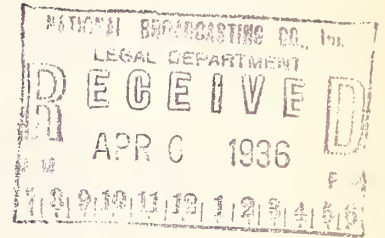


HEINL RADIO BUSINESS LETTER

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BBC FACES POLICY CHANGES IN RENEWAL OF CHARTER

Some significant changes in policy but a continuation of the major principles of Government monopoly and non-commercialism are proposed in recommendations of a special Parliament Committee for adoption before the present Royal Charter of the British Broadcasting Corporation expires at the end of 1936. The Committee, under the Chairmanship of Viscount Ullswater, made a thorough investigation of the work of the BBC during the past nine years, and then proposed that it be granted a new ten-year charter with certain revisions.

After referring to "the influence of broadcasting on the mind and spirit of the nation", the Committee said, in its report that "a great debt of gratitude is owed to the wisdom which founded the British Broadcasting Corporation in its present form, and to the prudence and idealism which have characterized its operations." The BBC exercises a monopoly on broadcasting in Great Britain and Northern Ireland.

The Committee describes its recommendations as "directed towards the further strengthening and securing of the position which the broadcasting service in Great Britain has happily achieved in the few years of its history." The Committee recommended that:

The Charter of the BBC, with certain modifications, be extended for ten years as from January 1 next.

The Governors be appointed in future by the Crown on the recommendation of the Prime Minister. Their number be increased from five to seven.

Technical control under the Wireless Telegraphy Acts, as well as the administration of the wireless license system, should remain with the Postmaster-General. Responsibility for what the Committee describe as "the cultural side of broadcasting" should be transferred to a Cabinet Minister in the House of Commons, who should be selected by the Prime Minister, preferably a senior member of the Government, free from heavy departmental responsibilities.

The license fee should remain at ten shillings a year. Not less than seventy-five per cent of the license revenue, after the Post Office costs have been covered, be allocated to the BBC, which should meantime receive an increased share of the revenue in 1936. The remaining twenty-five per cent would be potentially available, as required for broadcasting purposes, including television.

The present policy of decentralisation and of using regional program material be continued.

Direct advertisement be excluded as heretofore from BBC programs.

The Committee endorse the value of school broadcasting. It "looks forward to the time when every school will have wireless receiving apparatus as part of its normal equipment".

The Committee attaches great importance to the maintenance and development of the Empire Service. "The Empire Service should be recognized as an important, normal function of the broadcasting organization in this country. In the interests of British prestige and influence in world affairs the appropriate use of languages other than English should be encouraged."

Relay exchanges should be owned and operated by the Post Office. Their programs should be controlled by the BBC.

The BBC in commenting on the proposals said, in part:

"There is not likely to be a major difference of opinion on these recommendations, except over the length of life for the new Charter. A longer period has important advantages when it comes to planning the future of a costly and swiftly expanding service.

"The fairness of returning more of their ten shillings to listeners in the shape of better programs and other advantages is uncontroversial. Last year the BBC took 5s.2d., and the balance went to the State, partly to pay for the service of the Post Office, but largely for general revenue purposes. Since the Charter was granted £9,782,000, drawn from license fees, has gone to the Exchequer.

"There are, however, several proposals advanced by the Committee which will not be received without opposition. The suggestion that the number of Governors be increased from five to seven will not recommend itself to everyone experienced in the ways of committees.

"Some controversy may be aroused by the Committee's recommendation that relay exchanges should be owned by the Post Office and their programs controlled by the BBC. The significance of this may not be obvious to all listeners, but it ought to be understood. A relay system means the provision for a number of listeners - say, all the tenants of a large block of flats - of broadcasting facilities from some central source. Each individual subscriber has a loudspeaker but not a receiving set of his own, and is free to choose one of two or three programs (and no others) provided from the central source. The practice is spreading of taking one of these alternative programs from foreign stations, some of which sell "time on the air" to advertisers. Unless, therefore, the Committee's recommendation is accepted, we may have the progressive introduction into the country of programs which

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would be excluded from the national system on account of advertising and other undesirable qualities."

