

# HEINL RADIO BUSINESS LETTER

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*[Handwritten signatures and initials in red and black ink]*

December 27, 1935

## LOHR NEW NBC HEAD IS SEASON'S BIG SURPRISE

Although it had been rumored that M. H. Aylesworth would be superceded as president of the National Broadcasting Company, and several names had even been mentioned as to who might be his successor, among them Richard Patterson, vice-president, the choice of Lenox Riley Lohr, general manager of Chicago's Century of Progress Exposition, as NBC president came as a complete surprise in Washington. This apparently included officials of the Federal Communications Commission who are usually in the "know" regarding contemplated changes.

Mr. Lohr is no stranger to Washingtonians because he was born here but most of the people in the radio industry never heard of him. He has had no radio experience.

Considerable significance was likewise attached to the appointment of Joseph P. Kennedy, former Chairman of the Securities and Exchange Commission to make a study of the problems relating to the Radio Corporation's capital structure.

With regard to Mr. Aylesworth an official statement issued by David Sarnoff said:

"The National Broadcasting Company, at its regular meeting of Directors held today, accepted with regret the resignation tendered by Merlin H. Aylesworth, as President. He asked to be relieved from the responsibilities of this office because of the increased duties he has assumed as Chairman of the Board of the Radio-Keith-Orpheum.

Mr. Aylesworth remains as a member of the Board of the NBC, and in order that the Company may continue to have the benefit of his long experience and advice in the field of broadcasting, he has been elected to the newly created office of Vice-Chairman of the Board of the NBC."

Mr. Lohr was graduated in 1916 with honors from Cornell University with a degree in Mechanical and Electrical Engineering and later attended Claire College at Cambridge University, England. He is forty-four years old. In 1924, he married Florence Josephine Wimsatt (M.A., M.D.) of Washington, D. C. They have three daughters and two sons.

Mr. Lohr is a life member of the National Highway Association, a member of the American Society of Civil Engineers, the Washington Academy of Science, Sigma Phi Sigma, Scabbard and Blade, National Press Club and Cherry Circle Duck Club.

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## RELIEF WORKERS TO WRITE SCRIPTS, PERFORM OVER RADIO

Just as the newly-formed Radio-Education Committee undertakes the task of studying the place of education in broadcasting, the U. S. Office of Education will be experimenting with a new kind of educational program.

Federal relief workers, enrolled with the Works Progress Administration and the Civilian Conservation Corps, will be engaged to write scripts and then perform in dramatic skits to be placed on one or more networks, and probably over independent stations via of transcriptions, as a new educational feature.

The new program is made possible through a grant of \$75,000 of work-relief funds to the Office of Education.

Four or five series of programs may be developed, according to William D. Boutwell, editor of the office's magazine, School Life, who will have charge of the broadcasts. The project will extend over from six to eight months.

"We have been besieged with requests from unemployed persons who are eager to better themselves by taking vocational education", Boutwell said.

"Inadequate personnel has handicapped us in the past. But with the \$75,000 grant we hope to be able to direct these unemployed adults to sources of vocational education."

Details of the programs have not been worked out as yet, but Boutwell said that "all the arts employed by commercial radio will be utilized if necessary."

Entertainers, as well as script writers, are available to the Office of Education among the hordes of unemployed on Federal relief rolls.

The major networks have offered their facilities to the office free of charge, and independent stations are expected to use whatever transcriptions may be produced on the same basis.

The Office of Education now presents a weekly program, "Education in the News", every Monday night at 7:30 o'clock, EST, over the NBC network. It also participates in the "Farm and Home Hour" over NBC at 12:30 p. m. on the first Monday of each month.

The new program, however, will be the most ambitious yet undertaken by the Federal government in the field of education by radio. It is believed that, should it prove successful, the policy will be to extend the activity on a permanent basis.

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The Office of Education is also taking the lead in the Radio-Education Committee named by the Federal Communication Commission. Dr. John W. Studebaker, U. S. Commissioner of Education, is Chairman of the committee.

