

HEINL RADIO BUSINESS LETTER

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DELAY SEEN IN REALLOCATION OF RADIO FREQUENCIES

The Federal Communications Commission's public hearings on either a general or limited reallocation of broadcasting frequencies appear to be getting vague as the reopening of Congress draws closer.

While a few weeks ago members of the Commission were predicting an early inquiry into the whole broadcasting setup, now they are explaining that it may be several months before any definite action is taken.

Herbert L. Pettey, Secretary of the Commission, went so far as to express his personal opinion that the whole reallocation plan "is as dead as a dodo bird". He admitted that the FCC engineering staff would continue its studies, but he added that the regional shake-up proposed by the engineers is already practically pigeon-holed. The report on clear channels, while formerly scheduled to be submitted this month, may be delayed several months.

All this soft-pedaling of reallocation rumors has put Washington political observers to wondering whether there is any connection between the Commission's purposeful dilatoriness and the approaching 1936 presidential campaign.

Pettey, who handled the radio work for the Democratic National Committee in the 1932 campaign, has his ear close enough to the political ground to know whereof he speaks when he minimizes the prospect of an early shake-up in broadcasting allocations.

Anning S. Prall, Chairman of the Commission, has made several visits to the White House recently although he has intimated that the conversations with the White House had to do with the telephone inquiry rather than broadcasting.

The present Administration is well aware of its dependence upon broadcasting networks and stations for success in the 1936 campaign. While the stations are required by law to make their facilities available to all political parties on an equal basis, there are numerous methods by which the dominant party can get in extra broadcasts that do not appear strictly political if it retains the goodwill of the broadcasters.

The Commission has a legitimate excuse for delaying action on the engineering proposals because Lieut. Commdr. T.A.M. Craven became Chief Engineer on December 1 and obviously needs some time to study the recommendations sent forward by his predecessor, Dr. C. B. Jolliffe.

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The FCC, by undue delay on the engineering proposals, is laying itself open, however, to attacks from at least two potent points. They are members of its own body and Congress.

Commissioner Irvin Stewart has already issued a blast against the policy of the FCC Broadcast Division by calling attention to the domination of the clear channels by the networks. And, while Chairman Prall was inclined to belittle the outburst on the ground that the FCC engineers have been studying the problem for months, Stewart knows that he has an excellent talking point that would appeal to any number of Congressmen.

Another member of the Commission who is a thorn in the flesh of the Broadcast Division is George Henry Payne, who has been making systematic attacks on the program standards of commercial stations in an obvious lure for support of the educators.

Whether the newly-formed Radio-Education Committee will be able to forestall his systematic campaign for reform by adoption of a modified program for greater utilization of broadcasting facilities by educational groups is conjectural.

The great hope of the Federal Communications Commission is that Congress will be so occupied with disposing of more urgent legislative matters in order to return home for an early reelection campaign that it will not have time to delve into the complicated problem of radio broadcasting.

By adhering to its vague plan of holding public hearings on reallocation proposals sometime in the early Spring, the Commission may be able to forestall any attacks from Capitol Hill at the next session.

Broadcasters, while puzzled somewhat by the undercover movements in the Commission, are taking no chance on losing their holdings.

The clear channel group of stations is hard at work mapping a defense so as to be prepared if and when hearings are called. J. C. McNary, consulting radio engineer, who has resigned from the National Association of Broadcasters, is representing these stations.

These and other stations are set to get in on the ground floor should the Commission decide to remove the restriction on power to 50,000 watts so that they may be among the first regularly licensed super-power outlets.

That decision, too, however, is likely to be delayed for several months.

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RADIO CONTINUITIES DIMINISH ON SECOND FTC EXAMINATION

Less than three per cent of the radio continuities examined by the Special Board of Investigation of the Federal Trade Commission from July 1, 1934, to September 30, 1935, were finally held questionable enough to be submitted to the Commission for action.

Disturbed somewhat by the misleading interpretation placed on the FTC annual report, the Commission has released subsequent figures, not carried in the annual report, to show that only a small portion of the continuities laid aside for further examination were finally submitted for action.

As explained by Joe L. Baker, Assistant to the Chairman of the Commission, there were 52,621 continuities reviewed by the Board during the 14-months period.

Of this number 42,512 were laid aside for further investigation as being "possibly misleading". Upon second examination, however, it was found that only 1,347 were questionable enough for consideration by the full Commission.

