

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF DECEMBER 3, 1934

I. T. & T. Urges U. S. To Unify Telegraph System.....	2
Believes Radio Will Increase Newspaper Circulation.....	4
Floyd Gibbons' Father Dies.....	4
Germany Adds Great National Station.....	5
Gary-Prall Situation Discussed.....	6
Five Thousand Mile Radiotelephone Service To Japan.....	7
WJSV Lands Good Commercial.....	7✓
Brooklyn Stations Fight Promises To Be Lengthy.....	8
Equitable For The Big Cities.....	9
W. U. Advocates Unifying Of All Companies, If Any.....	10
Star-Maker Appointed ABS Vice-President.....	11
Applications Granted By Broadcast Division, FCC.....	11

No. 780

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December 4, 1934.

I. T. & T. URGES U. S. TO UNIFY TELEGRAPH SYSTEM

There was so little lost motion as the Telegraph Division of the Communications Commission inaugurated its hearings to formulate recommendations to Congress regarding the enactment of laws authorizing the consolidation, or merger, of communications companies, that the witnesses of the International Telephone and Telegraph Corporation, which owns the Postal Telegraph, Commercial Cables, Mackay Radio and All American Cables, were all heard the first day, the proceedings moving at such speed.

Col. Sosthenes Behn, President of the International Telegraph Company, was the last to appear and as did the others of his company, approved the unification of all forms of American telegraph services - radiotelegraph, wire and cable. Colonel Behn said that he was in favor of a merger but suggested two separate companies, one to handle the domestic service and the other to take care of the foreign service. He also told the Commission that he felt the major telegraph companies should get together and form a healthy industry to compete with the telephone and airmail. The first step, he said, should be along the lines of the Graham Act, enacted in 1921, to permit consolidation of telephone organizations.

"But the Postal will not enter into any agreement that will not protect every man, woman and boy that is now employed by the company", he asserted.

Howard L. Kern, Counsel for Postal Telegraph, said:

"The government does not do its full duty by merely permitting the private interests to bring about a solution of these problems, but the government has an affirmative duty pending such solution to see that the struggle for private advantage does not prejudice public interests."

Wolcott H. Pitkin, Vice-President and General Attorney of the I. T. & T. declared:

"This Company believes that the best safeguard to be included in the law would be to vest in the Commission itself full authority to approve or disapprove any merger or consolidation which may be proposed in accordance with the effect of such merger or consolidation on the public interest.

"The different forms of communication in the very nature of things compete one against the other - the telephone companies with the telegraph. The airmail, and to a lesser degree,

12/3/34

the mail itself, compete with the telephone and, more directly, with the telegraph. Therefore, the consolidation of the telegraph services, whether domestic or trans-oceanic or both, would not do away with competition in communication. In fact by strengthening the telegraph, such unification would intensify the natural competition among the different forms of communication."

Col. A. H. Griswold, Executive Vice-President of the Postal Telegraph said, favoring the unification of the telegraph services in this country:

"When the management of an essential public service can base its decisions on the improvement and extensions of its service and betterment of employment conditions rather than upon requirements of competition, there is bound to result a condition more satisfactory to the public, to the employees and to a government regulatory commission."

Edwin F. Chinlund, Comptroller and Vice-President of I. T. & T. stressed the following advantages in unification of the telegraph business of this country:

"The industry would be subject to effective competition from the long distance telephone and the airmail, but would be free from the expenses incidental to duplication and internal competition.

"Savings of a substantial character would be made in non-labor items such as rents, maintenance and carrying charges on duplicate equipment, certain elements of commercial expense, general headquarters and administrative expense, etc.

"With unification under governmental supervision, a new scientific rate structure which would be fair to all classes of telegraph users could result promptly.

"Service would be extended to places now now served and services would be improved principally because the industry could devote its attention to such improvement with confidence in the future."

Mr. Chinlund concluded:

"After studying all of the available data, it appears that unification of the telegraph industry is not only necessary as being in the best interests of the American people in giving to them the best possible telegraph service at the lowest possible rates, but that it is essential to protect the employees and the investors in the industry."

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BELIEVES RADIO WILL INCREASE NEWSPAPER CIRCULATION

Arthur Brisbane, Hearst Editor No. 1, who recently undertook the task of building up the New York Mirror, a tabloid, discussing different phases of the work, had this to say about radio:

"Radio competition is not competition with newspapers.

"As regards news; the radio is more like a signboard. The average human being wants to get the news at his leisure, and think about it as he reads. A few words hurled at him through the air and followed by others immediately do not give him time for thought. News of any importance is, essentially, a thought-producing communication.

