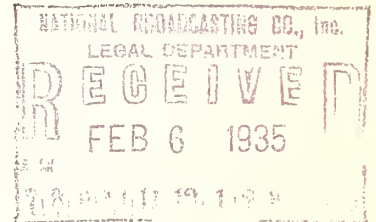


HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF FEBRUARY 5, 1935

Dill, Counsel in Radio News Case, Sees Victory.....	2	✓
Is FCC To Take Over Public Education? Educators Ask.....	3	
Mulrooney Sees Radio As Law Enforcement Aid.....	5	
If Not, Why Do They Move Away?.....	5	
Senate Committee Reports FCC Commissioners Favorably.....	6	
Officials Would Continue Interlocking Service.....	6	
NAB Withholds Endorsing Food & Drugs Bill.....	8	
Applications Granted By Broadcast Division, FCC.....	9	
Radio Service Men Urged To Reform.....	11	

No. 796

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February 5, 1935

DILL, COUNSEL IN RADIO NEWS CASE, SEES VICTORY

Former Senator C. C. Dill, of Washington, recently returned to the practice of law and retained by the National Association of Broadcasters to represent the radio interests in the appeal to the Court of Appeals in San Francisco of the decision of Judge John Bowen of Seattle, believes the latter's decision will be affirmed. Judge Bowen upheld the right of radio stations to broadcast news from newspapers as soon as the papers were on the street.

John W. Davis will be chief counsel for the Associated Press and the United Press which appealed the case. If Judge Bowen is reversed at San Francisco, the motion will be carried to the Supreme Court of the United States. It promises to be a hard fought battle between the broadcasters and the press associations over the property rights of news. The broadcasters expect to raise a fund of \$25,000 or more with which to assist KVOs, of Bellingham, Wash., defendant in the case, to carry on the litigation.

Former Senator Dill was responsible for the appointment of Judge Bowen and therefore declined to have any part in the case while it was before him.

A curious turn caused by the decision is that although Judge Bowen is naturally friendly to Senator Dill, for the time being it puts a quietus on Senator Dill's reported plan to organize a press agency to supply news to broadcasting stations. If stations can get news free by buying a newspaper, it is not believed that many of them will subscribe to a news agency. Nevertheless Senator Dill, feeling strongly that stations are entitled to broadcast news and that the newspapers have endeavored to prevent this, expressed himself as being very happy in his present assignment and declared that he foresaw victory for the broadcasters.

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IS FCC TO TAKE OVER PUBLIC EDUCATION? EDUCATORS ASK

Making public its first comment on the report of the Federal Communications Commission recommending that Congress veto the idea of fixed allocations for educational and religious stations but instead call a national conference of all parties concerned, the National Committee on Education by Radio asks, in apparent alarm, if the Federal Communications Commission is to take control of public education in the United States?

"They propose to call this conference of educators to define policies", the Committee declares. "They will decide who shall come and who shall not come. They will be in a position to dictate or strongly influence the findings. They will decide what use will be made of the findings. Their attitude may be strongly influenced by the radio industry with whom they have more dealings than with public education. If there is to be a conference to determine the status of education on the air - a decision of century-long importance - should it not be called by the legally constituted educational authorities and not by a commission whose primary responsibility is elsewhere? Shall we not have sooner or later to decide whether the technical management of radio is to be the master or the servant of the cultural interests of America?"

"The National Committee on Education by Radio will be glad to cooperate wholeheartedly in the conference. However, it takes this opportunity to remind the Commission that a conference of this same type was held in 1929. It consisted of representatives of education and the broadcasting industry. These persons, constituting the Advisory Committee on Education by Radio, were appointed by the Secretary of the Interior on June 6, 1929. After a thorough study, a number of recommendations were made. The clash between the educators and the broadcasters was such that the principal recommendations have never been put into effect. If such a result is reached by the conference which the Federal Communications Commission proposes to call, little good will be done. The National Committee on Education by Radio, the Institute for Education by Radio, and the National Advisory Council on Radio in Education have all held conferences from time to time. These conferences have been attended by both educators and commercial broadcasters. The principal difficulty seems to be that commercial broadcasters are willing to provide time to educators until that time can be sold profitably to advertisers. It appears probable that education will never have security on the air until some form of legislation or regulation forces the broadcasters to assure that security. When that time comes, many of the difficulties will be solved."