A conference of some of the leaders of the 40-man group will be called early in January, and a general meeting will be scheduled before the end of the month.

An agenda of proposals for solving the problem of providing educational institutions and non-profit organizations with adequate time on the air without disturbing the commercial set-up will be drafted at the preliminary parley for discussion at the full committee meeting.

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#### NAVY RUNS DOWN "SHADOW"; THE DOCTORS WERE TO BLAME

The Navy Department may not have the reputation of the Justice Department's Bureau of Investigation for getting its man, but it has run down the mysterious "shadow" which has disturbed short-wave reception recently.

Right on the heels of a statement by William A. Winterbottom, vice president of RCA Communications, Inc., that radio was confronted with a "mystery drama" in the unpredictable raids into marine, transoceanic, aircraft, military, naval, and amateur radio signals by the "shadow", the Navy Department announced that the high frequency vacuum tube machines of the medical profession are to blame.

The mysterious signals had been reported from all parts of the United States, particularly from short-wave listeners, Honolulu, Nova Scotia, Puerto Rico, and the Canal Zone.

They were heard chiefly on frequencies of 11,000 to 20,000 kilocycles between 8 a. m. and 8 p. m.

The Navy, enlisting hundreds of its reservists over the country, made many observations during the last few weeks and then collected and analyzed the reports.

The information has now been turned over to the Federal Communications Commission with the request that steps be taken to eliminate the interference.

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## PUBLIC TELEVISION IN ENGLAND TO BEGIN IN MAY

Public broadcasting of television in Great Britain will probably be inaugurated next May, according to advices to the U. S. Commerce Department from its London office. The two companies which are to broadcast television for the British Broadcasting Corporation side by side at the Alexandra Palace, the report states, are busy with the construction of their equipment. The general public is showing a marked degree of indifference, a condition due probably to the policy of silence on the part of the British press.

It has been tentatively decided to broadcast television three hours a day at first, with each of the two systems on alternate weeks. The daily three hour transmission will be divided into three periods of one hour each, and each hourly period into not less than four separate programs. It is probable that "sponsored" programs will be used to take care of part of the program. This does not mean that the BBC will sell the time on the air, but that commercial firms will pay for the programs and the listener will be told that such and such a program is being sponsored by the firm in question.

Few, if any, plans have actually been formulated for the use of television outside the amusement field. Sets will be too costly at first and broadcasts from this first station cannot be received much beyond 25 miles from the Alexandra Palace.

It is estimated that the cost of the television service for the year ended December 1936 will be approximately £180,000, a total which includes the actual construction of the station, all running and maintenance costs, and, most important of all, program costs.

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## RCA-RAYTHEON CASE MUST BE TRIED IN COURT OF LAW

The United States Supreme Court on December 23, in a unanimous opinion by Justice Cardozo, affirmed a ruling of the First Circuit Court of Appeals which ordered the \$15,000,000 damage suit of the Raytheon Mfg. Co., of Massachusetts, against the Radio Corporation of America, tried in a court of law, i.e. before judge and jury, instead of a court of equity.

The Raytheon company brought the suit in 1931 in the Massachusetts Federal District Court, alleging that RCA had violated anti-trust laws and destroyed its business by a patent monopoly. RCA produced a purported agreement, which it said blocked the suit, but

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Raytheon insisted that this was obtained under "economic duress".

The Federal District Court held that the agreement released RCA from a damage suit. The Circuit Court of Appeals reversed this decision, and RCA appealed to the Supreme Court.

Effect of the Supreme Court ruling, according to Washington counsel of RCA, will place the suit back in the court of law of the Federal District Court.

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NO ISSUE DECEMBER 31

Because of the fact that government departments will be closed for the holiday there will be no issue December 31.

A Happy New Year to all!

R. D. H.

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FCC CURBS POWER OF ATTORNEYS IN CITING BROADCASTERS

Because of complaints from broadcasters, the Broadcast Division of the Federal Communications Commission has removed from its legal department the power to cite stations for violations of FCC regulations of advertising. The three commissioners henceforth will pass upon all complaints before a station may be cited for violation.