In addition to its charter, the BBC holds a license and agreement from the Postmaster-General, under the terms of which it actually operates. Certain reservations are made by the Postmaster-General under these terms: for instance, the Corporation must refrain from broadcasting any matter, either particular or general, if the Postmaster-General requires it. No case has as yet arisen, however, in which the Postmaster-General has found it necessary to exercise these powers, which, it is fully recognized, are intended to operate only in an emergency.

At the end of February, 1936, 7,529,724 listener licenses were in force, compared with 6,912,502 at the end of February, 1935. In addition, 44,069 free licenses have been issued to blind persons. It is estimated that approximately five persons have access to each licensed wireless receiver, thus making the total potential audience of the BBC approximately 37,500,000. The population of Great Britain and Northern Ireland at the end of 1933 was estimated at 46,600,000.

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NBC PONDERES EXPANDING SOUTH AMERICAN SERVICE

Pleased with the results of placing transcriptions of American sponsored programs on South American broadcasting stations, the National Broadcasting Company is reported considering building up a Pan American coverage via short-wave.

Although Federal Communications Commission rules now prohibit short-wave stations in this country from selling time to commercial sponsors, NBC is working on an idea that will presumably increase its revenue and greatly broaden the markets of its advertisers. It is said to be ready to organize a special department for the purpose of selling time and programs for foreign stations, especially those in Latin American countries.

The network would benefit whether the American advertisers place their accounts on South American stations via transcriptions, as has General Motors, or pay to have the RCA short-wave transmitter at Riverhead, L. I., pick up commercial programs from NBC and transmit them to South American stations for rebroadcasting. Local announcements would be made in Spanish.

NBC also could expect to develop a foreign market for personal appearance bookings by the NBC Artists Service.

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ASCAP GROSS REVENUE \$4,505,829 FOR 1935

Broadcasters engaged in a prolonged fight over copy-right fees levied by the American Society of Authors, Composers, and Publishers and Warner Brothers were interested to learn this week that ASCAP had a record-breaking gross income of \$4,505,829 in 1935 from all sources. Dividends disbursed to members totalled \$3,262,556.

The figures were disclosed at an annual meeting in New York, generally labelled as the tamest gathering of ASCAP in years. Other figures showed that ASCAP issued 23,137 licenses to music users in 1935 as against 20,733 in 1934.

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U. S. CONSULS TO GET NEWS VIA SHORT-WAVE CIRCUIT

The United States Diplomatic Corps, scattered to the four corners of the world, will be kept informed promptly of the latest moves of Congress and other national news via a short-wave broadcasting circuit being formed by the State Department at Washington.

Wilbur J. Carr, Assistant Secretary of State, this week disclosed that a test service has been operated already to Paris, Berlin, Rome, and Geneva. The circuit now will be extended to either other large foreign cities, where U. S. Diplomatic agents are stationed. Short-wave receiving apparatus is en route to Sydney, Australia; Calcutta, India; Santiago, Chile; London; Buenos Aires; Rio de Janeiro; Lima, Peru; and Cairo, Egypt.

Naval radio facilities will be used to receive the messages in China and the Panama Canal Zone and by naval vessels wherever they are stationed for transmission to the consular officers in their territory.

The news broadcasts will emanate from Station NAA, the naval transmitter located at Arlington, Va., just outside of Washington. They will be broadcast nightly at 7 o'clock in Morse code. Each receiving station in the chain will translate the messages, mimeograph them, and distribute them by fast mail to the various Embassies, Legations, and Consulates within their areas. The news bulletins, containing about 1,500 words, will be compiled and edited by Howard Bucknell of the State Department's Division of Current Information.

While the official announcement said nothing about secret or diplomatic code messages, observers pointed out that it would be a simple matter for broadcasts to contain such material if properly guarded by code. The service might prove especially valuable in time of war or international emergency and would make the State Department independent of the cable or even radio communication circuits that might be controlled at one end by hostile governments.

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MORE RESIGNATIONS SEEN IN NBC OVERHAULING

The resignations of Richard C. Patterson, Jr., as Vice-President, and Donald S. Shaw as Eastern Sales Manager of the National Broadcasting Company within a fortnight give some credence to rumors in broadcasting circles that a general shakeup in NBC personnel is in prospect. One report is that Maj. Lenox R. Lohr, new NBC President, is examining the network's employee list with the idea of reducing perhaps as much as 20 per cent, by dismissing both executives and minor employees.

