

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF MAY 28, 1935

Payne Sees Chain Control Up To Commission.....	2
Italian School Programs.....	3
No Tears On Code Fold-Up In Radio Industry.....	4
Would Have Newspapers Back Radio Free Speech.....	4
Radio Free And Untrammelled, McCosker Declares.....	5
WREN's Appeal Not Upheld.....	7
France Not Interested In High Fidelity.....	7
NBC Policy Endorsed By Advisory Board.....	8
Food And Drug Bill Takes On New Life.....	8
Julius Seebach New WOR Program Director.....	9
Canadian Demand For Automobile Radio Sets Increasing.....	9
Flamm Puts In New WMCA Program Director And Announcer.....	10
French Fix Tube Quota On Seasonal Basis.....	10
Ultra Short-Waves In Radiotype Tests.....	11
Copyright Bill Hearings Still Undecided.....	11
DX'ers Call New 10 Tube Zenith Remarkable Set.....	12

No. 829

May 28, 1935

PAYNE SEES CHAIN CONTROL UP TO COMMISSION

One of the problems confronting the American people, and therefore the Communications Commission, is that of the control of the large broadcasting chains and the character of the programs that are given, not only on these chains but by the independent operators, George Henry Payne, Federal Communications Commissioner said, addressing the Harvard University Graduate School of Business Administration.

"With regard to the latter condition, there have been some very frank statements made, not the least direct being that of Senator Wheeler when the confirmation of the Communications Commissioner was before the Interstate Commerce Committee of the Senate", Commissioner Payne declared. "The Chairman of that Committee, Senator Wheeler, went into many phases of the work of the Commission, and did not hesitate to discuss abuses of the past and the present with refreshing disregard for the personal feelings of some of the large figures in the radio industry.

"As Senator Wheeler said, 'more and more, as you pick up your radio now, you find some fellow who is selling boots and shoes or clothes and giving prices, and it seems to me that the programs over all stations have materially deteriorated in the last 2 years. * * * I do not think you ought to censor, for instance, as much as they do some talks that go over the radio, but it is getting to the point where they are just making some of the programs that come over the various stations nothing but advertising schemes, and they are selling shoes and old clothes and everything else, like a pawn shop.'

"One of the dangers of the present program system is its tendency to crush individuality and individual expression and to extend the dead level of dullness.

"I realize that possibly I may seem a pathetic object when I refuse to listen to the man who wants to relate to me in minute detail all that had been said the previous night by Amos and Andy and Madam Queen, but I, too, see something pathetic in the fact that an appetite for more intelligent things is being destroyed by the foisting of programs on millions of defenseless citizens with a capacity for a better grade of humor and more intelligent ideas. It is hardly necessary in this country, or in any civilized country, to point out the value of individuality, but the resistance of individuals to the lower grade of entertainment is bound to be weakened where an entire nation is being fed from a few broadcasting centers under the direction of a group intent on catering to the more unintelligent rather than to the more intelligent, simply because the unintelligent are the more numerous."

5/28/35

Mr. Payne said that he realized that for the first five years of radio when there was no advertising, the programs were, with few exceptions, far below, in character and merit, the best that we have now.

"Great credit should be given to those who provided the opera of the Metropolitan of New York, the symphony concerts, and similar entertainment to radio listeners", Mr. Payne said in conclusion. "But all of these instances of fine broadcasting simply go to show that the public will accept and patronize the better type of entertainment.

"To understand how serious is the problem and what shall be the character of broadcasting, it is necessary to realize that, as has been said, broadcasting constitutes 'the cheapest, speediest, and most ubiquitous mode of communication achieved by man', and it is also necessary to keep in mind that the development of broadcasting was left primarily to the patent owners and the equipment manufacturers.

"As the President of the National Broadcasting Company has stated, very frankly, this company was established 'as an indirect sales promotion agency for the radio manufacturing industry.'

"Naturally with such a beginning the character of the program offered was purely commercial, and if really fine things have crept in, it has been largely as a sop to Cerberus, and only because there has been growing, and growing rapidly, a demand that the cultural aspects of radio should be given more consideration."

Commissioner Payne's address was printed in full in the Congressional Record of May 24th.

X X X X X X X X

ITALIAN SCHOOL PROGRAMS

There are 2,130 schools in Italy which are taking programs sent out by radio.

Italy has 180 radio companies which in 1934 manufactured 100,000 radios, and in whose factories 4,000 workers are employed.