The lawyers are understood to have been reproved for their activities in certain cases which brought forth charges of discrimination against one or more stations.

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COPYRIGHT PUZZLE STILL UNSOLVED AS DEADLINE NEARS

Negotiations for new contracts between broadcasters and the American Society of Composers, Authors, and Publishers were still under way in New York as the expiration date of present contracts, December 31, neared. James W. Baldwin, managing director of the NAB and E. C. Mills, general manager of ASCAP, are the principal negotiators.

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The two major networks, CBS and NBC, and nearly 100 independent stations meanwhile were reported to be deleting from their music libraries hundreds of songs that are controlled by the four publishing houses owned by Warner Brothers, now estranged from ASCAP.

NBC and CBS have sent letters to their advertisers explaining the copyright situation brought about by the withdrawal of the Warner Brothers houses on the ground they were not getting sufficient revenue from radio.

Warner Brothers was reported to be sending out forms of separate contracts it will offer broadcasters and a tabulation of the 36,000 compositions it controls. This new contract is said to carry a 2 per cent fee on all commercial programs and 40 per cent of the sustaining figure paid ASCAP. Stations charging \$50 or less an hour for their time would be allowed to make a deal for payment of a flat annual sum. Contracts would be for three months' periods.

Among other copyright developments that confused the situation was the dropping of the Justice Department's anti-trust suit against ASCAP from the calendar of the New York U. S. District Court. Justice Department officials said that the withdrawal from the docket does not necessarily mean the suit has been dropped.

Baldwin was reported to have several hundred powers of attorney from independent stations to strengthen his hand in making a new deal with ASCAP or Warner Brothers.

Warner Brothers issued a statement explaining the dismissal of about 50 persons from the music publishing firms which it controls on January 1.

The reduction, the statement explained, was due to (1) the inauguration of a new system of publishing and selling music and (2) the loss of income heretofore received from membership in the ASCAP.

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#### NO POLITICS IN FCC AWARDS, SAYS JUSTICE DEPARTMENT

Anning S. Prall, chairman of the Federal Communications Commission, on December 26, proudly announced that an unheralded investigation by the Justice Department had shown there is no evidence to support reports that politics plays a hand in the granting of broadcasting facilities.

Prall explained that he had requested the investigation after over-hearing a conversation in a hotel lobby that intimated that political influence was being exerted successfully on the FCC.

"I am absolutely convinced there was nothing to it at all and so is the Department of Justice", he said.

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## TWO NEW 100-WATT STATIONS APPROVED BY EXAMINER

Construction permits for two new 100-watt stations were recommended this week by examiners in reports to the Federal Communications Commission. The applications were:

Herbert Lee Blye, Lima, Ohio, for CP on 1210 kc., 100 watts, daytime.

W. A. Patterson, Chattanooga, Tenn., 1420 kc., 100 watts, daytime. Granting of this permit was made conditional by the examiner upon the denial of an application by Dudley J. Connolly and Co. for a CP to operate on 1200 kc., 100 watts power, daytime, in Chattanooga.

Renewal of the license of WEDG, Chicago, and denial of an application by Ralph Perez Perry, Santurce, Puerto Rico, for a permit to operate on 1340 kc., 250 watts power, unlimited time, were also recommended to the commission.

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## WJAY-WHK HEARING MAY PRODUCE FCC POLICY ON MERGERS

With members of the Federal Communications Commission divided on the issue of independent versus multiple ownership of broadcasting stations, a hearing scheduled for sometime in February on the application of the Cleveland Plain Dealer for authority to control WJAY and WHK is expected to produce a definite policy.

The Cleveland Plain Dealer wants to transfer control of the two stations to its holding company, the U-B Company, Inc. The news paper owns controlling interest in the Radio Air Service Corporation, operator of WHK, but control of WJAY is in the hands of the Cleveland Radio Broadcasting Co., independent of the Plain Dealer.

