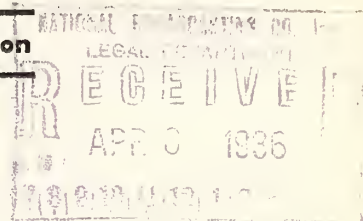


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



*A. J. A.
S. J. A.*

INDEX TO ISSUE OF APRIL 7, 1936

Sweeping Inquiry Set By FCC As Craven Cites Radio Problems.....	2
Petty's Brother-in-law Handles Radio For Democrats.....	6
Association Venture Gets Second Set-Back At FCC.....	6
Hearst Awaits Decision On Bid To Buy WMAL.....	7
Brinkley Campaign Recalled In Landon Review.....	7
Red Tape Again Balks Good Publicity For The FCC.....	8
Kennedy Explains RCA Plan At Stockholders Meeting.....	8
FCC Fixes Stricter Markings On Indicators.....	9
C.C.I.R. Committee Meetings Scheduled.....	9
Industry Notes.....	10
Radio Broadcasting Making Progress In Brazil.....	11
Maryland Linking Police Radio Net With D. C.....	11
Applications Granted By FCC Broadcast Division.....	12

No. 917

*Good
g L m j*

April 7, 1936.

SWEEPING INQUIRY SET BY FCC AS CRAVEN CITES RADIO PROBLEMS

Probably the most far-reaching inquiry in the comparatively brief history of broadcasting has been scheduled to begin June 15th by the Federal Communications Commission on the basis of a demand by Commdr. T.A.M. Craven, FCC engineer, for a basis for long-time policies in future allocation of limited facilities in the fields of broadcasting, television, and radio communication.

The hearing, it is expected, will take precedence over all previously-proposed allocations or shake-ups in the broadcasting field. It will, however, doubtless be but the forerunner of more special investigations of the present set-up.

Commander Craven's report, made to the full Commission, was rather general in its recommendations and will be followed, he said, by supplementary proposals to each of the divisions of the FCC charged with control of broadcasting, telephone, and telegraph operations.

"The necessity for this report arises from the limitation in the number of radio frequency channels which may be available for the various classes of communication service", Craven explained.

"While an emphasis may seem to have been placed upon broadcasting, the primary purpose of this report is to illustrate the effect that broadcasting requirements have upon the solution of problems involved in other services of equal, if not greater, importance, such as in the case of safety of life and property services.

"The Engineering Department reports that radio, by reason of recent technical progress, has arrived at a cross-roads in its application to the service of the public. The Federal Communications Commission is therefore confronted with some pressing problems of basic importance, the successful solution of which will constitute another milestone in the history of communications.

"The ultimate engineering solution of these radio problems is somewhat complicated by the national policy yet to be adopted with respect to land lines. For example, if radio is to be encouraged as a method of competition with domestic wire telephone and wire telegraph services, the need throughout the entire spectrum for radio frequency channels for such competition may be so great as to limit the use of radio for other services, such as aviation, marine, visual, and aural broadcasting, police communications, emergency and safety of life services, and other such needed communications which cannot be easily accomplished through use of land lines.

"If, on the other hand, radio is to be reserved primarily for communication needs of the public, which cannot satisfactorily be fulfilled by wire, the solution of the radio problem, while still difficult is more easily comprehended.

"The Engineering Department is inclined to the view that the Federal Communications Commission, by reason of the existing technical limitations inherent in radio, will deem it safe to proceed with a tentative solution of the pressing radio problems on the basis that, for the present at least, radio should be reserved primarily for services which are dependent upon radio rather than wire, and secondarily to permit a controlled amount of radio competition with the land wires and submarine cables by public service communication companies.

"In other words, the Engineering Department is of the opinion that the present development of radio has not sufficiently advanced to permit it to become a factor of comprehensive competition with the land line systems of the country, and if radio is ever to be seriously considered as such a factor, it first will be necessary for a vast amount of technical progress and scientific development to be accomplished.

"Therefore, the Engineering Department believes it to be the desire of the Commission that, pending additional scientific development, nothing should prevent the use of radio for services for which it naturally is suited, and also that progress should not be impeded in the general application of radio to all public services as may be needed."

Commdr. Craven set forth four important technical problems requiring the attention of the Communications Commission. They are:

"1. Providing new radio frequency channels for public services in classes of communication other than broadcasting, as well as providing for all classes of radio service in the interest of safety of life and property.

"2. Frequency allocation improvements to the existing broadcast structure - 550 to 1600 kc.

