

HEINL RADIO BUSINESS LETTER

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U. S. WATCHES FOR RESULTS OF RADIO PEACE PARLEY

Will the League of Nations be any more successful in utilizing radio as an instrument of world peace than it has been with sanctions?

This is a question that American broadcasters and publishers are asking somewhat skeptically as they await results from the International Conference held in Geneva early this Fall.

The attempt to prevent by common agreement "broadcasting from being used in a manner prejudicial to good international understanding" is especially interesting to this country, although it was not a party to the parley, because of sporadic complaints that European countries are disseminating propaganda over their radio stations.

Such an activity would not disturb the Western hemisphere were it not for the growing popularity of short-wave reception whereby a listener almost anywhere in the United States can daily tune in on London, Paris, Berlin, Madrid, Rome, or other European capitals and hear news broadcasts and sometimes talks in English.

Early last Summer E. H. Harris, Chairman of the Publishers' National Radio Committee, in an address at Chicago declared that this country is threatened by a flow of foreign propaganda via short-waves.

"The fact that radio waves recognize no frontiers, no national boundary lines, makes it an international problem which is of great national significance to each country", he said.

"This situation offers a most serious problem for the preservation of peace in Europe, where most countries are close neighbors."

Americans have had a taste of this propaganda during the Spanish civil war. Besides hearing the biased loyalist reports from Station EAQ, Madrid, they have listened to more accurate, but still prejudiced, accounts of the conflict from Berlin, Paris, and Rome.

Some of the provisions of the agreement adopted at Geneva, as reported by World-Radio, BBC journal, are as follows:

"Article 1. The high contracting parties mutually undertake to prohibit and, if occasion arises, to stop without delay the broadcasting within their respective territories of any trans-

mission which to the detriment of good international understanding is of such a character as to incite the population of any territory to acts incompatible with the internal order or the security of a territory of a high contracting party.

"Article 2. The high contracting parties mutually undertake to ensure that transmissions from stations within their respective territories shall not constitute an incitement either to war against another high contracting party or to acts likely to lead thereto.

"Article 3. The high contracting parties mutually undertake to prohibit and, if occasion arises, to stop without delay within their respective territories any transmission likely to harm good international understanding by statements the incorrectness of which is or ought to be known to the persons responsible for the broadcast. They further mutually undertake to ensure that any transmission likely to harm good international understanding by incorrect statements shall be rectified at the earliest possible moment by the most effective means, even if the incorrectness has become apparent only after the broadcast has taken place.

"Article 4. The high contracting parties mutually undertake to ensure, especially in time of crisis, that stations within their respective territories shall broadcast information concerning international relations the accuracy of which shall have been verified - and that by all means within their power - by the persons responsible for broadcasting the information.

"Article 5. Each of the high contracting parties undertakes to place at the disposal of the other high contracting parties, should they so request, any information that, in his opinion, is of such a character as to facilitate the broadcasting, by the various broadcasting services, of items calculated to promote a better knowledge of the civilization and the conditions of life of his own country as well as of the essential features of the development of his relations with other peoples and of his contribution to the organization of peace.

The convention will come into force sixty days after the receipt by the Secretary-General of the League of the sixth ratification or accession.

The following countries signed the International Convention for the Use of Broadcasting in the Cause of Peace:

Great Britain and Northern Ireland, New Zealand, India, Albania, Austria, Brazil, Czechoslovakia, Denmark, France, Greece, Lithuania, Luxembourg, Holland, Roumania, Switzerland, Turkey, U.S.S.R. and Uruguay.

The Conference also adopted the following recommendations:

"With a view to facilitating the application of the provisions of Articles 1, 2 and 3 of the Convention, the Conference recommends the high contracting parties to take into account the influence that may be exercised on good international understanding by transmissions of such a character as to harm the interests or offend the national, political, religious, or social sentiment of other peoples.

"The Conference recommends that the high contracting parties, in taking measures to ensure that transmissions shall not be contrary to the provisions of the convention, shall show particular vigilance in regard to transmissions in a language other than the language or languages usually employed for the listeners of the country of transmission.