"The newspaper is useful, the radio is useful, the latest, and undoubtedly, one of the greatest of human inventions. Things that are useful do not interfere with each other.

"There are more horses now working than there were before the automobile was invented. There is a greater tonnage of sailing vessels on the sea than before Fulton was born.

"The radio will increase newspaper circulation, because it will tell the people just what it was the radio gentleman was trying to talk about. It will also tell the advertisement reading population just what it was the handsome young lady was singing, or the interesting comedian was joking about.

"Radio's greatest value will be as a teacher, enabling the greatest man, whoever he may be, a professor of science on some distant mountain top, or the President in the White House, to tell all the people at the same time what all of them want to know, or ought to know."

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FLOYD GIBBONS' FATHER DIES

E. T. Gibbons, father of Floyd Gibbons, radio broadcaster, died in Washington last Saturday at the age of 74. A pioneer in chain-store operations in the Middle West, he was in business in Minneapolis and Chicago from 1898 until 1915, when he retired. He lived for a number of years in Paris, where two of his sons were newspaper men.

Floyd Gibbons had returned to Washington during his father's illness, but was called back to New York a few hours before death occurred, and when there seemed no immediate danger. Since 1928, the late Mr. Gibbons had lived at the Sacred Heart Home in Hyattsville, a nearby suburb of the Capital. He is survived by three sons and two daughters.

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GERMANY ADDS GREAT NATIONAL STATION

A new German national broadcasting station is now being erected at Brueck, southwest of Berlin, and it will eventually replace the present station at Koenigswusterhausen. The new station, which is being laid out on a plot of 2 square km, will be the largest one in the country. According to present plans, as outlined by Rolland Welch, Assistant Trade Commissioner at Berlin, the new transmitter will not be ready for operation for about 2 years. The Brueck station is being constructed because the one at Koenigswusterhausen suffers strangely from fading, even at such short distances as 300 km. Investigators found that fading was especially noticeable in the southwest direction, and particularly during the Spring and Fall seasons of the year. Efforts to overcome the trouble were unavailing, and investigators recommended the abandonment of this transmitter and the erection of a new one elsewhere.

Tests have been made and will continue to be made on the new location. A temporary antenna tower 100 feet in height is being erected. This tower is being assembled in one piece on the ground, and when completed it will be raised in its entirety. Later, after the necessary tests have decided upon the exact locations, 7 permanent towers, each 250 meters high, will be placed in a circle around an eighth central tower. The 7 circular towers will form an actual part of the antenna.

This transmitter will operate on 150 kilowatts, probably with the same long wavelength as the present station at Koenigswusterhausen. Work on the transmitting equipment has already begun.

The Munich high-power station has now been equipped with its new anti-near-fading aerial, which will be put into service immediately. In view of the increased local range, the Augsburg relay station will shortly be closed down. According to a recent announcement, the German Post Office has decided to open a new relay station in the border count between Silesia and Saxony, where reception conditions are very poor. This station will be erected close to Reichenbach in the Oberlausitz, and will operate on a common wavelength, with an aerial power of 1.5 kw. In the meantime, a well-known German firm is working on the transmitter equipment. It is anticipated that the Coblenz relay station, which will work on a common wave with a power of 1.5 kw, will be finished by January next. Work has been started on the installation of the anti-near-fading aerial at the Muhlacker high-power station. During the daytime Muhlacker will close down, and the old Stuttgart-Degerloch transmitter will broadcast Reichssender Stuttgart's program every day until 3 P.M., G.M.T. It is hoped to complete the new aerial by the middle of November.

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12/3/34

GARY-PRALL SITUATION DISCUSSED

Speculating upon how Representative Prall, of New York, may fit into the picture with regard to Hampson Gary at the Federal Communications Commission, Sol Taishoff writes in the Washington Evening Star:

"At least one new face is expected on the F.C.C. next January. Representative Prall, New York Democrat, who did not run for reelection in November, is definitely assured of a place on the F.C.C. - probably as Chairman of the Broadcast Division. Prall is now confined to his home recovering from a leg fracture suffered in an automobile accident last August with his friend and sponsor, Senator Wagner, of New York.

"Prall had been appointed by President Roosevelt to a place on the former Federal Radio Commission last February, but he elected to conclude his term in Congress. Meanwhile, Congress enacted the law which set up the Communications Commission and abolished the former agency. Prall was precluded from accepting appointment on the F.C.C. because of the constitutional provision that no member of Congress may serve on an agency created by a Congress of which he was a member during that term of the Congress.