"3. Visual broadcasting (television and facsimile).

"4. Aural broadcasting on frequencies above 1600 kc."

Explaining the problems, he said:

"Peculiarly, the solution of these four broad problems is so intrinsically interrelated that none of them should be decided upon without consideration of the other three.

"In addition to the foregoing, the decision of the President of the United States with respect to the stated requirements of the various governmental departments for radio frequencies in the newly developed portion of the spectrum for safety of life and property, will have an important influence on the action which can logically be taken by the FCC.

"Of the problems confronting the Commission, visual broadcasting perhaps most complicates the situation by reason of two factors, namely:

"1. The technical requirement for an extremely large portion of the limited ether spectrum, thus restricting the amount which would be available for services other than broadcasting.

"2. The economics of visual broadcasting, including the possible economic effect it may have upon existing aural broadcasting and the existing receiver manufacturing industry, as well as the newspaper and motion picture industries.

"If more data were available with respect to these two factors of visual broadcasting, the FCC might have sufficient detailed information to warrant its proceeding immediately with confidence in the solution of the other three radio problems on a more permanent basis; but visual broadcasting is still deep in the experimental status from both technical and economic standpoints.

"The other three problems are not quite so complex as visual broadcasting, and while there is still insufficient data regarding wave propagation in large portions of the spectrum, there is enough information relative to propagation in certain portions of the spectrum to permit more definite progress along specific lines, and in this connection at present there appears to be a need for opening new portions of this spectrum in the service of the public. Furthermore, the possible intrenchment of various developed services by vast expenditures of money is a factor of compelling importance."

Commdr. Craven suggested three courses open to the Commission but dismissed the first and second as foolhardy and illogical, respectively. The courses are:

1. Proceed immediately with the solution of the four problems on the assumption that visual broadcasting will either be on a limited scale or that it will have to await further apparatus development to permit it to use frequencies higher than are now practicable with existing vacuum tubes.

2. Delay immediate solution of the four problems until more is known of visual broadcasting and until vacuum tube development on the higher frequencies is further advanced and until further data with respect to wave propagation is accumulated.

3. Proceed upon the doctrine of "evolution and experimentation" by encouraging development and use of frequencies along definite lines as may be indicated from time to time from accumulated data and by holding informal hearings as necessary to facilitate progress in detail."

The Chief Engineer then recommended a 14-point program to the FCC as a basis for attacking the solution of the problems confronting the Commission and the radio industry. They are, in brief:

1. In new allocations or in reallocations of radio frequencies, proceed upon the basis of "evolution, experimentation, and voluntary action" rather than by radical and enforced costly changes.

2. Encourage communication development along specific lines as may be indicated from time to time from accumulated data and evidence obtained at informal engineering meetings.

3. Hold an informal engineering hearing before the Commission en banc for the purpose of:

(a) Determining in a preliminary manner the most probable future needs of the various services for frequencies above 30,000 kc.; (b) securing for the public and the FCC a keener insight of the conflicting problems which confront the industry and the regulatory body in the application of new frequencies; (c) guiding experimentation along more definite lines; (d) reviewing frequency allocations to services in the radio spectrum below 30,000 kc.

(The fourth recommendation was deleted from the report made available to the press - R.D.H.)

5. The Engineering Department should prepare minor modifications of existing regulations for experimental operation above 30,000 kc., to be effective immediately, but designed to encourage progress while avoiding illogical "intrenchment" pending final determination of the problems.

6. (Also missing - R.D.H.)

7. Engineering Department to prepare modifications of existing regulations pertaining to frequencies for various classes of broadcasting stations between 550 and 1600 kc.

8. Hold a general hearing on the modifications resulting from the proposal in No. 7.

9. Encourage standardization of visual broadcast transmission performance by authorizing the Engineering Department to cooperate with the Radio Manufacturers' Association and licensees of experimental television stations.

10. Encourage development of coaxial cables for use in television.

11. Continue television station licensing on experimental basis only and making more stringent requirements relative to operation.

12. At proper time promulgate visual broadcast transmission performance standards provided Radio Manufacturers' Association recommendations are not satisfactory, and to hold a hearing on subject.

13. After standards are adopted, continue policy of keeping visual broadcasting on an experimental basis until sufficient data is accumulated with respect to economic factors and possible economic effect on other broadcast services and upon newspapers and motion pictures.

