties of Western Union Telegraph Company and its subsidiaries and affiliates commenced under the Interstate Commerce Act prior to the amendment thereof by the Communications Act of 1934;

"WHEREAS, the Federal Communications Commission deems it necessary and desirable that such valuation of the properties of Western Union Telegraph Company and its subsidiaries and affiliates should be completed by the Interstate Commerce Commission; and

"WHEREAS, under the provisions of the Communications Act of 1934 the Federal Communications Commission has jurisdiction to make a valuation of all or of any part of the property owned or used by any carrier subject to this Act; now therefore,

"IT IS ORDERED, That the Chairman of the Federal Communications Commission is hereby authorized to request the Interstate Commerce Commission to proceed with and complete such valuation of the properties of Western Union Telegraph Company and its subsidiaries and affiliates up to and including a tentative valuation report of such carrier and its subsidiaries and affiliates, which tentative valuation report shall be made conformable to the provisions of law in Section 213 of the Communications Act of 1934, and thereupon to furnish the Federal Communications Commission with a duly authenticated copy thereof together with all records relating thereto;

"IT IS FURTHER ORDERED, That such tentative valuation report shall thereafter be served by the Secretary of the Federal Communications Commission in similar manner to that provided in the Interstate Commerce Act, Section 19a, paragraph Fifth (h) for the service of tentative valuations; and

"IT IS FURTHER ORDERED, That thereafter the Federal Communications Commission shall receive, if tendered within 30 days, exceptions and objections to said tentative valuation report, and briefs in support of such exceptions and objections, and shall hear oral argument of parties to said proceeding and shall thereafter fix the final valuation of said carrier and its subsidiaries and affiliates.

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 :::BUSINESS LETTER NOTES:::
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Harvey Hoshour, General Solicitor of the American Telephone & Telegraph Company, will be among the speakers at the annual meeting of the American Bar Association at Milwaukee, Monday (Aug. 27). John W. Guider, of Washington, Chairman of the Committee on Communications of the Bar Association, will later preside at the open meeting where Mr. Hoshour, probably W. M. M. Splawn, of the Interstate Commerce Commission, and perhaps another speaker on communications are to speak, and which will be resolved into a general discussion of the subject of communications.

The American section of the International Committee on Radio will hold a reception and dinner at the University Club in Washington tonight (Tuesday, Aug. 21) to honor the new Federal Communications Commission. Senator Wallace White, of Maine, President, is expected to preside, it was announced by William R. Vallance, Chairman of the Executive Committee.

The Jenny Wren Co., of Lawrence, Kans., operators of radio station WREN, this week filed a petition in the District Supreme Court to restrain the Federal Communications Commission from enlarging the operating hours of WHB, which operates in Kansas City.

Technical advancements in a new series of radio and phonograph instruments soon to be announced will be outlined to radio service engineers in Washington and vicinity at a meeting tomorrow night (Wednesday, Oct. 22) at 8 P.M.

Engineers connected with the R.C.A. Victor Co. and the R.C.A. Radiotron Co. will discuss the developments.

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COMMISSION CHANGES ALLOCATIONS

The Federal Communications Commission approved the following change in Rule 229:

"4395 kc., change service allocation from 'fixed service' to 'general communication service.'

"4570 kc, change service allocation from 'general communication service' to 'fixed service'.

"4575 kc., change service allocation from 'general communication service' to 'fixed service'.

"4690 kc., change service allocation from 'general communication service' to 'fixed service'."

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RADIO HISTORY MADE BY LATE SPEAKER RAINEY

The late Henry T. Rainey made radio history while he occupied the Speaker's rostrum in the House of Representatives. Early in his term as Speaker, he broke all precedents, according to a National Broadcasting Company statement, by permitting NBC to broadcast from the floor of the House for the first time in the history of Congress a debate and vote on a major measure.

This historical occasion was on the afternoon of March 9, 1933, when the House met in a special session called by President Roosevelt to deal with the banking crisis. Speaker Rainey had given permission to broadcast the opening ceremonies, but with definite instructions that broadcasting should cease when the business session got under way.