"The National Committee on Education by Radio does not feel that everything has been done that could be done to make radio serve the best interests of the public. The Committee feels that the newly-created Federal Communications Commission arrives on

the scene at a particularly opportune time. It has more authority under the law than it has ever exercised. It can assume leadership in ironing out the repeatedly recurring difficulties that educational institutions have had either in securing adequate facilities of their own or in securing satisfactory and permanently guaranteed time on commercial stations."

Nevertheless the opinion seems to be unless unusual activity is shown by the educators and the Rev. John B. Harney, Superior General of the Paulist Fathers, owners of Station WLWL in New York, that nothing much will result in the way of legislation, for the time being at least.

If the proposal which Father Harney has made for his station to secure a clear channel is approved, it is believed that he may not be so active in pressing further consideration of the educational and religious aspects but if the plan, which is highly complicated, fails, it is expected further bills may be introduced into Congress such as the one recently presented by Representative Ruud, of New York, earlier in the session providing that 25% of all facilities be allocated to non-profit stations.

The proposal submitted by Father Harney to the Communications Commission is briefly as follows:

WLWL, New York, would shift from present limited time assignment on 1100 kc., clear channel to 810 kc. clear channel, operating with present power of 5,000 watts, with full time.

WWL, New Orleans, (operated by Loyola University) would shift from present full-time clear channel assignment on 850 kc. with 10,000 watts to 810 kc. clear channel, operating full-time simultaneously with WLWL, and with power increase authorized up to 50,000 watts. It would break-down this clear channel, since more than one station would operate on it at night.

WCCO, Minneapolis, operated by CBS, would shift from 810 kc. to 800 kc. clear channel, using present power of 50,000 watts. This shift is deemed necessary to meet technical requirements regarding interference between stations on neighboring channels.

WFAA, operated by Dallas News and WBAP, operated by Fort Worth Star-Telegram, which now share time with 50,000 watts on the 800 kc. clear channel, would move to 850 kc. clear channel, vacated by WWL.

WNYC, New York, operated by City of New York as daylight station on 810 kc. would be shifted to 1130 kc., clear channel assigned to KSL, Salt Lake City, Mormon station owned equally by Salt Lake Tribune and Church of the Latter Day Saints. WOV

New York, operated by the International Broadcasting Corp. would remain on its assignment on this channel, but would share time day and night with WNYC, each using 1,000 watts. This would break down the 1130 kc. wave as a clear channel.

WPG, Atlantic City, owned by that municipality but leased to CBS, would be given full time operation on the 1100 kc clear channel on which the Paulist station now using limited time. These two stations have battled incessantly in past years over time division, with WLWL trying to get half-time operation.

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MULROONEY SEES RADIO AS LAW ENFORCEMENT AID

In the opinion of Edward P. Mulrooney, former Police Commissioner of New York City, radio undoubtedly has been the greatest weapon placed in the hands of law enforcement bodies since the development of the finger-printing system.

"If the Federal Government earnestly desires to aid in the war on crime, it might well consider, when making Federal appropriations, the applications of States for adequate funds to install a modern police radio system", Mr. Mulrooney said.

"If this suggestion were adopted and developed, it would be possible to cover every main highway and every avenue of escape from any given locality within a matter of minutes."

Mr. Mulrooney suggested the establishment in each county, in addition to State trooper service, of a group of criminal investigators. Existing conditions, he said, could be remedied by a consolidation of all county, town and municipal forces into a single police agency, or by having the State assume the responsibility for police administration and create police districts to be controlled and financed by the State.