14. Continue to encourage aural broadcasting on an experimental basis on frequencies above 30,000 kc. When sufficient data is available on this and other services, the Federal Communications Commission should consider the desirability of commercial aural broadcasting on frequencies above 30,000 kc."

X X X X X X X X

4/7/36

PETTEY'S BROTHER-IN-LAW HANDLES RADIO FOR DEMOCRATS

William Dolph, Sales Manager of Station WOL, Washington, is acting somewhat in the same capacity as his brother-in-law, Herbert L. Pettey, retiring Secretary of the Federal Communications Commission, did in the 1932 presidential campaign, it was learned this week.

Mr. Dolph has taken over the job of handling radio hookups for the Democratic National Committee during the present campaign, but he has refused to give up his WOL connection. The political job, consequently, is on a part-time basis.

Mr. Pettey was expected to return to the job up until the time he announced his resignation from the FCC to join the executive staff of WHN, New York City. The FCC has not yet selected his successor.

X X X X X X X X X X

ASSOCIATION VENTURE GETS SECOND SET-BACK AT FCC

The sponsors of a proposed association of new 100-watt broadcasting stations got their second reversal in a week when Examiner Melvin H. Dalberg recommended that the Mason City Broadcast Co., Mason City, Ia., be denied a permit to operate on 1420 kc.

The organizers, listed as Emmons L. Abeles, Robert J. Dean, F. K. Koren, and M. L. Finkelstein & Sons, were turned down a few days earlier on applications to build seven small stations in the Northwest and Middle West.

The Examiner also ruled against the Northern Iowa Broadcasting Company for the same facilities, but approved the application of the Mason City Globe-Gazette Co., which publishes a daily newspaper, for a construction permit to use 1210 kc. with 100 watts power, unlimited hours.

Examiner John P. Bramhall reported adversely on the application of Station WPAR, Parkersburg, W. Va., to increase its daytime power from 100 to 250 watts.

X X X X X X X X

4/7/36

HEARST AWAITS DECISION ON BID TO BUY WMAL

After several days hearing before Justice Bailey in District of Columbia Supreme Court, Elisha Hanson, attorney for William Randolph Hearst, said he would file a brief before April 15th in support of Mr. Hearst's suit to force the heirs of M.A. Leese to sell him Station WMAL, Washington, for \$250,000.

Hearst Radio, Inc., won the first skirmish when Justice Bailey over-ruled the heirs and granted Mr. Hanson's motion to try the case on its merits.

Also interested in Station WMAL is the Washington Evening Star, which is understood to be willing to pay \$200,000 for the station. Mr. Leese, before his death, tried to sell the station to the Star and stated he wanted the newspaper to be given the first opportunity to buy it whenever it should be sold.

Station WMAL is now affiliated with the National Broadcasting System along with WRC, Washington.

X X X X X X X X

BRINKLEY CAMPAIGN RECALLED IN LONDON REVIEW

The unsuccessful Kansas gubernatorial campaign of Dr. John R. Brinkley, goat-gland specialist and former Kansas broadcaster, who now operates XERA, and XEAW, Mexican border stations, was recalled by Franklyn Waltman, political staff writer, in a news story on Governor Landon in the Washington Post.

Writing under a Topeka date line, Waltman quoted one of the Governor's aides as saying:

"If they can dig up anything on Alf Landon, then they're good. He was twice opposed for the governorship by Doc Brinkley, the goat-gland specialist, and the doc was out to get Landon. He charged him with everything in sight - being dominated by the interests, beholden to Standard Oil and a lot more. If none of the mud thrown at Landon in those two campaigns stuck, it is unlikely men with any regard for the truth will make anything stick."

X X X X X X X X

RED TAPE AGAIN BALKS GOOD PUBLICITY FOR THE FCC

The Federal Communications Commission by poor teamwork this week missed fire on another chance for good publicity on the report of Commdr. T.A.M. Craven, Chief Engineer, by taking a couple of days to decide whether to release the report and by failing to take their Press Relations Chief, Frank Wisner, into their confidence.

As a consequence, although the wire services were able to get something on the far-reaching recommendations last Saturday, and Chairman Prall was waid to have loaned his copy to a favored few, newspaper men who went to the FCC on Monday were given a run-around until late in the afternoon, when Commissioner George Henry Payne; upon returning to his office, made his copy of the carefully-guarded report available.

By that time most newspaper men interested in the report didn't care whether the FCC released it or not.