"The Conference recommends the high contracting parties to reserve in the programs broadcast in their respective territories, a place for transmissions of such a character as to promote a better knowledge of the civilization and the conditions of life of other peoples as well as of the essential features of the development of their mutual relations and their contribution to the organization of peace.

"The Conference recommends the high contracting parties to take concerted action in case of international tension for the purpose of exerting by appropriate broadcasts a common influence to lessen the tension and restore a peaceful atmosphere.

"The Conference recommends the high contracting parties, if occasion arises, to lend one another mutual support in detecting and abolishing clandestine transmitting stations.

"With a view to facilitating the application of the provision contained in Article 7 concerning the functions of the International Committee on Intellectual Cooperation, the Conference recommends that the latter constitute a small committee for the settlement of any dispute referred to it."

The Final Act was signed by Great Britain and Northern Ireland, New Zealand, India, Irish Free State, Albania, Austria, Brazil, Czechoslovakia, Denmark, Egypt, France, Greece, Hungary, Lithuania, Luxembourg, Holland, Norway, Roumania, Spain, Switzerland, Turkey, Uruguay, Yugoslavia, U.S.S.R.

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G.O.P. PROMISES SENSATION IN RADIO CAMPAIGN

The following telegram was received this week from Ben Pratt, of the G.O.P. publicity staff in Chicago:

"Startling innovation in radio campaigning will be heard over Columbia Broadcasting System network eight-thirty to nine p.m. E.S.T. Saturday, October 17th on program with Senator Arthur K. Vandenberg, Michigan. Suggest you advise news desk to have someone cover. Also suggest you tell editorial writers about this as it promises to be campaign bombshell."

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NO SWEEPING SHAKEUP SEEN AS HEARING NEARS END

There will be no great shakeup in the broadcast band nor any general reallocation as a result of the hearing now drawing to a close before the Broadcast Division of the Federal Communications Commission, it appeared as the inquiry concluded its second week. Practically all testimony has been against a shakeup.

Instead of a reallocation such as that brought about in 1928 by the Federal Radio Commission, the present Commission, it is believed, will effect policy changes that will have far-reaching effects on station operation, both technically and as a business. However, it will take months for the FCC to work these out.

While indications are that the regional broadcasting stations may be given a horizontal increase in power, it is doubtful that the FCC will approve an extensive establishment of super-power stations of 500,000 watts, such as WLW, Cincinnati.

It is believed that if any more such powerful transmitters are approved that they will be on an experimental basis. The Clear Channel Group, chief advocate of super-power, proposes that a minimum of 50 KW be fixed for clear channel stations with the maximum left to the discretion and financial ability of the broadcasters.

The super-power issue, together with the problem of whether the clear channels which are still exclusive are to remain so or whether they are to be broken down for the creation of more regional and local stations, are the knottiest before the FCC. The latter procedure has been urged by existing regional and local stations.

The hearing is expected to conclude next week.

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FTC O.K.'S RADIO PLATES IN DISEASE TREATMENT

The Federal Trade Commission has dismissed its complaint against W. Gordon Pervis, Tennille, Ga., who had been charged with unfair competition in the sale of so-called electric radio plates for the treatment of various diseases. According to the order of dismissal, the evidence adduced in the case did not sustain the allegations of the complaint.

Pervis' product is a device to be worn in the shoes and is represented by him as giving relief to persons suffering from high or low blood pressure, headaches, asthma, paralysis, kidney trouble, and other ailments.

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LOHR DIFFERS WITH PALEY ON SUPER-POWER FOR RADIO

The two major networks are divided on the major issue before the Federal Communications Commission, i.e., super-power, it developed on Wednesday of this week as Maj. Lenox Lohr, President of the National Broadcasting Company, made his first appearance before the FCC since he took office last January.

Adopting a view opposed to that set forth last week by William S. Paley, President of the Columbia Broadcasting System, Major Lohr went on record as favoring super-power, but by gradual steps, and the preservation of the clear channels.

Earlier Mr. Paley had told the FCC that while CBS would be ready to join in a race for super-power if the Commission decides in favor of the 500 KW sponsors for the present, it is opposed to such a trend on the ground that it would injure seriously the regional and local network outlets.