Major Lohr has already started merging departments under a single head with the aim of achieving greater efficiency, economy, and mobility. He is now establishing a General Service Department, combining several former departments, under Walter G. Preston, Jr.

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FLOOD DAMAGE EXPECTED TO BOOST RADIO MARKET

Radio manufacturers and broadcasters expected to profit from the old adage that it's an ill wind that benefits no one.

Because damage done by floods over the East is estimated at approximately \$500,000,000, replacements in household furnishings, radio sets, etcetera, will be in order as soon as relief money is made available.

Broadcasters should get more advertising and manufacturers more orders for radio receivers as a result.

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ORCHESTRA LEADERS BACK DALY BILL AT HEARING

Copyright hearings before the House Patents Committee continued this week with only one session being devoted to legislation of interest to broadcasters.

Fred Waring, President of the National Performing Artists' Association, Guy Lombardo, Frank Crummit, and others, testified in behalf of the Daly Bill to restrict the use of phonograph records for broadcasting. The Daly Bill is an outgrowth of the litigation between Fred Waring and Station WDAS, Philadelphia.

The hearing, now occupied with copyright problems of libraries, newspapers, and periodicals, is due to end April 15th.

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PETTEY'S RESIGNATION AROUSES SPECULATION

The unexpected resignation of Herbert L. Pettey, as Secretary of the Federal Communications Commission, has aroused speculation in broadcasting and political circles as to the reason for his sudden departure and as to his successor.

Mr. Pettey's resignation was announced in New York on April 1st by Louis K. Sidney, General Director of the Marcus Loew station, WHN, in New York City, with which the retiring FCC Secretary will go on May 1st as Director in Charge of Sales and Promotion. Announcement was withheld at the FCC until after WHN had issued a release.

Because Mr. Pettey was generally expected to take over the job of obtaining radio time for the Democratic National Committee in the 1936 campaign as he did in 1932, his acceptance of a non-political post gave credence to rumors that he is no longer on as good terms with Postmaster General James A. Farley as he was four years ago, at which time he was known as "Farley's Fair-Haired Boy."

While there was no indication that political pressure had been brought to bear, Mr. Pettey got himself neatly out of a political hot spot by quitting the FCC at this time. The youthful FCC Secretary has apparently been involved in every incident that made the Commission a target of Congressional and public criticism during the three years of his incumbency. The most recent case was the "Willard Hotel incident".

Mr. Pettey first stirred up a mild tempest when he retained his association with the Democratic National Committee after taking the job as FCC Secretary. During the last three years he has many times aroused the antagonism of newspaper men because of his efforts to impose censorship upon FCC activities, and at one time both the Chicago Tribune and the New York Herald-Tribune were running a series of articles attacking the FCC and Pettey simultaneously.

G. Franklin Wisner, a very able newspaper man, formerly of the Baltimore Sun, was obviously hamstrung in his efforts to improve public relations with the FCC by Pettey's dictatorial and censorship tactics.

Mr. Pettey goes with WHN shortly after its power has been increased to 5,000 watts. The New York station is engaged in enlarging its staff, and it is reported that it may soon become the key to another national network.

Before going with the Democratic National Committee, Mr. Pettey was with the RCA Victor Company, and prior to that he was Kansas City film distributor for Metro-Goldwyn-Mayer.

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No one has been mentioned prominently as yet as a possible successor to Mr. Pettey. The job, prior to President Roosevelt's inauguration, was under Civil Service; now it is a political plum paying \$7,500 a year.

John B. Reynolds, able Assistant Secretary, according to best advices, has little chance under the present administration as he is a Republican. It is doubtful whether he would want the job at this time, moreover, because of the threatening Congressional inquiries of the FCC.

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NBC SEEN ACQUIRING YANKEE NET; GETS THREE STATIONS

The affiliation of three of the Yankee Network stations with the National Broadcasting Company has led to reports that NBC will eventually absorb the New England chain owned by John Shepard, 3rd, President of the Shepard Broadcasting Service.

NBC first acquired Station WNAC, Boston, although the operation may not begin before Fall on the WEAf network. A few days later it was announced that an agreement had been reached between Maj. Lenox R. Lohr, President of NBC, and Mr. Shepard, for linking WEAN, Providence, and WICC, Bridgeport-New Haven, Conn., with the NBC-WJZ network. The latter will not become effective until January 1, 1937.