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IF NOT, WHY DO THEY MOVE AWAY?

Asking, "Is radio a necessity?" a listener continues:

"If not, why do people move away from places where there is too much static? I mean, why do rents go down if tenants move away on account of the radio?"

"In this case the radio may not be a necessity to the rentee but it is to the renter and the radio which is a necessity in this case to the renter is not the radio which the renter listens to."

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SENATE COMMITTEE REPORTS FCC COMMISSIONERS FAVORABLY

Despite objections raised against Judge E. O. Sykes, Chairman of the Federal Communications Commission by Senator Bilbo, of Mississippi, the Senate Interstate Commerce Committee reported favorably the nominations of Messrs. Sykes, Col. Thad Brown, Walker, Case, Payne and Stewart to continue to serve as members of the Federal Communications Commission.

These recommendations will go to the Senate tomorrow (Wednesday), lay over a day and probably be taken up Thursday. Although there may be objection raised from the floor by Senator Bilbo and others, it is believed all Commissioners will be confirmed. Commissioner Anning S. Prall, seventh member of the Commission, has previously been confirmed by the Senate.

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OFFICIALS WOULD CONTINUE INTERLOCKING SERVICE

Officials who appeared at the hearings which began Monday, at which they sought authorization to hold positions of officer or director of more than one communications company argued that they could serve the public better in this way than if a director was limited by law to serve only upon one board.

Commissioner Irvin Stewart presided at the sessions which were conducted by the Telegraph Division of the Communications Commission. The officials were summoned to Washington in conformity with the Communications Act which authorizes the Commission to approve such applications after an open hearing.

Sosthenes Behn, President of the International Telephone Corporation, recited his connections. These included serving on the Board of the All-America Cables, Cuban-American Cables, Postal Cable and Telegraph Co., Commercial Cables, Postal Telegraph Company, and Mackay Radio Telegraph Co. Mr. Behn explained that all these companies operated as one unit. He said that the All-American Cables connected up with South America establishing closer trade relations between the countries.

Mr. Behn said in the interest of cooperation and efficiency the services to these companies of someone like himself was necessary and important.

"My presence on the Board or as Chairman of the Executive Committee of these companies is warranted and justified by the public interest", the I. T. & T. head declared. "Through the interlocking directorates of these companies the public gets all possible advantages."

In answer to a question from Commissioner Stewart, Mr. Behn asserted the interests of the minority stockholders are always considered and protected although they have no direct representatives.

Newcomb Carlton, Chairman of the Board of the Western Union, who also serves as President and Director of the Mexican Telegraph Company explained the connection between the two companies. In effect, the Mexican company is a subsidiary of the Western Union. Mr. Carlton explained how the American Telephone & Telegraph Company formerly was able to control the Western Union when it only owned 30 per cent of the stock. This interested the Commissioners who seemed surprised that such a small percent of stockholding could dominate a company. Mr. Carlton explained that a small cohesive group could accomplish considerably more than a larger group of independent stockholders who were widely separated.

Commissioner Paul Walker wanted to know how small a percent of stockholders might control a company but Mr. Carlton couldn't say.

Edwin F. Carter, Vice-President of the American Telephone and Telegraph Company asked for authorization to continue as a Director of the Bell Telephone Company of Ohio.

Joseph J. Halpin, Assistant Treasurer of the All-America Cables requested that he be allowed to continue to serve as a Director of the Cuban-American Cables, Commercial Cables, Mackay Radio, and the Postal Telegraph.

W. S. Gifford, President of the American Telephone and Telegraph Company said that he likewise served as a member of the Executive Committee of twenty-one Bell System Telephone Companies. All but two of these companies, he testified, are controlled by the A. T. & T. through stock ownership and in sixteen companies the A. T. & T. owned 100 percent of the stock.