X X X X X X X X

KENNEDY EXPLAINS RCA PLAN AT STOCKHOLDERS MEETING

Joseph P. Kennedy, former Chairman of the Securities & Exchange Commission, whose plan for recapitalization of the Radio Corporation of America was approved by the Directors January 31st, was to attend a special meeting of the company April 7th in New York City.

While the New York Stock Exchange reported April 6 that 299,389 certificates of deposit for RCA Class B preferred shares, or 39 per cent of that stock, had been listed, late deposits under the plan brought total deposits of this class of stock close to 50 per cent with the likelihood that it would surpass a majority before the meeting, according to the New York Times.

Deposits and proxies for Class B shares and for common and Class A preferred shares were, for each class, close to 60 per cent of the total shares outstanding, it was indicated. This would assure ratification of the plan, the Times said, but it is likely that deposits of Class B preferred shares will be permitted for an extended period.

In brief, the plan calls for retirement of all Class A preferred shares; borrowing of \$10,000,000 at $2\frac{1}{2}$ per cent from banks; exchange of Class B preferred shares at the rate of 1-1/5 shares of new convertible preferred stock and one common share for each preferred share, and the right for five years to convert each new preferred share into five common shares.

X X X X X X X X

FCC FIXES STRICTER MARKINGS ON INDICATORS

The Federal Communications Commission has issued the following instructions to all manufacturers of broadcast equipment:

"It has come to the attention of the Commission that in several cases the instruments supplied with broadcast transmitters for indicating the plate current and plate voltage of the last radio stage and the antenna current, have such scale divisions that where indications fall between divisions, it is impossible to estimate the reading within plus or minus 2%, which is the accuracy required for these instruments.

"The scale divisions should be as small as practical and of such value as to permit accurate interpolation at a glance.

"Attention is also invited to the requirement that the full scale readings of the direct current instrument shall not exceed five times and the full scale reading of the antenna ammeter shall not exceed three times the minimum normal indications.

"The function of each instrument shall be permanently and plainly marked thereon or on the panel immediately adjacent thereto.

"All future equipments should be supplied with instruments in accordance with the above. Broadcast stations employing instruments which do not meet these requirements will be cited for violation of Rule 143. In the case of equipment of approved manufacture, the question of the cost of replacement must be settled between the vendor and vendee."

X X X X X X X X X

C.C.I.R. COMMITTEE MEETINGS SCHEDULED

The Chairmen of Committees A and D preparing for the Fourth Meeting of the C.C.I.R. have agreed on a schedule for the next meeting of their committees as follows:

Committee A (Organization and Technical), 10 A.M.,
Thursday, April 16
Committee D (Broadcasting Questions), 10 A.M.,
Friday, April 17.

Both meetings will be held at the Institute of Radio Engineers, Room 2604 McGraw-Hill Building, 330 W. 42nd Street, New York, N. Y.

X X X X X X X X X

4/7/36

...: ...:
...: INDUSTRY NOTES ...:
...: ...:

Charging unfair representations in aid of the sale of "Sunlife Chlorophyllian Oil", advertised by radio and other media as "captured sunlight" for treatment of certain diseases, the Federal Trade Commission has issued a complaint against Sunlife Chlorophyllian Laboratories, Ltd., 2702 South Hill Street, Los Angeles, distributors of the preparation. The complaint also names as respondents the following members of the firm: C. C. Miller, W. B. Mather, W. M. Louissou, D. A. Lester, L. D. Marr and H. M. Young.

The Siamese Government has increased the import duty on parts and accessories of telephone, telegraph and radio apparatus from 5 percent ad valorem to 25 percent ad valorem according to the Board of Trade Journal, London.

The Mutual Broadcasting System's gross billing for March for four basic stations, WOR, WLW, WGN and CKLW reached \$173,117.73, surpassing the previous high mark by \$5,000. This does not include affiliated stations.

Jack T. Nelson on April 1st resigned as Radio Director of Lennen & Mitchell to join Kenyon & Eckhardt, Inc., in a similar capacity.

Lenox R. Lohr, President of the National Broadcasting Company, and William S. Paley, President of the Columbia Broadcasting System, will serve as co-chairmen of the Radio Broadcasting Committee of the Citizens Family Welfare campaign to raise \$1,500,000 for the support of private family welfare agencies.

Douglas Coulter, Vice-President in Charge of Radio at N. W. Ayer & Son, Inc., will join the Columbia Broadcasting System on April 13th as Assistant Director of Broadcasts under W. B. Lewis. Mr. Coulter has been connected with N. W. Ayer for eleven years.