X X X X X X X X

NO TEARS ON CODE FOLD-UP IN RADIO INDUSTRY

As in the Supreme Court NRA Code decision itself, there was apparently no dissenting opinion insofar as either the Broadcasting Industry Code or the Radio Manufacturers' Association were concerned regarding the Code demise. The news seemed to be hailed with particular satisfaction by the manufacturers because they were under the Electrical Code dominated by the National Electrical Manufacturers' Association. It is alleged that NEMA used the code as an excuse to try to put the Radio Manufacturers' Association out of business.

James W. Baldwin, Code Authority of the Broadcasting Industry, said that he would naturally await instructions from the Code Chairman before proceeding with liquidation. Evidently it is a lucky break for Baldwin that Phil Loucks should pick out this time to resign as Managing Director of the National Association of Broadcasters. Mr. Baldwin is strongly mentioned as his successor.

X X X X X X X X

WOULD HAVE NEWSPAPERS BACK RADIO FREE SPEECH

The Southern Newspaper Publishers' Association meeting at Hot Springs, Ark., referred to the Resolutions Committee, without action, a resolution by Ted Dealey, of the Dallas News and Journal, urging that newspapers rally to the support of broadcasting stations which had been deprived of their licenses by the Federal Communications Commission, on the ground that if free speech is impaired on the radio, it is a short step toward limiting freedom of press.

Radio matters were discussed informally, sale of news by press associations for broadcasting received considerable attention, the prevailing opinion apparently being that this recent move holds no threat for newspapers so long as the wire services are conscious of the newspapers prior property right in such news and discreetly control its sale for radio use.

X X X X X X X X

A publication devoted to the study of television in its relation to the educational moving picture called "Comite Permanente de la Television" will be published by the "Instituto Internacional del Cinema Educativo", located in Rome, Italy.

X X X X X X X X

RADIO FREE AND UNTRAMMELED, MC COSKER DECLARES

"Radio is as free and untrammelled as the ethereal blue", says Alfred J. McCosker, former President of the National Association of Broadcasters. Thus Mr. McCosker challenges the allegations made by Howard Davis, former President of the American Newspaper Publishers' Association, recently.

Mr. Davis said:

"In effect the party in power by invisible pressure and unspoken threat obtains a maximum service on the air and holds opposition to a minimum'."

"Such an accusation is entirely unjustified", Mr. McCosker replied. "No fair minded man should mistake growing pains for decadence. In my experience covering twelve years as operating head of America's leading independent radio station, I have never encountered any basis for such allegation. Radio is as free and untrammelled as the ethereal blue in the makeup of its broadcasting programs. Broadcasters have never been circumscribed by Government censorship.

"The adroit working of Mr. Davis' speech might have left the impression of merely potential evils in present radio regulations had he not stated unequivocally, 'speech magnified a thousand-fold, clothed with a new persuasiveness and unprecedented power through the marvel of the machine, was being curbed for political ends while we watched. In this new field (radio) lacking the traditions which newspapers have inherited*** the political process of restriction which I described at the outset of my remarks, operated instinctively and infallibly,*** The battle for a free press has been won at least temporarily; the battle for a free radio has yet to begin. It must not end until the regulatory body at Washington has been established on a high plane*** and functioning in such fashion as to free the air from political restraints and open it to every legitimate voice.'

"Throughout the Coolidge and Hoover administrations and up to the present day of the Roosevelt regime, because of my executive radio duties, I have had frequent contact with the personnel of the regulatory radio bodies. I say emphatically and in mere justice that I found them to be able, intelligent, patient and honorable public servants continuously faced with a multiplicity of complex problems. Neither radio legislators, administrators nor broadcasters have claimed perfection for present radio law. All these elements are constantly at work on the ever-changing, ever-increasing problems of the art.

"We have reassurance of our freedom of speech over the air waves from President Roosevelt himself. In a letter to me dated September 14, 1934, the President wrote:

"A year ago in a brief message to you, I made the statement that I was looking forward to your continued cooperation in assisting the Government to present to the people of the United States honest discussions of all phases of national problems we would face and their solutions.

(the National Ass'n of Broadcasters)

"The cooperation given by your members/in these discussions, over the past twelve months, has given me great faith in the American system of broadcasting. I know, as you must, that the American system of broadcasting is a regulatory system and by its every fundamental principle relegates the thought of censorship to the background of the minds of everyone who really knows and appreciates your policies and daily problems. The American system of broadcasting assures an equality of freedom similar to that freedom which has been and is the keystone of the American Press.