Baker had no record showing final disposition of these cases, but it is presumed that at least some of them were dropped by the Commission itself. In many other instances the advertisers agreed to stipulations altering their form of continuities.

The Trade Commission reiterated its view that there has been a "general improvement" in the advertising in radio newspapers and magazines.

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IMMIGRATION BUREAU LATEST U. S. AGENCY TO EMPLOY RADIO

The United States Immigration Bureau is the latest Federal agency to employ radio in carrying out its duties. A 200-watt radio telephone transmitter has been installed at Detroit as an experiment. Messages are broadcast every half-hour to bureau cars and boats in the Detroit district.

Attaches of the border patrol said that the radio communication already has been instrumental in thwarting several illegal entries as well as liquor smuggling from Canada.

Similar equipment will be installed along the southern border and the remainder of the northern border as soon as money can be obtained, according to Col. D. W. MacCormack, U. S. Commissioner of Immigration.

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PRALL SAYS GOVERNMENT-OWNED RADIO WOULD KILL FREE SPEECH

Government ownership or operation of broadcasting stations would "point the way to the suppression of free speech", Anning S. Prall, Chairman of the Federal Communications Commission, said in an address December 5 at a radio luncheon of the New York City Downtown Athletic Club.

The FCC Chairman also praised commercial broadcasting stations for cooperating with the Commission in its efforts to raise program standards and forecast beneficial results from the newly-formed Radio-Education Committee.

"Proposals have been advanced for government ownership or operation of broadcasting in the United States", he said. "These propositions have grown out of the fact that in most other important nations radio is government controlled. It is my view that government-owned broadcasting has no place in our democratic form of government. To give any administration control of the air would possibly point the way to the suppression of free speech. In every other nation having government broadcasting, it has been found necessary to tax the people to defray the operating overhead. The enormous operating expense of American broadcasting on its present scale would greatly add to the general tax burden.

"Last Summer, President Roosevelt took occasion to comment on American broadcasting. Addressing himself to the nation's broadcasters coincident with their annual convention, he said,

"'I have previously expressed my very great faith in the American system of broadcasting. Recent events have increased rather than diminished that faith. Censorship has not, and cannot, invade the ether lanes. It is not the American way.'

"That, in my opinion, is a forthright expression from our Chief Executive as to his views on American broadcasting. I am in full accord with it.

"We have given much thought and consideration to the possibilities of education by radio. Two conferences, occupying several weeks' time, have been held by the Commission for the specific consideration of this subject, and we are contributing as far as possible to the complete development of a definite, practical and workable plan for the extension, expansion, and modernization of education by means of radio broadcasting. There is a fertile field for such modern methods in this direction, and the universal demand for a broader use of radio for educational purposes increases as time goes on and as modern mechanical improvements mark the progress of the possibilities of radio and make its application to greater educational uses possible.

"In order that a concrete, definite plan for education by radio may be developed, the Commission has appointed a

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representative committee, composed of both educators and broadcasters, to study the educational question in full detail and report to the Commission. Dr. John W. Studebaker, United States Commissioner of Education, will serve as Chairman of this committee.

"Much of our time has been devoted to clearing the air of obnoxious programs. We are forever beset with complaints regarding the quality of programs, and I assure you the Commission is determined to improve the program standards of every broadcast station. Many unscrupulous broadcasters have permitted their stations to be used by high-powered salesmen to present fraudulent claims while advertising quack medicines, while others have indulged in fortune-telling, astrology, and lotteries, which have found many gullible victims because of misrepresentations made and over-statements presented in the broadcast. In these efforts the Commission, I am happy to say, has had the unqualified support and cooperation of the better class of stations throughout the country, and we believe we will soon have arrived at a point where such misrepresentations will be the exception rather than the rule and that the standards of broadcasting will have reached a degree of excellence to which we may point with pride."

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CBS GETS NEW SHORT-WAVE LICENSE TO PREPARE FOR TELEVISION

Not to be caught napping when television and ultra short-wave broadcasting do definitely arrive, the Columbia Broadcasting System has obtained a permit from the Federal Communications Commission to operate a 50-watt experimental station atop its New York headquarters building.

The CBS explained in an official statement that the purpose of the station is to study distortion effects of extremely high frequencies, but it is believed that the network doesn't want the National Broadcasting Company to get ahead of it should television suddenly jump out of the experimental stage into the field of public entertainment.