NBC took over WNAC after the Columbia Broadcasting System had obtained a 5-year lease on WEEI, Boston, from the Edison Electric Illuminating Co., reputedly at \$225,000 a year. Station WEEI has been affiliated with the NBC-WEAf network.

Because of the CBS action, the affiliation of WNAC with NBC was not unexpected. However, when NBC began to intensify its coverage in the New England area by adding WEAN and WICC to its Blue chain, the broadcasting industry began to take notice.

Station WICC, established in 1926, is owned by the Southern Connecticut Broadcasting Corp., a subsidiary of the Shepard Broadcasting Service. WEAN, established in 1922, is owned outright by the Shepard Broadcasting Service.

Both NBC and Hearst Radio, Inc., are reported to have made bids for WEEI before CBS obtained its 5-year lease.

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EXAMINER BLOCKS NEW STATION ASSOCIATION

An ambitious plan to establish eight 100-watt broadcasting stations in the Northwest and Middle West under an "Association" arrangement struck a snag this week when Examiner P. W. Seward recommended that all applications be rejected by the Federal Communications Commission.

The organizers in the joint enterprise were listed as Robert J. Dean, Emmons L. Abeles, Dr. F. Koren, and M. L. Finkelstein & Sons, Inc., operating under different assumed trade names in each community. Attached to each of the eight applications were similar copies of "Articles of Association", which appeared to be a partnership agreement among the applicants.

Towns in which the stations were to be located included Winona and Mankato, Minn.; Fort Dodge and Clinton, Ia.; Hastings and Grand Island, Nebr.; Appleton and Wausau, Wis.

Examiner Sewart also recommended adversely against a ninth application, filed by the Northern Broadcasting Co., Inc., of Wausau, Wis., for a permit to erect a 100-watt station.

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COAXIAL CABLE USE IN BERLIN VISUAL CIRCUIT DESCRIBED

As the American Telephone & Telegraph Company is preparing to construct a coaxial cable between New York and Philadelphia for use in television experiments, the Bureau of Foreign and Domestic Commerce at Washington this week issued a report on the coaxial cable used on the Berlin-Leipzig television circuit.

Douglas P. Miller, Acting Commercial Attache stationed at Berlin, cabled the following description of the cable:

"Siemens and Halske coaxial cable, constructed with a newly invented insulation called 'styroflex' is constructed as follows: Inner copper wire of 5 millimeters diameter following the longitudinal axis of the cable, is kept in place by 'styroflex' spiral; around both is a 'styroflex' sleeve; then a sleeve of spiral wound flat copper bands held together with copper foil, then a linen sleeve and finally a lead jacket. How 'styroflex' is made is not known. It is transparent, flexible, and thin as paper. Cable will handle 4,000 kilocycles now occupied as follows: 100 talking bands, up to 1,000 kilocycles; television band from 1,000 to 1,500 kilocycles, now used to produce 40,000 joint picture, or the equivalent of 180 lines 25 changes per second. A claim of direct scanning is made, although a sign in the broadcast office reads: 'Post Office Department cannot guarantee that the picture appearing is of the person talking.'

"Authorities claim this cable will later be used for television band of 2,000 to 4,000 kilocycles, 380 to 400 lines, 25 changes per second. Siemens and Halske have a new cable called 'symmetrische' which they claim is as good or better than but different from coaxial, in that 'styroflex' makes possible two longitudinal wires in core, one of which is to handle the return circuit instead of the use of the spiral wound copper sleeve for this purpose."

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FIELD INTENSITY INCREASED BY USE OF MAST ANTENNA

The field intensity produced by a radio transmitting station was increased from 50 to 100 per cent by substituting a high vertical mast antenna for an inverted L antenna, in experiments recently conducted by the National Bureau of Standards in cooperation with Station WBT, Charlotte, N. C., the Department of Commerce revealed this week.

Continuous field intensity records from each of these antennas were made at seven different distances, varying from 43 to 546 miles. Measurements were also made at eight points on a circle one mile from the transmitting station. The latter measurements indicated that the field intensity at one mile was almost doubled by substituting the high mast for the inverted L antenna. The same antenna change increased the field intensity at most of the distant points about 1.5 times, and reduced the amplitude of the fading at the first three receiving points, 43 to 88 miles distant, it was stated.