Mr. Gifford defended his connection with these companies on the ground that it was more economical and that it was essential that the companies, whose business relation is identical, should be controlled and managed by the same group of men. The witness said that management correlation is equally as important as the tying together of the lines and that equipment alone will not give telephone service.

"There has to be close cooperation", Mr. Gifford continued. "As my distinguished predecessor put it a quarter of a century ago, 'One system, one policy, universal service.'"

"These companies are not competitive. I can see no valid distinction between my functions as a Director of the A. T. & T. and as a Director of the twenty-one associated companies. I represent the same ultimate owners of the property in both cases."

Mr. Gifford contended that the interest of these companies properly conserved is also the public interest inasmuch as it concerned 250,000 employees and 700,000 stockholders. Cross-examination by Commissioner Walker brought out the fact that the A. T. & T. has \$200,000,000 in government securities and \$16,000,000 cash working capital in New York and Boston banks. The financing is done by the J. Pierpont Morgan and Company.

The hearings were adjourned Tuesday noon until Saturday, February 9th, when David Sarnoff, President of the Radio Corporation of America, will testify.

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NAB WITHHOLDS ENDORSING FOOD & DRUGS BILL

As yet the National Association of Broadcasters has not decided to endorse any one of the three Food and Drugs Bills thus far introduced in Congress.

Declaring that he had thoroughly examined the three bills pending in Congress to revise the Federal Food and Drugs Act, Lee H. Bristol, former President of the Association of National Advertisers, endorsed the Mead Bill and urged its passage in the present session of Congress.

The chief advantage of the Mead Bill, Mr. Bristol said, is that by amending and revising the present Food and Drugs Law, it covers carefully every point on which the public needs protection but does not lose the protection to the public afforded by court decisions that have been rendered in connection with the present law.

While Senator Copeland's new bill represents improvement over the original Tugwell bill, it still retains some of the unfortunate and unworkable provisions of the latter, Mr. Bristol stated. The Mead Bill, he pointed out, provides for control of false advertising without cluttering up the courts with criminal prosecutions, and at the same time provides a means for prompt and complete stoppage of dangerous advertising through court injunction and Federal Trade Commission procedure.

The provision in the Copeland Bill that an advertisement shall be considered false if it contains any representation about a drug that is not sustained in every particular by demonstrable scientific facts or substantial medical opinion would be the cause of serious confusion in the industry, Mr. Bristol warned.

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APPLICATIONS GRANTED BY BROADCAST DIVISION, FCC

New - The Ashland Broadcasting Co., Ashland, Ky., C.P. for new station, 1310 kc., 100 watts, unlimited time; WHBD, The Vee Bee Corp., Mt. Orab, Ohio, C.P. to make changes in equipment and move transmitter and studio from Mt. Orab to Portsmouth, Ohio (site to be determined, subject to approval of commission); WWJ, The evening News Association, Inc., Detroit, Mich., C.P. to install new equipment, move transmitter to site to be determined by Commission, increase day power from 1 KW to 5 KW, 920 kc., 1 KW night, unlimited time; New, James R. Doss, Jr., Decatur, Ala., C.P. for new station, 1370 kc., 100 watts, daytime; KGVO, Moxby's, Inc., Missoula, Mont., C.P. to install new equipment, move transmitter locally, change frequency from 1200 to 1260 kc., increase power from 100 w. to 1 KW; WHB, WHB Broadcasting Co., Kansas City, Mo., modification of license to increase daytime power from 500 watts to 1 KW; WDAF, The Kansas City Star Co., Kansas City, Mo., modification of C.P. to make changes in equipment and extend completion date to Jan. 30, 1935; also granted license to cover C.P. 610 kc., 1 KW night, 2½ KW day, unlted.