X X X X X X X X X X

RADIO BROADCASTING MAKING PROGRESS IN BRAZIL

Notable progress has been made in the field of radio broadcasting in Brazil during recent years both as regards number of stations and the quality of programs, according to Trade Commissioner J. W. Ives, Rio de Janeiro, in a report made public by the Commerce Department.

There were only 23 broadcasting stations operating in the country in 1931. The majority of these stations were poorly equipped and offered little in the way of studio programs, broadcasts consisting chiefly of phonograph records. At the close of 1935, the number of stations had increased to 57, of which at least 20 were well equipped for both studio and record broadcasts, and maintained more or less regular schedules on the air, it was stated.

With one exception, all of the stations currently operating in Brazil, broadcast on long wave. The use of the radio as an advertising medium has been steadily increasing following the improvement in broadcasting facilities and the upward trend in the sale of receiving sets. It is estimated that advertising revenues of broadcasting stations now aggregate around \$83,000 per month of which 70 per cent is accounted for by stations in Rio de Janeiro and Sao Paulo.

The greatest deterrent to more widespread use of radio time for advertising, it is pointed out, is the lack of anything approaching a national network and the restricted coverage afforded by the majority of the individual stations.

X X X X X X X X

MARYLAND LINKING POLICE RADIO NET WITH D. C.

Work has started at Laurel, Md. on the first of a series of State police broadcasting stations which, when completed, will form the basic link of an interlocking network of police radio stations in Maryland, the District of Columbia, and nearby States.

Messages will be broadcast to Maryland State Policemen and will be picked up and rebroadcast by the city police stations, which form a different system. The Washington police radio station will enlist the aid of the Maryland broadcasting system in apprehending criminals escaping from the National Capital.

Maryland has not yet decided how many State radio stations to construct. There may be seven, one at each sub-station, if the system proves successful.

X X X X X X X X

4/7/36

APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

April 3 - WMAZ, Southeastern Broadcasting Co., Inc., Macon, Ga., CP to install auxiliary transmitter to operate with 500 watts for auxiliary purposes; KWSC, State College of Wash., Pullman, Wash., CP to make changes in eqpt. and increase day power from 2 to 5 KW, subject to Rules 131, 132 and 139; KFJB, Marshall Electric Co., Inc. Marshalltown, Ia., CP to make changes in equipment; WCLO, Gazette Printing Co., Janesville, Wis., CP to make changes in eqpt., erect new radiating system, increase day power from 100 w. to 250 w. and move transmitter to site to be determined in Janesville; WSBC, WSBC, Inc., Chicago, Ill., CP to move transmitter approximately 3-3/8 miles to West Town Office Bldg., 2400 Madison St., Chicago, and erect vertical radiator; WJAR, The Outlet Co., Providence, R. I., Mod. of CP to make changes in equipment; WHDH, Matheson Radio Co., Inc., Boston, Mass., temporary license to cover CP authorizing changes in equipment; also authority to determine operating power by direct measurement of antenna input in accordance with terms of Rule 137.

Also, WSYR-WSYU, Central New York Broadcasting Corp., Syracuse, N. Y., Mod. of CP to move transmitter from Nedrow, N.Y. to Syracuse, extend commencement date to one month after grant and completion date to six months thereafter; KIEM, Redwood Broadcasting Co., Inc., Eureka, Cal., license to cover CP authorizing installation of new eqpt.; change in freq. from local to regional channel and power from 100 to 500 watts, also move of transmitter, 1450 kc., unlt'd. time; WIEK, Atlantic Brdcstg. Corp., Portable-Mobile (N.Y. City), license to cover CP (Temp. Broadcast pickup), freqs. 1646, 2090, 2190, 2830 kc., 100 watts.

Also, WSAI, The Crosley Radio Corp., Cincinnati, Ohio, license to cover CP authorizing move of transmitter and changes in equipment, 1330 kc., 1 KW night, 2½ KW day, unlt'd; WCRW, Clinton R. White, Chicago, Ill., Mod. of license to change specified hours deleting from 12 midnight to 1 AM operating time; KIRO, Queen City Broadcasting Co., Seattle, Wash., authority to install automatic frequency control; W9XOK, The Star Chronicle Pub. Co., St. Louis, Mo., license to cover CP, freqs., 31600, 35600, 38600, 41000 kc., 100 w.; KFYO, T. E. Kirksey, tr. as Kirksey Bros., Lubbock, Tex., consent to voluntary assignment of license to the Plains Radio Broadcasting Co., a Texas Corp.

X X X X X X X X X X