With either antenna the frequency of the fading was greater at the first three receiving stations than at the more distant ones. This rapid type of fading seemed to be produced largely by interference of ground and sky waves, both being appreciable components of the received fields at these nearby stations. The frequency of the fading was not appreciably changed by the substitution of the mast for the L antenna, according to the Standards Bureau.

During some of the tests four wires with a spacing of 90 degrees were dropped from cross arms at the top of the mast to increase its top capacity. This arrangement did not appreciably increase the field intensities at one mile or greater distances, but decreased the fading at the first three receiving stations, the Commerce Department announcement stated.

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LOUIS CALDWELL STAGES ONE-MAN GRIDIRON FOR VANDENBERG

A dinner that set columnists commenting on its uniqueness was held last week by Louis G. Caldwell, Washington attorney for Station WGN, Chicago, and former General Counsel of the Federal Radio Commission, in honor of Senator Vandenberg, of Michigan, strong contender for the Republican nomination for President.

Helen Essary in the Washington Times described it as a "One-Man Gridiron Dinner" and "the most brilliant satirical party official Washington has seen in years." Like the famed Gridiron dinner held annually by Washington newspaper men, the private dinner was interrupted with brilliant skits and stunts that kept the 50 guests in an uproar.

Long a friend of Senator Vandenberg, Mr. Caldwell would be certain to be offered a high position in the Federal Communications Commission were the Michigan Senator to become President.

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LISTENERS URGED TO EXPRESS PROGRAM APPROVAL

Urging listeners "to protect our investment in radio", Pitts Sanborn, prominent music critic and Director of The Radio Institute of the Audible Arts, addressed the National Conference of Music Educators in New York, March 31st, on the subject of "Radio and Music Appreciation."

The best way to protect the investment in good music and entertainment, Mr. Sanborn pointed out, is to write expressions of approval to the broadcasting companies. "Such a policy helps to insure the high quality of future performances", he said. "Radio entertainers who know that they have a large and appreciative audience, will make especially enthusiastic efforts to please that audience. Radio sponsors and stations that get support for a fine program are likely to keep that program on the air and produce more of the same kind", he told the educators.

"That is the way", he continued, "in which we can protect our investment in radio. We all have our ideas of what radio should be. There are certain practices we would like to see adopted, certain programs we would like to hear. If we want those programs presented and those practices adopted, it is highly desirable that we communicate our wishes to the broadcasters."

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RADIO UNIONS MERGE; TO AFFILIATE WITH A. F. OF L.

The Electrical and Radio Workers Union and the National Radio and Allied Trades have merged, according to the Radio Manufacturers' Association news bulletin. The new industrial union will be known as the Electrical and Radio Workers of America and will seek a charter from the American Federation of Labor. The new union will take the place of the National Radio and Allied Trades, which has left the A. F. of L. because it would not grant an industrial union charter.

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18% INCREASE IN RADIO SALES SEEN THIS YEAR

Sales of radio sets are expected to show a gain of 18 per cent this year over last, according to J. G. Donley in a copyright dispatch syndicated out of New York. He predicted that the largest gain will be in the sale of auto radios.

"At present there are some 3,000,000 sets installed in private cars, trucks, and busses", he wrote, "and the trade estimates that 1,500,000 auto radios will be sold this year, which will mean a 50 per cent increase in the number in use, if all the old ones stay on the job."

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DEPOSITS OF CLASS B RCA STOCK REPORTED SLOW

The following appeared in the financial columns of the New York Times on April 3rd:

"While deposits and proxies together appear to be sufficient to enable the Special Committee created by the Radio Corporation of America for the purpose to obtain ratification of the reorganization plan to be voted on at a meeting of stockholders next Tuesday, deposits of Class B preferred stock thus far reported to the New York Stock Exchange are a fraction under 30 per cent, with the result that the Committee is desirous of obtaining greater acceptance by deposit before proceeding with the plan. In such cases, deposits are generally larger proportionately in the last few days than the day-by-day deposits after a plan has been promulgated. There is believed, however, to be no doubt that the time for deposits will be extended."

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The Federal Communications Commission this week issued a summary of monthly reports of large telephone carriers in the United States for 1934 and 1935 on a large tabular chart. The compilation covers reports of revenue and expenses of 57 telephone carriers, each having annual operating revenues in excess of \$250,000. Copies may be obtained from the FCC.

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