Also, WIBW, Topeka Broadcasting Association, Inc., Topeka, Kans., license to cover C.P. 580 kc., 1 KW night, 2½ KW day, share with KSAC; also C.P. to increase day power from 2½ KW to 5 KW; WOW, Woodmen of the World Life Ins. Assn. Omaha, Neb., C.P. to move transmitter to site to be determined, subject to approval of Commission; make changes in equipment and increase day power from 2½ KW to 5 KW day, appl. to increase night power to 5 KW was set for hearing; WDAF, The Kansas City Star Co., Kansas City, Mo., C.P. to increase day power from 1 KW to 5 KW, and make changes in equipment; application to increase night power set for hearing; KFRU, KFRU, Inc., Columbia, Mo., modification of license to increase day power from 500 w. to 1 KW; KTUL, Tulsa Broadcasting Co., Inc., Tulsa, Okla., extension of special exp. authority to operate with additional 250 watts nighttime for period beginning Jan. 25, 1935, and ending not later than March 26, 1935.

Also, WIP, Penna. Broadcasting Co., Philadelphia, Pa., special experimental authority to increase power from 500 w. to 1 KW for period of three months; KFAB, KFAB Broadcasting Co., Lincoln, Neb., extension of special experimental authorization to operate synchronously with WBBM from local sunset at Lincoln to midnight CST; WBBM, WBBM Broadcasting Corp., Chicago, Ill., extension of special experimental authorization to operate synchronously with Station KFAB, from LS at KFAB to midnight, for period not to exceed Aug. 1, 1935; KMPC, Beverly Hills Broadcasting Corp., Beverly Hills, Cal., renewal of license for a period of 3 months; 710 kc., 500 w., limited time; WWL, Loyola Univ., New Orleans, La., extension of special experimental authority to operate unlimited time on frequency 850 kc., 10 KW power, for period Feb. 1 to Aug. 1, 1935; KWKH, International Broadcasting Corp., Shreveport, La., extension of special experimental authority to operate on 1100 kc., 10 KW daytime with conventional non-directional antenna, and at night with directional antenna for period ending Aug. 1, 1935.

Also, WTCN, Minnesota Broadcasting Corp., Minneapolis, Minn., modification of C.P. giving exact transmitter site; extend commencement date from 1/18/35 to 10 days after grant and extend completion date from 4/18/35 to 90 days thereafter; KWTN, The Greater Kampeska Radio Corp., Watertown, S. Dak., modification of C.P. to extend completion date from 1/1/35 to 2/15/35; KFRC, Don Lee Broadcasting System, San Francisco, Cal., modification of C.P. extending commencement date from 11/2/34 to 2/1/35 and extending completion date from 2/2/35 to 5/1/35; same for KHJ, Los Angeles, Cal.; WLBK, WLBK Broadcasting Co., Kansas City, Kans., C.P. to move transmitter and studio locally; WNEU, Juan Piza, San Juan, P.R. license to cover C.P. 1290 kc., 500 w. unlimited time; KSEI, Radio Service Corp., Pocatello, Idaho, license to cover C.P., authorizing installation of new equipment; increase in daytime power, change frequency from 900 to 890 kc., and moving transmitter to new site locally, 250 w. night, 500 w. day, unlimited; KGBX, KGBX, Inc., Springfield, Mo., extension of special experimental authority to operate from local sunset to midnight on frequency 1230 kc., 500 w. WIBA, Badger Broadcasting Co., Inc., Madison, Wis., extension of Spec. Exp. Auth. to operate with 500 watts additional night power employing directional antenna, for period Jan. 30 to April 1, 1935.