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## RADIO WAVES USED IN NEW BURGLAR DETECTOR

A foolproof burglar detector which enmeshes an intruder in a network of radio waves from which he cannot move without giving an alarm has been designed by Thomas S. McCaleb, instructor in the Institute of Geographical Exploration of Harvard University, according to the New York Times.

Further development may make the device useful as a very sensitive detector of aircraft, McCaleb says.

The instrument is so sensitive that once a burglar has entered a protected room every move he makes is registered. Thus the new device is an improvement over certain types of alarm systems operated by photoelectric rays, which the intruder may evade if he is aware of their presence.

The apparatus consists of an ultra-short wave transmitter and receiver placed on opposite sides of a room. The transmitter sends out a high frequency signal of seven-tenths meter wave length. The radio waves, before reaching the receiver, are reflected back and forth by the walls of the room and the paths of the millions of waves fill up most of the room's atmosphere.

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#### EDUCATIONAL PROGRAM WINS SHOWMANSHIP COMMENDATION

While educational broadcasters are repeatedly criticized for lack of showmanship in their programs, at least one educational station is holding its own with commercial competition.

The station is WOI, operated by the Iowa State College at Ames, and, according to Chief Announcer A. G. Woolfries, it has "an educational program which has proven capable of meeting commercial competition to the extent that a nearby chain outlet posted a reward of \$50 to any one of its staff who could suggest a program capable of competing with it."

"This program," he continued, "called 'The Music Shop' has a widespread appeal. Dr. Charles Mayo, one of the famous Mayo Brothers, has mentioned it twice in newspaper stories and has entertained as his houseguest the director of the program. On the other hand, many letters are received from people poor in worldly goods and formal education. Patients in at least five sanitariums are regular listeners. A number of schools use the program each morning as their opening exercises.

"The 'Music Shop', like Topsy, 'just grewed'. It began when a laboratory model of the first electrical pickup was secured from the laboratories of the General Electric Company. To the best of our knowledge, it was the first regular program of recordings to be broadcast. At first it consisted of a haphazard selection of records played without rhyme or reason. A few letters were received, among them one requesting a tune for a child's birthday party. The selection was played. The next day there were a dozen miscellaneous requests. They were played. Then came the deluge. Altho requests for dedications were limited strictly to observances of birthday and wedding anniversaries, there were, within five months, more than a thousand requests each day. By dint of much talking and little play-

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ing it was possible to read twenty names for each of twenty records. No continuity was attainable and the program soon degenerated into a conglomeration of mountain music and marches.

"Then came the day when all requests were piled into the wastebaskets and it was announced that, as an experiment, there would be no dedications on that morning's program, which consisted of light classics with a dash of Sousa and Victor Herbert. The enthusiastic response started the 'Music Shop' on the course it has held steadily for nine years.

"Slowly the level of the program has been raised until, today, an audience, composed for the most part of rural and small-town listeners, is eagerly assimilating the greatest classics and is writing in for more. This demand has resulted in another musical program, the 'Masterwork' period, thirty to forty-five minutes in length, is devoted to the presentation of entire sonatas, quartets, concertos, and symphonies, recorded by the world's finest artists. Compositions of this type are too extended for inclusion in the faster-moving 'Music Shop'".

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#### FCC SAYS BELL SYSTEM WITHDREW TELETYPWRITER SERVICE

Charges that certain Bell System telephone companies removed teletypwriters from some subscribers while continuing the service to others who paid no more revenue were made in a report released December 23 by the Telegraph Division of the Federal Communications Commission.

The FCC recently denied a request of the American Telephone & Telegraph Company to postpone from January 1, 1936, to January 1, 1937, the imposition of a \$30 minimum monthly charge for such service but agreed to a delay until April 1, 1936, to permit filing of new schedules.

"We are not informed as to the basis for removing some instruments and leaving others in the same revenue category, but the possibilities of discrimination are apparent," the report stated.