Major Lohr proposed that each application for 500 KW, of which there are now 14, be considered on its individual merits. NBC at present wants super-power only for WJZ, New York, he said.

Five definite recommendations were made to the FCC by Major Lohr. They are:

1. All broadcasting licenses be for the 3-year maximum permitted under the Radio Act.
2. Retention of the exclusive clear channels still in operation.
3. Removal of any maximum limit on the power of clear channel stations.
4. Increase of power to 5 KW for regional stations, day and night "whenever the engineering and economic factors warrant such use. Also higher power for local outlets on the same basis.
5. With respect to the differentiation in the maximum power for daytime and nighttime operation, Major Lohr said, "We see no objection if the expense of maintaining the added equipment over-balances the benefits to be derived from the greater power."

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Brazil's most powerful broadcasting station went on the air this Fall at Rio de Janeiro. With the call letters PRE8, it operates on 980 kc. with 22 KW power. The transmitting equipment, which is of Dutch manufacture (Philips), will eventually be replaced by the most up-to-date American equipment. A further increase in power also is planned.

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MACKAY WINS VERDICT IN RCA PATENT SUIT

U. S. District Judge Marcus B. Campbell of the Eastern District of New York on October 14th handed down a decision in favor of Mackay Radio and Telegraph Company in the patent suit brought by Radio Corporation of America against Mackay Radio and tried in January, 1936. The plaintiff alleged that the directive antennas employed by Mackay Radio infringed five R.C.A. antenna patents.

Judge Campbell's decision not only held that Mackay Radio antennas did not infringe any of the claims of the five R.C.A. patents but that Mackay Radio antennas were actually more efficient than any that could be constructed under the R.C.A. patents in suit.

Solicitor for Mackay Radio was S. E. Darby, Jr., and associated with him were former Judge Hugh M. Morris, Paul Kolisch and Roy C. Hopgood.

In closing, Judge Campbell's opinion stated:

"Defendant did not copy the antennas and instrumentalities of the patents in suit as contended by plaintiff, as all of the patents in suit, with the exception of the First Carter patent, issued subsequent to the erection of the defendant's antennas charged to infringe, and as I have found with respect to the First Carter patent defendant does not infringe.

"None of the patents in suit are pioneer patents, as contended by plaintiff, and the record does not show that they have been employed by any one; even the plaintiff's own commercial structures do not follow the teachings or employ the instrumentalities shown, described or claimed in any of the patents in suit, as I have interpreted the same. Therefore, the patents in suit are not entitled to a construction of any broader scope than is clearly required to be given.

"Plaintiff makes a point that defendant offered no proof that defendant's antennas were the result of independent investigation and development by defendant, but in view of defendant's contention as to the patents in suit such proof would not be expected; the fact is, however, that defendant's systems are radically different from the patents in suit, in structure, principle of operation and instrumentalities, and were designed and constructed to secure and did secure greater radiation, by reason of such difference, than could be obtained by the patents in suit.

"Plaintiff contends with reference to the Third Carter Patent in suit that the invention was of an antenna not a formula, but, even though that be so, the invention was of an antenna, the proper angle between the antenna wires constituting the legs of the V of which was to be determined by the formula supplied."

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NEW CANADIAN RADIO SETUP BEGINS NOV. 2

Effective November 2nd, the Canadian Radio Broadcasting Act, 1936, will become operative to bring governmental radio control under the Canadian Broadcasting Corporation, a body corporate headed by a board of nine honorary governors and a general manager as operating head. Major W. E. G. Murray, of the British Broadcasting Corporation, has been recommended by the Board of Governors to be General Manager of the Corporation.

The new legislation, as explained by Andrew W. Cruse, Chief of the Electrical Division, U. S. Bureau of Foreign and Domestic Commerce, charges the corporation to carry on national broadcasting in Canada and authorizes it to establish, maintain and operate stations, to acquire or make operating agreements with private stations, produce programs, and otherwise function as a governmental radio agency. The legislation envisages gradual extension of public ownership of radio in Canada and enlargement of coverage consistent with federal finances.