"As a consequence, Prall was given assurances that he would be named to the F.C.C. as soon as he becomes eligible, or on January 3. While his indisposition may prevent him from actually assuming that post next month, those close to the Congressman indicate that he expects to receive the appointment at that time.

"Now sitting in the post slated for Prall is Chairman Hampson Gary of the Broadcast Division, Texas Democrat and former Minister to Switzerland. It is presumed that he will leave the agency in January unless other personnel changes are made. Other Democratic members are Chairman E. O. Sykes, of Mississippi, appointed for the seven-year term; Paul A. Walker, of Oklahoma, Chairman of the Telephone Division, named for a five-year term, and Dr. Irvin Stewart, of Texas, Chairman of the Telegraph Division, named for three years. Unless a vacancy occurs in one of these three posts, or unless Prall is not nominated, Gary's tenure will end January 3.

"One possibility talked about in radio circles is the appointment of Chairman Sykes, himself former Chief Justice of the Mississippi Supreme Court, to a Federal judgeship. There are no vacancies at present for which he has been mentioned. This talk has centered around appointment to the United States Court of Appeals for the District of Columbia, a five-man court which sits in review on appeals from the F.C.C."

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12/3/34

FIVE THOUSAND MILE RADIOTELEPHONE SERVICE TO JAPAN

Overseas telephone service from the United States will be opened to Japan on December 7, affording a direct voice connection between any Bell System Telephone in this country and all telephones in principal cities on the Island of Hondo, including Tokyo, Kyoto, Yokohama and Kobe. Japan, with its 480,000 telephones, is the sixtieth foreign country to be brought within voice range of the United States. Its addition leaves few nations of commercial importance to be included in the world-wide telephone network in which the United States holds a pivotal position.

The cost of a three-minute conversation from San Francisco to Tokyo will be \$30. Charges for more distant points in the United States will be somewhat greater, depending upon the additional mileage involved.

A "voice bridge" more than 5,000 miles long will span the Pacific to link San Francisco and Tokyo through a short wave radiotelephone channel employing wave lengths between 14 and 45 meters. The Bell System's transmitting station at Dixon, California, focuses its full strength upon the receiving station at Komuro, Japan, by means of a highly directional antenna developed by the Bell Telephone Laboratories.

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WJSV LANDS GOOD COMMERCIAL

The largest commercial contract ever arranged locally, continuing Arch MacDonald on WJSV, of Washington, for 52 weeks starting April 2, 1935, was signed this week.

With wire information furnished by the Washington Post, Arch will broadcast his usual play-by-play accounts of all of the Washington Senator's out-of-town games, in cooperation with People's Drug Stores, sponsors of the series.

The contract was officially signed by representatives of his sponsors; Jess Willard, manager of WJSV; and Charles Moore, promotion manager of the Post. The series will be heard on WJSV at 6:15 P.M. weekdays and at 7:15 P.M. Sundays.

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BROOKLYN STATIONS FIGHT PROMISES TO BE LENGTHY

There was every indication in the reopening of hearings of the Brooklyn Daily Eagle applying for the frequencies of Brooklyn stations WARD, U. S. Broadcasting Corporation, WBBC, Brooklyn Broadcasting Corporation, WVFW, Paramount Corporation and WLTH, Voice of Brooklyn, that the case would be hard fought and long drawn out.

Theodore Liquerman, of New York, certified accountant, retained by the U. S. Broadcasting Company, was the first witness in the same capacity for WLTH. Brother David Gannon, of the Franciscan Friars of Atonement, said that by appeals over WARD, his society had been able to carry on their work in Brooklyn.

"Of course, I am in the monastery, and I am not permitted to listen to the radio", Brother David explained, "but I have had work in New York for the last three months and I have heard and observed the work that is going on. If it were not for the radio it would not have been as successful as it was."

When Father Paul James Francis, Father General and founder of the Society of the Atonement appeared Thomas P. Littlepage, Sr., who, along with John M. Littlepage, are counsel for the Brooklyn Eagle, inquired:

"Father Francis, do you know how much time has been used on WARD for your work?"

"Only in a general way", the priest replied. "I have not kept any tab on it myself."

"I think you said you had never spoken over the station?"

"No, except I am planning to, if the station perseveres."

When George N. Galloway, of the Brooklyn Tuberculosis Society, spoke of receiving the facilities of WBBC gratis, Mr. Littlepage inquired,

"As a matter of fact, all radio stations give time for this very fine work, do they not?"