"NBC announcers and engineers remained at their posts after going off the air to listen to the debate on the bill which was to bring about the reopening of the banks of the country. Sensing the importance of the occasion, an NBC official sent a note to Speaker Rainey, asking permission to open the microphones. "Sure, go ahead!" was his smiling reply", the NBC statement continues.

"Both NBC networks were quickly brought together and within a few minutes the National Broadcasting Company began the exclusive broadcasting of one of the most exciting and important events in the history of the country. The nation's radio audience heard the complete debate and the record of the vote on the measure, the first time that the proceedings of the House on a pending measure ever had been broadcast in their entirety."

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DECISIONS OF THE FCC BROADCAST DIVISION

The following applications were granted by the Federal Communications Commission Broadcast Division August 21st:

WJEJ, Hagerstown Broadcasting Co., Hagerstown, Md., C.P. to move transmitter locally in Hagerstown; KGIX, J. M. Heaton, Las Vegas, Nev., modification of C.P. to make changes in equipment extend commencement date to Oct. 2, and completion date to Dec. 2;

KQW, Pacific Agricultural Foundation, Ltd., San Jose, Cal., modification of C.P. to change equipment and extend commencement date to Nov. 1, 1934 and completion date to Jan. 1, 1935; KJBS, Julius Brunton & Sons Co., San Francisco, Cal. modification of C.P. to change equipment and extend commencement date to Nov. 1, 1934 and completion date to Jan. 1, 1935; KWCR, Cedar Rapids Broadcast Co., Cedar Rapids, Ia., modification of C.P. to change equipment and extend commencement date to Nov. 1, 1934, and completion date to Dec. 1, 1934; WMAQ, National Broadcasting Co., Inc., Chicago, Ill., modification of C.P. extending commencement date to Oct. 4 and completion date to Dec. 4, 1934; WTOC, Savannah Broadcasting Co., Inc., Savannah, Ga., license covering installation of temporary transmitter to be employed while construction of new permanent transmitter 1260 kc., 100 w., unlimited; KEX, Oregonian Publishing Co., Portland, Ore., license covering local move of transmitter and changes in equipment, 1180 kc., 5 KW simul. D, S-KOB night.

Also, WDAS, WDAS Broadcasting Station, Inc., Philadelphia, Pa., license covering move of transmitter and studio locally and installation of new equipment (which was formerly equipment of WPEN), 1370 kc., 100 w. 250 w. LS, unlimited time; KSO, Iowa Broadcasting Co., Des Moines, Ia., license covering new equipment and changing frequency and power, 1320 kc., 250 w., 500 w. LS-unlimited; WQBC, Delta Broadcasting Co., Inc., Vicksburg, Miss., modification of license to change hours of operation from specified to daytime, station operates on 1360 kc., 500 w. night, 1 KW, LS; WLXG, General Television Corp., Boston, Mass., license (Exp. Visual broadcasting) 42000-56000, 60000-86000 kc., 500 watts; W8XO, The Crosley Radio Corp., Mason, Ohio, renewal of license (Exp. Spec. Exp.) 700 kc., 50000 watts, 1 to 6 A.M. EST.

Miscellaneous

New, Atlantic Broadcasting Corp., New York City, application for new general experimental station heretofore granted, was retired to closed files for want of prosecution; KSD, Pulitzer Publishing Co., St. Louis, Mo., permission granted to withdraw protest to the granting of application for a new station at Staunton, Va.; New, Tri-State Radio, Inc., Washington, Pa., application for new station, heretofore set for hearing, was dismissed without prejudice; KGVO, Mosby's Inc., Missoula, Mont., Spec. Exp. Auth. 950 kc., 500 w., unlimited application heretofore set for hearing, was dismissed at request of applicant; KSTP, National Battery Broadcasting Corp., St. Paul, Minn., hearing on application for modification of license continued at request of applicant for period of 30 days from Sept. 7, 1934, the date to be fixed by Docket Section; WLBF, WLBF Broadcasting Co., Kansas City, Mo., denied petition to intervene in hearing upon application of WHB for special experimental authority; New, Samuel Nathaniel Morris, Stamford, Tex., application for new station to operate on 1200 kc., 100 w. unlimited time, again designated for hearing upon issues shown in the bill of particulars in the case dated today.

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