The principal difference between the Corporation and the Canadian Radio Broadcasting Commission which it will replace is that under the Commission authority to act in matters of policy and administration were combined in one body whereas in the Canadian Broadcasting Corporation the Board of Governors will deal with questions of policy and administrative matters will be conducted separately. The Corporation reports to Parliament through the Minister of Transport. Operations are financed by license fees for receiving and broadcasting sets and by Parliamentary appropriations. Further, the act provides that by order-in-council up to \$500,000 may be borrowed from the Government for the extension or improvement of broadcasting facilities.

Prior to 1932 radio broadcasting in Canada corresponded to the development of the industry in the United States, except that limitations of market and population created a corresponding restriction on the amount of money available for programs and development of talent. Advertising time was sold by private commercial broadcasting stations which operated for profit under governmental license. In 1929 a Royal Commission of inquiry compared Canadian radio conditions with the situation in other countries and recommended that a national radio monopoly be operated as a Government-owned corporation with advertising eliminated from programs. Coverage was to be extended by the construction of high-powered stations at strategic points. Lack of finances prevented full implementation of the report but in legislation which established the Canadian Radio Commission in 1932 the principle of public ownership was affirmed. The Commission assumed control of broadcasting, established regulations, initiated programs and through owned or leased stations and operating agreements with private broadcasting stations, a broadcasting network was established.

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In March 1934, a Parliamentary committee was appointed to inquire into operations of the Radio Commission and measure results of the legislation which created monopolistic broadcasting. The final report suggested "that, pending nationalization of all stations, greater cooperation should be established between privately-owned stations and the Commission", and that for the present the legislation which established the Commission be extended. The report of the second Parliamentary committee of inquiry, appointed in 1936, was the basis of legislation which established broadcasting under control of a government-owned corporation.

Although the nationalization of radio in Canada is in the transitionary stage, Government policy has consistently favored the operation of radio as a public utility and all private broadcasting licenses have been issued with the understanding that the State may take over the facilities and that no value attaches for good will. The Canadian Broadcasting Corporation will take over the network established by the Radio Commission which comprises 7 basic stations, namely, CRCV, Vancouver; CRCW, Windsor; CRCT (CRCX), Toronto; CRCO, Ottawa; CRCM, Montreal; CRCK, Quebec City; and CRCS, Chicoutimi, Quebec. Coverage of the network has been extended through agreements with 20 or more private commercial stations which carry the network program throughout the country. With other stations the use of network programs is optional, except that not more than one outlet in a single center is permitted.

Licenses for broadcasting are issued by the Department of Marine (one of the units to be merged in the new Department of Transport) after the application has been referred to the broadcasting agency for recommendation. The new radio law also specifies that the Minister of Marine will receive recommendations from the Broadcasting Corporation in connection with new private station licenses, change of channel, location or power. It has been recent policy to license small community stations in districts formerly without coverage.

Detailed regulations covering broadcasting, technical requirements of stations, station operation, programs, news service and advertising were issued by the Canadian Broadcasting Commission April 15, 1933. This regulatory authority will be taken over by the Broadcasting Corporation and in addition the 1936 radio statute itself contains regulatory provisions regarding chain broadcasting hook-ups and political broadcasts. Federal jurisdiction over radio communication was determined by a ruling of the Imperial Privy Council February 9, 1932.

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WOL SHIFT TO 1230 KC REAFFIRMED

Reaffirming its decision of last Summer, the Federal Communication Commission's Broadcast Division this week granted the application of WOL, Washington, for regional facilities with 1,000 watts power day and night. It is now a local operating on 1310 kc. with 100 watts, and with the authorized change will shift its frequency to 1230 kc.

The action reaffirms its grant of July 22nd which was protested by several stations on the ground that the usual protest period had not expired. As a consequence it set aside that grant, which it reaffirmed.

WOL also expects to move its studios from their present location in the Annapolis Hotel to new quarters in the 1600 block of K Street, N. W., where a new building is being erected.

There are pending a half-dozen applications before the FCC for new stations in Washington, all of which are on the hearing docket. Several of these ask for the facilities now occupied by WOL. Among these are applications of former Senator C. C. Dill, of Washington; Continental Radio Co., Scripps-Howard subsidiary, and William B. Dolph, manager of WOL and Radio Director of the Democratic National Committee.