"We have not been able to secure time over New York stations because they feel that they are national in character and should not be confined to talks or problems for Brooklyn specifically", Mr. Galloway answered. "We are not using any other station than WBBC."

"All the big New York stations give time to this tuberculosis campaign at times, do they not?"

"They do for a national purpose, but not for a specific territory,"

12/3/34

Dr. Samuel Zwerling, of the Medical Society of Kings County, said in response to G. August Gerber, counsel for the U. S. Broadcasting Company, that he was proud to say the talks of the Society over WBBC had been rebroadcast by the American Medical Association.

Edward Kole, a lawyer, described broadcasts he had been making over WBBC, and mentioned one on the subject of mal-injury, with respect to bankruptcy.

"What do you mean by 'mal-injury'?" Mr. Gerber inquired.

"Some people, or the laymen, would regard it as faking injuries in a negligent case. Scientifically it is not faking at all, but how a layman regards it, and one of the reasons why the subject was chosen was to explain where 'mal-injury' is not faking at all, but is the result of certain physical injuries beyond the control of individuals."

Fred R. Marvin, secretary of the Committee American Education, told of broadcasts over WBBC to give the average listener a better understanding as to the nature of our form of Government and the duties of citizenship. Dr. Russell Morse Brougher, of the Baptist Temple of Brooklyn, said he had utilized the facilities of WBBC.

"We have received thousands of letters from those in radio land who have been helped and blessed because of our services", Dr. Brougher stated. "At one time we mailed out over 1500 little Bible markers to folks who wrote in for them. We received letters from the Bahama Islands, up in Nova Scotia, Newfoundland, and the winner of a long-distance contest we conducted was in Manchester, England."

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EQUITABLE FOR THE BIG CITIES

Will someone please explain why an "equitable" system of radio allocation puts so many broadcasting stations into one-quarter of the country? I mean, will someone please explain it so as to be both clear and credible?

- R/9, Los Angeles.

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W. U. ADVOCATES UNIFYING OF ALL COMPANIES, IF ANY

No unification of telegraph properties and enterprises would, in the opinion of J. C. Willever, First Vice-President of the Western Union, accomplish any permanently useful purpose unless it were all embracing; that is to say, unless the consolidated enterprise could occupy the entire field of record communication and take over all the telegraph business now being conducted, by whatever methods, by other companies of whatever kind.

"Should an amendment in aid of unification be recommended to Congress by the Commission, it should, we venture to suggest, be broad enough to permit the consolidation of all telegraph business by whomsoever or howsoever conducted, while also safeguarding, by proper requirements, the continued development and use of the wireless and, in the discretion of the Commission, of any new form of communication which may be developed hereafter", Mr. Willever said.

"Further, if we are to consider a consolidated telegraph enterprise, even all-embracing at its inception, it would seem highly desirable, in order to assure to the enterprise that permanent strength, reliability and adequacy required under the policy announced by Congress that there be in the law itself some reasonable guarantee that the telegraph business shall not be undermined in the future by small competitors entering the field with competing services between profitable centers where the density of traffic would permit a company serving such centers alone to make a profit under a rate structure which the company offering the nation-wide service could not afford to meet.

"Unless some assurance of this kind can be found, the removal of any competitor, or even of all competitors, would be merely the signal for the birth of others, and the removal of less than all competitors would merely mean the expansion of the competition of those who are left; so that whatever advantages could be looked for from a regulated monopoly under close Government supervision could not be relied on to endure. The situation might be met in part at least, by a provision that in case any merger or consolidation of telegraph properties approved by the Commission shall embrace all or substantially all of the record communication business of the country, by whatsoever means or by whomsoever conducted, no other person or corporation shall thereafter engage in interstate or foreign business of like character, except to the extent that such person or corporation shall have been so engaged at the time of the approval of such merger or consolidation by the Commission, without a certificate of convenience and necessity from the Commission, which the Commission shall not be authorized to grant so long as the consolidated telegraph system is able and willing to furnish adequate service between the points involved, and to encourage and develop, to the satisfaction of the Commission, the types and kinds of service best adapted to the business and Governmental needs of the country, whether by means now known or others which may be developed in the future."