The FCC report found that the suspended schedules are "unjust, unreasonable, discriminatory and unlawful; and they are therefore cancelled and operation under them is prohibited."

While holding up the proposed guarantee until April 1, the commission allowed the Bell System until February 29, 1936, to file new schedules.

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A representative of the A. T. & T. Co. was quoted by the New York Times as explaining that many teletypewriters were installed originally with the understanding that they would be withdrawn from service if the volume of traffic did not warrant their continued use.

Paul Walker, of the FCC, said that hearings in the \$750,000 investigation of the operations of the A. T. & T. probably will begin in February. A staff of 215 is engaged in the inquiry, and a total of \$250,000 has already been spent by the FCC in preparation for the hearings.

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HUBBARD IS KSTP POET-LAUREATE

With telegrams by the Western Union Stanley Hubbard and the staff of KSTP of St. Paul have extended the following New Year Greeting:

"WE DON'T NEED A PAUL WHITEMAN TO PLAY IT;  
"WE DON'T NEED A JACK BENNY TO SAY IT;  
"WE DON'T NEED A CONTEST TO MOVE IT;  
"WE DON'T NEED A THEME TO IMPROVE IT.  
"THE COPY IS SHORT, AND WE'RE SURE IT'S THE SORT  
"THAT WILL MAKE ANY SPONSOR APPROVE IT:  
"IT'S A GREETING THAT'S CORDIAL AND FRIENDLY AND TRUE:  
"WE SAY THANKS AND A HAPPY NEW YEAR TO YOU."

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SAM INSULL'S RADIO COMEBACK NEWS TO FCC

If Samuel Insull, who is now 76 years old, is to attempt a comeback into the industrial field through the establishment of a radio chain FCC officials haven't been let in on it. It has become known, nevertheless, that several broadcasting stations in and around Chicago have been sounded out by him.

It is understood that Mr. Insull's concern will have a capital of \$100,000 to be raised by Mr. Insull's friends, and that there will be no sale of stock to the public. The name chosen, it is said, is the Affiliated Broadcasting Company.

Most of the stations that would be in the new group if the plans mature are in Illinois, Wisconsin, Iowa and Indiana. One of the organizers is Ota Cygi.

Among the stations known to have been approached are WCLS, Joliet, and WWAE, of Hammond. Both are 100 watt plants.

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## NEWSPAPER-STATION ASSOCIATION ENDS FIRST YEAR

The Twin City (Minneapolis and St. Paul) Association of Newspapers and Radio Stations, believed to be the only organization of its kind in the United States -- if not in the world -- has completed its first year with a record of numerous achievements.

This Association was formed primarily to decide upon advertising agency recognition in the Twin Cities and to make possible the discussion of problems of mutual interest to the members. Included in the Association are the Minneapolis Tribune, Minneapolis Star and Minneapolis Journal, and the St. Paul Pioneer Press & Dispatch and the St. Paul Daily News. Originally all four Twin City stations namely, WCCO, KSTP, WTCN and WDGY, belonged, but the latter dropped out four months ago.

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## RADIO STILL HAS YOUTHFUL OUTLOOK, SAYS SARNOFF

"The radio industry, emerging last year from a period which has been trying to all business endeavor, proved again that it has still the youthful outlook and vitality that caused it to forge swiftly to the forefront in the momentous decade that followed 1920," says David Sarnoff, president of RCA.

The last twelve months saw the introduction of one of the most revolutionary improvements of recent years in radio -- the all-metal tube. The quickness of the industry in recognizing and embracing definite advances is witnessed by the fact that 48 of the leading radio set manufacturers were using all-metal tubes before the year ended.

"A most significant development for the entire radio industry was the turn toward higher quality merchandise, after an interval in which the price trend of radio receivers has been downward.

"During the year, also, plans were made and announced for taking television from the laboratory for the first comprehensive field test in America. We are planning ahead, bearing the expense of the test of our laboratory achievements so that when television is finally introduced commercially the public shall not be disappointed."

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