The Radio Corporation of America has already made arrangements to start experiments with television from atop the Empire State Building early next year.

The CBS station is W2XDV and is operating on 35,600 kc. on a daily schedule from 5 to 10 P.M.

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NAB DIRECTORS TO MEET ON ASCAP PROBLEM IN N.Y. DEC. 9

With the music copyright situation becoming daily more confusing, the Board of Directors of the National Association of Broadcasters has been summoned by James W. Baldwin, Managing Director, for a meeting in New York City on Monday, December 9.

The decision to call the meeting followed a poll of Directors by telegraph which resulted in the sending of counter-acting telegrams of advice to stations members.

After the Directors had voted 10 to 9 favorably, Baldwin sent telegrams to member stations urging them to wire acceptance of the June 17 offer of the American Society of Composers, Authors and Publishers to Alfred J. McCosker, then Chairman of the Copyright Committee.

A short while later two Directors changed their votes and forced the Board to reverse its previous action as the vote changed from 10 to 9 for to 11 to 8 against the advice already dispatched to broadcasters. As a consequence subsequent telegrams were dispatched advising the stations to do nothing pending a full discussion of the matter and action by the Board.

The ASCAP offer of June 17 was to allow the licensed broadcasting stations and networks to renew their licenses for a 5-year period on the same terms of 5 per cent of gross receipts plus a sustaining fee.

So far neither ASCAP, with its smaller catalogue of music, nor Warner Brothers, with its four music publishing houses, has made an overture to the NAB regarding new schedules of rates for the divided musical compositions.

"Warner Bros. will make no move to treat with the independent stations until it has found out from NBC and CBS what the networks propose to do about taking out a license for the use of music controlled by the WB publishing firms starting Jan. 1", Variety says in its current issue.

"While Warner Bros. is awaiting the networks' response to an invitation to a conference and the indie station men are looking to the National Association of Broadcasters for guidance, directors of the Society are showing signs of having reconciled themselves to the permanency of the WB schism by talking about reducing expenses. It has already been suggested that the salaries paid Gene Buck and E. C. Mills, President and General Manager, respectively, be substantially clipped. Mills is getting \$50,000 and Buck \$35,000. Sentiment prevailing among the directors is that all of ASCAP's extra resources will be needed if it is decided to engage Warner Bros. in a legal showdown."

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RADIO-EDUCATION COMMITTEE FORMED; ANNOUNCEMENT IS WITHHELD

While the membership of the Radio-Education Committee is authoritatively reported to be complete, announcement of the personnel is being withheld pending a decision on the form of release by members of the Broadcast Division of the Federal Communications Commission.

The Committee, of which Dr. John W. Studebaker, U. S. Commissioner of Education, is Chairman, is expected to solve the problem of providing sufficient educational and cultural programs on broadcasting stations and networks to satisfy the educators and yet not encroach too much on the valuable time of the broadcasters.

Forty invitations were sent out several weeks ago by the FCC to educators and broadcasters over the country, and it is understood that most of them were accepted. In a few instances, however, notably Dr. Robert M. Hutchins, President of the University of Chicago, educators have asked to be relieved.

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CUBA CLEARS ETHER WAVES FOR BETTER RECEPTION FROM U. S.

Because of complaints from listeners that certain good foreign programs on long wave bands were being interfered with or shut out by local Cuban stations, the Directory of Radio of the Cuban Department of Communications has issued a decree which bars Cuban broadcasters from five frequencies.

The American stations which will benefit from this decree by better reception in Cuba, according to U. S. Consul W. N. Walmsley, Jr., of Havana, are:

WFLA, Clearwater, Fla.; WEA, New York; WLW, Cincinnati; WGST, Atlanta, Ga., and KDKA, Pittsburgh. Station XEAI, Mexico, D.F., which operates on 1,090 kc., also benefits from the decree.

Consul Walmsley said that only one Cuban station, CMCX, which operated on 660 kc. with 150 watts, was directly affected by the decree.

The new law requires that stations in any one province cannot broadcast simultaneously on frequencies less than 29 kilocycles apart as compared to the 10-kilocycle separation enforced in this country.