"The Bell System Companies are not engaged in the public telegraph message business with the exception of a very minor amount in one company", C. P. Cooper, Vice-President of the American Telephone & Telegraph Co., testified. "We have been, however, in the private line or leased wire field since 1887 and to a considerable extent are responsible for the growth of this type of business. Recently a new development in this field, known as the teletypewriter exchange service, was offered to the public. Also, it is a well known fact that much of the research in our laboratories, directed primarily to the development of the telephone art, finds application in the telegraph business. * * * *

"From our observation and knowledge of the services offered by the telegraph companies, we believe that the possible advantages of a consolidation of the telegraph companies are sufficient to justify the Commission in recommending legislation permitting such consolidation.

"The Order also requests that those interested advise the Commission as to what safeguards and conditions they think should be prescribed, if a recommendation authorizing consolidation be made. So far as rates and practices are concerned, the public is already protected by the provisions of the Communications Act. It would be advisable to provide that a certificate must be obtained from the Commission to the effect that any proposed merger or consolidation is in the public interest before it could become effective. This would give the Commission opportunity to consider the effect of such proposal on all of the interested parties - the public - the customers - the investors - and the employees."

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STAR-MAKER APPOINTED ABS VICE-PRESIDENT

George B. Storer, President of the American Broadcasting System, has appointed Burt McMurtrie, credited with discovering many famous radio stars, a Vice-President of the new major network, in charge of program operations.

"Mr. McMurtrie, who is 32, thus becomes one of the youngest Vice-Presidents in network broadcasting", an ABS statement sets forth.

"Bing Crosby, Morton Downey, Dick Powell, Mildred Bailey, Ted Fio Rito and others are among the radio luminaries who started their careers under the guidance of McMurtrie.

"McMurtrie joined American Broadcasting on August 15, resigning his position as Commercial Program Director of Columbia Broadcasting System, a post he had held four years. The last six

months of that period he had spent in California, developing the Pacific Coast program bureau for Columbia. From that point he was responsible for the Big Crosby Woodbury broadcast, Raymond Paige's Pontiac program, Dick Powell's and Ted Fio Rito's broadcasts and the Louella Parsons Movie Stars series.

He left radio to devote two years to the study of music and languages in Rome and served as foreign correspondent from that point. He returned from Italy in 1930 and broadcast the first of the B. A. Rolfe Lucky Strike programs for the National Broadcasting Company.

"McMurtrie then left NBC to go with Lennon and Mitchell Advertising Agency as director of radio and attracted the attention of the industry with his handling of the Paul Whiteman Old Gold program and in particular Whiteman's spectacular Old Gold tour of the country, to date unequalled in radio exploitation."

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APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

WQDX, Stephens Luke, Thomasville, Ga., consent to voluntary assignment of license to H. Wimpy (licensed on 1210 kc., 100 watts, unlimited); WQDX, H. Wimpy, Thomasville, Ga., C.P. to move transmitter locally in Thomasville, make changes in equipment and change hours of operation from unlimited to daytime; KSD, The Pulitzer Publishing Co., St. Louis, Mo., modification of C.P. to make changes in equipment, increase power from 500 w. night, $2\frac{1}{2}$ KW day to 1 KW night, 5 KW day, and extend commencement date to 2 days after this date and completion date to 60 days after this date; WDRG, WDRG, Inc., Hartford, Conn., license to cover C.P. authorizing increase in day power from 1 KW to $2\frac{1}{2}$ KW and changes in equipment operates on 1330 kc., unlimited time, 1 KW night; WMEX, The Northern Corp., Chelsea, Mass., license to cover C.P. 1500 kc., 100 watts night 250 w. day, unlimited time.

WTAR, WTAR Radio Corp., Norfolk, Va., modification of license to use present transmitter as an auxiliary, composite - DCC Max, 1 KW; KADA, C. C. Morris, Ada, Okla., license covering C.P. for new station, 1200 kc., 100 watts, daytime; KFVS, Hirsch Battery & Radio Co., Cape Girardeau, Mo., license covering C.P. authorizing increase in day power from 100 w. to 250 w. and changes in equipment; WTAR, WTAR Radio Corp., Norfolk, Va., license covering new equipment 780 kc., 500 w., unlimited time; WDAY, WDAY, Inc., Fargo, N. Dak., license covering C.P. authorizing changes in equipment and increase in day power to $2\frac{1}{2}$ KW, 940 kc., 1 KW night, unlimited time; WEBQ, Harrisburg Broadcasting Co., Harrisburg, Ill., license covering C.P. authorizing changes in equipment and increase in day power to 260 watts, 1210 kc., 100 watts night, specified hours; WHBF, Rock Island Broadcasting Co., Rock Island, Ill., license covering C.P. authorizing new equipment and moving studio locally, 1210 kc., 100 w., unlimited time.

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