The Washington Post is also seeking a radio outlet, while Hearst Radio, Inc., is still trying to acquire WMAL, a NBC affiliate.

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BRAZILIAN PAPER INAUGURATES POWERFUL STATION AT RIO

Brazil's most powerful radio broadcasting station was recently inaugurated in Rio de Janeiro by "A Noite", a daily newspaper, a report to the Commerce Department from Trade Commissioner J. Winsor Ives, states.

The new station is 22 kilowatt power, and operates on a frequency of 960 kilocycles (306 meters). The transmitting equipment which is of Dutch manufacture (Philips) will eventually be replaced by the most-up-to-date American equipment. It is the present intention of the owners of the station to later increase its power.

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MCDONALD WARNS DEALERS AGAINST "DUMPING"

Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, has written letters to 52,414 radio dealers over the United States warning them against an expected "dumping" of radio sets by rival manufacturers.

He contends there are three major evils which, if cured, will change the radio industry from "a crap game" to a major business. They are: (1) commercial bribery, (2) advertising abuses, and (3) overproduction.

The first two can be handled by the Fair Trade Practice Committee of the Radio Manufacturers' Association, he said, but the third, overproduction, is in the dealers' hands.

Without mentioning any rival manufacturer by trade name, Commander McDonald recalls that last Fall and Winter there was considerable "dumping" of radio equipment, i.e., the slashing of prices often under wholesale quotations in order to get rid of accumulated stock.

"Naturally this not only ruined the retail value of the dealers' stocks", he said, "but it raised hob with his time payment collections. Customers who saw the same set they owned sold for half or a third of what they agreed to pay - and within a few months of the time of their purchase - were naturally reluctant to complete payments and felt great resentment toward the innocent dealer who they thought had 'gypped' them when in reality the dealer himself was the sufferer."

Zenith, he added, does not over-produce and consequently does not engage in "dumping" at the end of the season.

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WMCA HIRES TWO ROVING REPORTERS

Two roving reporters have been added to the program staff of WMCA, key station for the Inter-City Broadcasting System, according to announcement by Donald Flamm, President of WMCA.

Frankie Basch, said to be the first sob sister in radio, and Martin Starr, well known motion picture trade paper writer, are the two reporters who will cover the feature news of the day for the Inter-City System.

The two reporters will be heard on WMCA at odd times during the day, even interrupting programs to come before the microphone either to bring a celebrity-of-the-moment to the ether,

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or to report the facts gained in an interview with the chief character in a leading news story of the day.

It is believed that this marks the first regular employment of a "sob sister" by a radio station, and possibly the first employment of roving reporters to work for a station, rather than appearing for some commercial.

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PHILCO SHIPS RECORD ORDER FOR CHRISTMAS

An all time high record of shipments of radios was made by the Philco Radio & Television Corporation, of Philadelphia, recently to distributors and dealers in anticipation of Christmas business. The equivalent of twenty-eight freight carloads of radios was shipped to all parts of the United States and the world by railroad, trucks and ships. Over 11,000 workmen are now engaged by the makers of Philco radios in the factories located at Philadelphia, it was announced.

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CBS TO BUILD \$1,000,000 WEST COAST PLANT

The Columbia Broadcasting System this week announced plans to erect elaborate Pacific Coast headquarters to serve its nationwide and regional networks.

The project includes a new radio center to be erected in Hollywood at an approximate cost of \$1,000,000, according to Donald W. Thornburgh, Vice-President in charge of Pacific Coast operations. Plans also are under way to extend CBS facilities in San Francisco.

The new CBS radio center in Hollywood, he said, will include auditorium, studios and offices of Columbia's newly acquired 50000-watt radio station KNX, as well as the same for servicing the network. It will front on Sunset Boulevard, occupying the block between Gower and El Centro Streets.

Mr. Thornburgh said that plans would be completed in a month or two and that actual building operations would be undertaken at the start of the new year. It is expected that several building units will be completed by October, 1937.

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