"I am not unmindful of another benefit which radio gives all the people and to all classes of business. That is, a stimulation of buying power and its assistance to commerce generally."

"Talk by Government censorship of radio is a fantastic 'bogey-man'. WOR has scrupulously adhered to a policy of giving both sides an opportunity to present their views, political, governmental or otherwise. Moreover, in my capacity as President of the National Association of Broadcasters, and more recently as Chairman of the Board of the Mutual Broadcasting System, Inc., for two terms, I have had full opportunity to observe a complete absence of any Federal attempts at censorship of broadcasters.

"The radio broadcasting stations have, without interference from the Federal Communications Commission or the prior regulatory bodies, allotted equal times to speakers in opposition as well as to those favoring the policies of the administration.

"While the industry would welcome a longer licensing term, for the three year period permitted under the law for the reason that it would give better warrant to the large expenditures demanded by present day radio operation, I am of the opinion that continuance of the six months licensing period is not motivated by any insidious purpose of controlling freedom of the air."

X X X X X X X X

WREN'S APPEAL NOT UPHELD

The Federal Communications Commission this week won a signal victory in the U. S. Court of Appeals for the District of Columbia in the case of the Jenny Wren Company, operators of Station WREN, located at Leavenworth, Kansas. In that case the Jenny Wren Company sought to intervene and block the application of Station WHB, at Kansas City, Mo., who were seeking to obtain from the Commission authority to operate during night hours.

The opposition in the Wren case was based on the claim of WREN that if WHB were permitted to operate at night, it would result in such competition to WREN as to, first, reduce its listening audience; second, reduce its income from advertisers, and, third, reduce the available talent in its service area. WREN asked the Commission to allow it to intervene and be heard in opposition to WHB's request for more time. This request was denied.

WREN then appealed to the Supreme Court of the District of Columbia which upheld WREN's contention. The case was then carried to the Court of Appeals of the District of Columbia which court upheld the Federal Communications Commission in refusing to allow WREN to be heard, and reversed the Supreme Court. The Commission argued that competition was not a legal objection to adding facilities in a given area.

X X X X X X X X X

FRANCE NOT INTERESTED IN HIGH FIDELITY

High fidelity is a feature of radio receiving sets of no definite value in the French market, according to a report to the Commerce Department from Assistant Trade Commissioner Lestrade Brown, Paris.

Radio manufacturers in France have concentrated more on making sets easier to operate and at the same time have endeavored to reduce the cost. At the present time, although French radio engineers are well acquainted with high fidelity, it is practically unknown and unused in the trade. Their claim is that high fidelity in France is not practical, due to the fact that the intervals between two broadcasting stations are merely 9 kilocycles.

The cheaper radio receivers in France, it is pointed out, are built for 150 to 3,000 cycles while the better sets range from 60 to 5,500 or 6,000 cycles which in this case is considered quite good. On the other hand, the broadcasting equipment handles from 50 to 9,000 cycles with average results.

It would seem that at present, the report states, American receivers built under high fidelity specifications may not use this characteristic as of great sales value.

X X X X X X X

NBC POLICY ENDORSED BY ADVISORY BOARD

Program policies of the National Broadcasting Company, as interpreted and carried out by the company, were unanimously endorsed Monday at the annual meeting of the Advisory Council of the NBC, composed of leading representatives of religion, agriculture, labor, education and public affairs.

M. H. Aylesworth, President of the company, gave a report of his stewardship covering the entire nine years of the NBC's history, and after the meeting Owen D. Young, Chairman, announced that the report had been completely approved.

The Advisory Council, in addition to Mr. Young, consists of Newton D. Baker, Paul D. Cravath, Dr. Henry Sloane Coffin, Dr. Walter Damrosch, John W. Davis, Dr. Francis D. Farrell, William Green, Gen. James G. Harbord, Dr. Robert M. Hutchins, Judge Morgan J. O'Brien, Dr. Henry S. Pritchett, Henry M. Robinson, Elihu Root, Felix M. Warburg and Miss Ada Comstock. All were present with the exception of Mr. Cravath, Dr. Farrell, Dr. Hutchins and Mr. Root.

In addition to reporting on company policies in general, Aylesworth placed before the Council ten policy decisions made during the year on matters concerning religion, agriculture, labor, education, and public affairs, and these illustrations of policy judgment also were unanimously approved.

In closing his report, Mr. Aylesworth pointed out that "after all, the American people control the Government and they control the radio. The service of radio broadcasting is an essential service to American home life and our people will never permit it to be coerced, manipulated or destroyed."