Also, WCFL, Chicago Federation of Labor, Chicago, Ill., renewal of license for period of 3 months, 970 kc., 1½ KW, limited time; WHBL, Press Publishing Co., Sheboygan, Wis., C.P. to install new eqpt.; WHDL, Tupper Lake Broadcasting Co., Inc., Olean, N. Y., authority to install automatic freq. control; WDRG, WDRG, Inc., Hartford, Conn., auth. to determine operating power by direct measurement; KSL, Radio Service Corp. of Utah, Salt Lake City, auth. to determine operating power by direct measurement of antenna; Same for KOA, National Broadcasting Co., Inc., Denver, Colo.; KSD, Pulitzer Publishing Co., St. Louis, Mo., mod. of C.P. to make changes in eqpt; extend commencement date from 12/6/34 to 10 days after grant, and extend completion date from 2/1/35 to 150 days thereafter; KOL, Seattle Broadcasting Co., Seattle, Wash., license covering local move of station, changes in eqpt. and increase in daytime power, 1270 kc., 1 KW night, 2½ KW day, unlt'd; KQW, Pacific Agricultural Foundation, Ltd., San Jose, Cal., license to cover CP authorizing installation of new equipment, increase in power from 500 w. to 1 KW, 1010 kc., unlimited time.

Also, WINS, American Radio News Corp., New York City and WISN, Same, Milwaukee, Wis., modification of license to change name from American Radio News Corp. to Hearst Radio, Inc.; KOIN, KOIN, Inc., Portland, Ore., mod. of license to increase day power from 2½ to 5 KW; WHBU, Anderson Broadcasting Corp., Anderson, Ind., consent to transfer of control of Anderson Broadcasting Corp. at Anderson, Ind. (licensee of WHBU) from the Citizens Bank, Anderson, Ind. to Leo M. Kennett, license expires June 1/35 and authorized operation on 1210 kc., 100 w., unlimited; WPTF, WPTF Radio Co., Raleigh, N. C., license to use old eqpt. as auxiliary; also auth. to use W.E. 6-B transmitter as an auxiliary during the hours of operation as authorized by S.E.A. (that is to 11 P.M. EST), subject to check by Engineers;

Also WJZ, National Broadcasting Co., Inc., New York, extension of special Auth. for the next license period ending Aug. 1, 1935, to operate with 50 KW; KFBB, Battery Broadcast, Inc., Great Falls, Mont., Spec. Exp. Auth. to change freq. from 1280 kc to 610 kc. for remainder of license period ending April 1, 1935; WORK, York Broadcasting Co., York, Pa., extension of special Auth. for period ending Aug. 1, 1935 to operate on 1320 kc., 1 KW night, 1 KW day, unlted.; KGA, Louis Wasmer, Spokane, Wash., petition that Commission reconsider and grant on a regular basis, the renewal application which was set for hearing Oct. 30, 1934; WHJB, Pittsburgh Radio Supply House, Greensburg, Pa., C.P. to make changes in eqpt.

Also, New, Bell Telephone Labs., Inc., Whippany, N. J., CP Exp. - Spec. Exp. Serv. 560, 900, 1340 kc., 5 KW, time of operation 12-6 A.M.; also granted license covering same; W2XHI, Bamberger Broadcasting Service, Inc., Newark, N. J., modification of C.P. extending commencement date to 2/27/35 and completion date from 3/27/35 to 5/27/35; WLOXG, National Broadcasting Co., Schooner "Seth Parker", mod. of Lic. for additional 1 KW transmitter and 1 KW operating power; WKEM, American Radio News Corp. Portable-Mobile (N.Y.) mod. of Lic. (Temp. Brdcst. Pickup) to change name from American Radio News Corp. to Hearst Radio, Inc.

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RADIO SERVICE MEN URGED TO REFORM

The following is proposed to its members by the Institute of Radio Service Men:

LET'S STOP

Delivering sets without first testing them,
 Connecting sets to old aerials, that are noisy and inefficient,
 Forgetting to loosen the chassis hold-down bolts and removing
 the blocks
 Using steam pipes and gas pipes for grounds,
 Failing to instruct customer in correction operation of the set,
 Returning sets with nothing wrong but a tube,
 Knocking the job done by the last service man,
 Arguing with the customer,
 Kidding ourselves that cheap parts are "just as good".

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