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CANADIAN MANUFACTURERS GIVE HINTS ON IMPROVING RECEPTION

"Improving Your Broadcast Reception" is the subject of an address to be delivered under the auspices of the Canadian Radio Manufacturers' Association at 10:30 P.M., EST, on Tuesday, December 10, over the Canadian Broadcasting System's national network.

The program may be heard over long-wave stations, CKOC, Hamilton, Ont. (1,120 kc.), CRCO, Ottawa (1,210 kc.), or CRCT, Toronto (840 kc.) or short-wave stations CRCX, Toronto, (6,090 kc.) or CJRO (6,150 kc.) and CJRX (11,720 kc.), Winnipeg.

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PETTEY NON-COMMITAL ON RUMOR HE MAY AID FARLEY IN '36

Herbert L. Pettey, Secretary of the Federal Communications Commission, thinks it's too early to determine whether he will return to the Democratic National Committee to take charge of radio broadcasts during the 1936 campaign.

In answer to rumors to this effect he said that he had not been invited to resume the job yet, but he intimated he would be willing to when asked.

It was because of Pettey's work in conjunction with radio stations and networks in the 1932 campaign that he was given the job of Secretary of the FCC.

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NEW SANTA ROSA (CAL.) STATION RECOMMENDED BY EXAMINER

A permit for construction of a new broadcasting station at Santa Rosa, Cal., to operate on 1,310 kc. with 100 watts power and unlimited time, was recommended for granting by Examiner Ralph L. Walker to the Federal Communications Commission this week. The application was filed by Arthur Westlund and Jules Cohn, both young men and residents of Oakland, Cal. There is no station now nearer than Eureka, 177 miles from Santa Rose, outside of San Francisco, 55 miles away, and Sacramento.

Denial of the application of William S. Thellman, of New Castle, Pa., for a construction permit to operate on 1420 kc. with 100 watts daytime, was recommended by Examiner Melvin H. Dalberg.

An increase in nighttime power from 500 watts to 1 KW was recommended for WGST, Atlanta, Ga., by Examiner P. W. Seward. Paul D. P. Spearman, a former counsel of the Federal Communications Commission, appeared for the applicant.

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U. S. MAKERS SELL HALF OF SETS BOUGHT IN EGYPT

United States makes accounted for half of the radio receiving sets imported into Egypt in the first eight months of this year, a report to the Commerce Department from its commercial attache at Cairo shows. During the corresponding period of 1934, the share of the United States was recorded at 57 per cent.

By far the best selling radio receiving set in Egypt is the Philips, a Dutch product, according to the report. This one make, it is pointed out, accounted for 30 per cent of total radio imports into the market in the January-September period of 1935, which compares with 20 per cent in the similar period of last year.

The success of the Philips radio in the Egyptian market, the report states, is chiefly due to the fact that it maintains its own organization in the country and is able to allow extensive credit facilities to its dealers who in turn grant liberal credit terms to their customers. Dealers receive the sets from the local Philips organization on a consignment basis and pay for them with drafts received from customers. This method, it is pointed out, naturally induces local dealers to give preference to Philips over American or European radios, which usually require cash terms.

Almost all the most important American manufacturers are represented in Egypt and one of them is following the method employed by Philips but to a much lesser extent in securing the largest percentage of sales, the report states.

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PAYNE TO DELIVER 4TH BLAST DEC. 16 AT SYRACUSE UNIVERSITY

Federal Communications Commissioner George Henry Payne, who has already assailed commercial broadcasting, radio programs, and the past record of the old Federal Radio Commission in three speeches at educational institutions, will deliver his fourth blast on December 16 at Syracuse University.

Following this address, Commissioner Payne is expected to set forth his proposed remedies, which include a definite allotment of time for educational and cultural programs on all stations and fixed adoption of fixed program standards by the FCC for measurement of station applicants for new facilities or license renewals.

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: : : INDUSTRY NOTES : : :
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Trial of the Fred Waring suit against WDAS, Philadelphia, for unauthorized broadcasting of his phonograph records was postponed from December 5 to the week of December 12 before Judge Harry S. McDevitt in Common Pleas Court.

The American Olympic Committee is reported looking for a sponsor to broadcast try-outs in the United States. Both NBC and CBS have made arrangements to pick up the international contests from Berlin next year.