X X X X X X X X

FOOD AND DRUG BILL TAKES ON NEW LIFE

Apparently the passage of a Food and Drug Bill at this session is now a part of the Administration's program. Although on the Senate calendar, and again temporarily withdrawn, passage at the present session is predicted.

While the broadcasting industry does not favor the Copeland Bill, it is now actively opposing it. One section to which the industry objected, the discrimination of broadcast advertising as against newspapers and other media, has been eliminated.

X X X X X X X X

JULIUS SEEBACH NEW WOR PROGRAM DIRECTOR

Julius F. Seebach, Jr., has been appointed Director of Program Operations for Station WOR, effective June 10.

Seebach, who is resigning as Director of Program Operations for the Columbia Broadcasting System to join WOR, said he plans to experiment in building programs of particular interest to the metropolitan audience, programs intended primarily for the concentrated listening public served by WOR. Seebach also said that he is very interested in the vast opportunity for building new program ideas which the Mutual Broadcasting System offers, with its cooperative plan of exchanging programs. WOR is the Eastern member of Mutual. Other stations are WLW, Cincinnati; WGN, Chicago, and WXYZ, Detroit.

It is almost exactly ten years ago that Seebach entered the radio field as an announcer at WOR, one of the pioneer broadcasting stations of the country. He served there in practically every capacity known to radio, working first as an announcer and becoming Manager of evening programs before joining the Columbia Broadcasting System in January 1928 as Program Production Manager.

X X X X X X X X X

CANADIAN DEMAND FOR AUTOMOBILE RADIO SETS INCREASING

Sales of automobile radio sets in Canada registered a substantial increase during March compared with the preceding month, according to a report to the Commerce Department from Assistant Trade Commissioner A. F. Peterson, Ottawa.

Increased demand for this item together with relatively good sales of alternating current dual wave mantel sets and battery sets other than console model dual wave units accounted for a slight gain in volume and value of radio receiving set sales to dealers in March. Statistics compiled by the Radio Manufacturers' Association of Canada show that total sales in the month amounted to 8,966 units having a list value of \$781,718 compared with 8,220 units valued at \$764,985 during February.

Inventories reported by manufacturers, jobbers and branches of manufacturing companies at the end of March were slightly less than 35,000 units, a small reduction from stocks reported at the end of the preceding month, it was stated.

Radio sales in Canada during the Summer season, it is pointed out, are rather quiet, but the market for automobile units appears to be developing steadily, although demand is relatively small as compared with the United States. At this season there is also a fair movement in the Canadian market of battery sets for Summer cottage and resort use.

X X X X X X X X X

5/28/35

FLAMM PUTS IN NEW WMCA PROGRAM DIRECTOR AND ANNOUNCER

Donald Flamm, President of the Knickerbocker Broadcasting Company has announced the appointment of Alfred Hall as Program Director of Station WMCA, succeeding Lewis Reid, who has resigned.

Radio was in its infancy when Mr. Hall joined the staff of Station WRNY in 1925 as announcer, and several months later became successively Chief Announcer, Production Manager and finally Program Director of Station WOV where he remained for five years. For the last six months he has been on the announcing staff of WMCA.

Bob Carter has joined the announcing staff of WMCA. Born in Ashland, Kentucky, some thirty odd years ago, after working on several newspapers he took his first chance at radio joining the staff of WCDA, New York, in 1927 as an announcer. He then did more radio work at WNJ, Newark, and WOV, New York, and finally WIP, Philadelphia, where he had been for the past three years.

Mr. Carter holds an F.A.I. license and has more than 1800 hours of solo flying to his credit.

X X X X X X

FRENCH FIX TUBE QUOTA ON SEASONAL BASIS

The quarterly quotas for radio tubes to be imported into France from the United States in 1935 have been fixed at the following season amounts, according to a notice published in the French Journal Officiel and a report of the same date from Acting Commercial Attache D. J. Reagan at Paris:

	<u>Percent of</u> <u>annual</u> <u>total</u>	<u>Allotment by</u> <u>Quarter</u> <u>(Metric Tons)</u>
First Quarter	25	9.6
Second "	15	5.76
Third "	20	7.68
Fourth "	40	15.36

X X X X X X X X

ULTRA SHORT-WAVES IN RADIOTYPE TESTS

An ultra short-wave radio transmitting antenna, which represents the latest development in aerials for the emission of the "micro-waves", usually 4 meters, has just been erected on the roof of the Home Office Building in New York City by engineers of the Radiotype Division of the International Business Machine Corporation, under the direction of Walter S. Lemmon, General Manager of that division.

"Immediately after the success of the experiment in receiving Radiotype pulses from the Byrd Expedition in the Antarctic, President Watson encouraged me to push forward our research plans for the development of new radio waves for use with our Radiotype machines when they are further perfected", said Mr. Lemmon. "Due to the fact that most of the difficulties reported by radio engineers in the accurate reception and transmission of these micro-waves has been in large metropolitan centers such as New York City, our Home Office Building on lower Broadway offers a splendid opportunity to study these characteristics. Under previous radio systems, a large group of steel buildings tended to bend and twist these extremely short waves. Elevated railroads, subways, flashing signs and thousands of automobile spark plugs all tend to contribute like little miniature transmitting stations to a so-called 'electrical fog' which seems to exist in large cities. From the roof at 270 Broadway, we have an ideal location to try our experiments in new methods of piercing this 'fog' with these Radiotype pulses and exploring reception conditions throughout this entire territory."

While these radio tests are being conducted in New York, the further mechanical developments of the machines themselves will be transferred to the company's Research Laboratory in Endicott, N. Y. The development of the radio and electrical circuits has been pushed rapidly in the temporary Radiotype laboratory in New York and now the final perfection of the details of these machines demands the unusually large facilities provided at Endicott.

X X X X X X X X

COPYRIGHT BILL HEARINGS STILL UNDECIDED

As yet no decision has been reached by the Senate Patents Committee, of which Senator McAdoo, of California, is Chairman, with regard to holding hearings on the Copyright Bill. No date has been set for the next meeting of the Committee.

X X X X X X X X X X

DX'ERS CALL NEW 10 TUBE ZENITH REMARKABLE SET

Charles A. Morrison, of Bloomington, Ill., President of the Dx'ers Alliance, has the following to say in the "Globe Circler" published by the Alliance, with regard to tests made of the new 10-tube Zenith all-wave receiver #935:

"The Model #935 is a powerful Superhet employing T.R.F. on both BC, and all SW Bands. The #935 has a class AB power amplifier capable of delivering 16 watts of power to the 10" loud speaker. The following tubes are utilized: three 6D6's one 6A7, one 75, one 76, three 42's, and a 5Z3 rectifier. All frequencies between 530 and 46150 kc ($6\frac{1}{2}$ m) are covered by five separate band changes.

"Considering the number of tubes and price, the #935 is a remarkable receiver.

"A unique tone control gives four separate tone shades. In deep base position there is an actual gain in signal strength. No high notes are at any time removed so that a true tone balance is maintained.

"The Red Split second hand which turns 36 times as fast as the black calibration hand permits extreme simplicity of operation, accuracy in logging, and that valuable asset of being able to re-locate a station in exactly the same spot again.

"A Shadow-tuning device aids in tuning.

"The General Outstanding features of the #935 are:

"(1) Extreme simplicity of operation; (2) Unusually rich and realistic tone; (3) Very wide frequency range permitting field for experimentation on the ultra-high frequencies; (4) Excellent BCB performance; (5) Ultra selectivity; (6) the proper degree of sensitivity to permit a low noise level for DX.

"On the BCB such stations as WEA, WJZ WABC WBAP and KOA could often be tuned in at noon (during March) and although late in the season for foreign BCB DX, several South Americans could still be logged in the evenings.

"On the Short-waves all Continents with the exception of Africa were logged frequently. Japan was logged every afternoon, except two during the tests. VIZ3, VPIA and PLV are some of the more unusual ones heard.

"Foreign stations actually logged during the three weeks with the little time we could spare were: CJRO CJRX YV3RC VE9GW, GSA-B-C-D-E-F-G-L DJA-B-C-D-E DJN, Pontoise (on 3 frequencies) HJ1ABG HJ1ABE HJ4ABE HP5B HP5J XEBT YV2RC YV5RMO HJ2ABC HIX TIGPH YV6RV COC COH OAX4B HJ1ABB PRADO HC2RL TIEP YN1GG HJ5ABD LSX EAQ ZFB 2RO KKP LSM RNE RKI KKQ PHI PCJ CGA4 VIZ3 VK2ME VK3ME VK3LR JVF JVE PLV HVJ TIU HPF YVQ TGF HJB 2RO HJY LU6AP VP5PA G5ML CT1BY."

X X X X X X X X