E. P. H. James, Advertising and Sales Promotion Manager of NBC, reports that the NBC has been forced to change its rate card to include WOOD, Grand Rapids, Mich., in the EST time zone. The confusion arose from the fact that the Interstate Commerce Commission lists the State of Michigan, with the exception of Detroit, in the Central Standard Time Zone, while the residents of Michigan observe the EST schedule.

The Milwaukee Journal has started a series of neighborhood demonstrations of facsimile broadcasting and reception from its short-wave transmitter, W9XAG, on the roof of the Hotel Schroeder.

A radio interference eliminator is now standard equipment on a food mixer manufactured by the Hamilton Beach Co., Racine, Wis.

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BROADER SOUTH AMERICAN MARKET SEEN IN I. T. & T. TESTS

"Practically the entire South American continent may be made available to American manufacturers for network broadcasting as the result of a series of experiments which the International Telephone and Telegraph Co. proposed to undertake shortly after the first of the year", according to Variety.

"The purpose of the tests will be to determine what stations in the various S. A. countries can be hooked up by a shortwave signal emanating from Buenos Aires, Argentine. Behind the South American network idea is the Conquest Alliance Co. an American firm specializing in foreign station representation.

"By directing the shortwave signal northwest by south-east I. T. & T. engineers believe they will be able to reach every country but Chile from a transmitter in Buenos Aires. It would then be up to the stations designated by the commercial as composing its network to pick up these programs and rebroadcast them by long wave. Through this directional wave the engineers anticipate no difficulty in covering all of Argentine, Brazil, Bolivia, Peru, Uruguay, Ecuador, Paraguay, Columbia and Venezuela. Omission of Chile is not looked on by Conquest as important enough to warrant arranging for an individual relay. Station time in that country now sells for an average of \$2.50 a quarter hour.

"As Conquest has it figured out, an advertiser could have one of these all-continental hookups on the basis of an hour a week for an annual cost of \$30,000. This would cover all station time plus the toll for short-wave transmission."

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

KABR, Aberdeen Broadcast. Co., Aberdeen, S. Dak., CP to make changes in antenna and move transmitter locally; KRLH, Clarence Scharbauer, Midland, Tex., Mod. of CP approving antenna frequency monitor and transmitter site, and make changes in eqpt; WTAL, Florida Capitol Broadcasters, Inc., Tallahassee, Fla., license to cover CP, 1310 kc., 100 w. unlt; WFBR, The Baltimore Radio Show, Inc., Baltimore, Md., license to cover CP for auxiliary transmitter; KDON, Richard Field Lewis, Del Monte, Cal., license to cover CP as modified, 1210 kc., 100 watts, unlt; WPAD, Paducah Brdcstg. Co., Inc., Paducah, Ky., license to cover CP to move transmitter, 1420 kc., 100 w., night, 250 w. day, unlt; WNAX, The House of Gurney, Inc., Yankton, S. Dak., authority to determine operating power by direct measurement of antenna; WTAQ, WHBY, Inc., Green Bay, Wis., Mod. of CP to make changes in eqpt. and extend commencement date to 30 days after grant and completion date to 180 days thereafter.

KWTO, KGBX, Inc., Springfield, Mo., Mod. of Lic. to change name of station from KGBX, Inc., to Ozarks Broadcasting Co.; KRKD, Radio Broadcasters, Inc., Los Angeles, Cal., license to cover CP modified to make changes in eqpt. and increase power, 1120 kc., 500 w. night, 2½ KW day, S-KFSG; WPTF, WPTF Radio Co., Raleigh, N. C., CP to move auxiliary transmitter from Raleigh to Cary, N. C.; WFBR, The Baltimore Radio Show, Inc., Baltimore, Md., CP to make changes in auxiliary equipment and increase power of aux. eqpt. from 250 watts to 500 watts; WIL, Missouri Brdcstg Corp. St. Louis, Mo., CP authorizing installation of new equipment; NEW, Memphis Commercial Appeal, Inc., CP (B/c Pickup Service), freqs. 31100, 34600, 37600, 40600 kc., 5 watts; New, Bamberger Brdcstg. Serv. Inc., Newark, N.J., CP (Exp. Gen. Exp. Misc. Serv), freqs. 31600, 35600, 38600 and 41000 kcs., 1 KW; New, General Electric Co., Portable-Mobile Schenectady) CP (Exp. Gen. Exp.) freqs. 31100, 34600, 37600, 40600 kc., 15 watts.

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