

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF OCTOBER 23, 1936

FCC To Act Slowly On Problems Raised At Hearing.....	2
FCC Refers "Vandenberg Incident" To Broadcast Division.....	5
Denmark Still Claims Most Radios Per Capita.....	6
FCC Bar Group Now Numbers 129.....	7
Moscow Planning "Television Centre".....	7
Payne Drops Inquiry Into "Vandenberg Incident".....	8
"Brooklyn Cases" Hearing Postponed Until January.....	9
Total Political Broadcasts Cost \$2,000,000.....	9
Withdrawal Of CP Urged Upon Failure To Utilize It.....	10
W-B And ASCAP Reported In New Scrap.....	11
Eugene Meyer Seeks "High Fidelity" Station In D. C.....	11
Industry Notes.....	12
Montreal Police Test Exclusive S-W Sets.....	12

No. 974

FCC TO ACT SLOWLY ON PROBLEMS RAISED AT HEARING

The Federal Communications Commission, faced with numerous acute problems with regard to allocation of broadcast frequencies and station power, is expected to take some time in digesting the evidence presented at the hearing just closed before ordering any changes in policy.

The hearing on all problems relating to the broadcast band ended on Wednesday, October 21, after two weeks of testimony and argument. While there were numerous instances of conflicting purposes, the major clash was between the Clear Channel Group of stations, which wanted the clear channel status quo preserved and super-power, and the National Association of Regional Broadcast Stations, which wanted to break down the clear channels, prevent establishment of super-power stations, and higher power for themselves.

Although no great reallocation of frequencies is expected or any withdrawal of restrictions against super-power, the FCC is expected to adopt new policies affecting not only the technical but the economic phases of broadcasting as well.

It is doubtful that the Commission will grant the request of the Clear Channel Group for the establishment of a 50 KW minimum and no maximum power for clear channel stations, but it is believed that a few more experimental 500 KW stations, like WLW, Cincinnati, may be authorized.

On the other hand, the FCC is not expected to break down the remaining clear channels for the establishment of more regional stations.

Whatever policy evolves from the hearing, it is believed, will be a compromise between the wants of the regional and the clear channel stations.

The Commission is on surer ground, however, than was its predecessor, the Federal Radio Commission, when it ordered a general reallocation of broadcasting frequencies in 1928. Then the Commission's plan was based almost entirely on theory; today the FCC has the benefits of actual evidence of operation under varying conditions and so consequently can base its findings upon practical experience.

Observers believe also that the Commission's new policies may take into account the varying conditions of different geographical sections of the country.

Up to this time Commission technical regulations have been uniform, but engineers pointed out that broadcasting is affected by atmospheric conditions, the topography of the surrounding territory, the presence of city skyscrapers, the presence of a large body of water, and other physical objects. Thus, a stronger signal may be necessary for a station situated in the center of a metropolitan area than for a transmitter serving a rural territory. A directional antenna may be essential for a station located on one of the coasts to prevent the waste of radiating energy.

As the Clear Channel Group of stations preceded the regional and local broadcasters, its representatives were given an opportunity to present rebuttal testimony and argument.

Louis G. Caldwell, attorney for the group, offered reports of actual operation of clear channel stations by States and answered many of the arguments made by Dr. G. W. Pickard, engineer for the regional stations.

"I urge you not to let the wealth of information contained in rural listener comments go without study and analyses", he said. "We are inclined to believe that these comments are a much more trustworthy indication of the merits and defects of our present broadcasting service to rural communities than all of the statistics, graphs, and charts that an expert economist can devise."

Swager Sherley, also speaking for the Clear Channel Group, argued that public interest demands that power be not wasted and that "necessarily its proper use is a national one."

He said that the constant use of the term "super-power" is a bugaboo to frighten the public. This much power, he said, is used to light the front of a New York theatre every night or to operate the presses of a metropolitan daily newspaper.

"In testing public interest", he said, "by the greatest good to the greatest number, the greatest number should not be emphasized at the expense of the greatest good."

"In both city and country the listener does not enjoy reception as knowledge of the art now renders possible. In both city and country increased power will not only improve reception of those who now enjoy it but will give reception to many now without it."

He pointed out that the Clear Channel Group does not wish to disparage the service of any other class of stations and has, in fact, approved the request increase to 5 KW power for all regional outlets.

John V. L. Hogan, President of the Interstate Broadcasting Co., New York City, who aided the Department of Commerce in making the original broadcast allocations and later advised the Federal Radio Commission regarding the reallocation of 1928, submitted seven recommendations. They are that the FCC:

1. Retain the experimental privileges and requirements as to stations in the 1510-1600 kc section of the broadcast band.
2. Immediately open the 1510 and 1590 kilocycle channels for stations of a maximum power of ten kilowatts.
3. Immediately change the power limitation for stations on the 1530, 1550 and 1570 kc. channels from 1 KW to 10 KW.
4. Study the advisability of opening the 150 and 1580 kc channels to a limited number of stations, possibly using directive antennas, at a later date
5. Consider the advisability of opening the 1540 and 1560 kc channels at a still later date.
6. Immediately open the 1600 kc channel for similar stations, or, in your judgment of listeners' requirements, to a number of local stations of 100 to 250 watts power.
7. Encourage the study of the sky wave coverage that has been demonstrated to be useful on these high frequency channels.

Edward N. Nockels, Secretary of the Chicago Federation of Labor and General Manager of WCFL, Chicago, presented a three-point program to the Commission.

He urged, first, a reallocation of broadcast frequencies and a revision of regulations "calculated to make sure radio broadcasting is to be on the basis of the greatest good for the greatest number."

Second, he proposed that all stations be limited to 10 KW power, making them all virtually local outlets and "with only one station in any locality assigned to any one owner or controlling interest".

As an alternative, he proposed that the Federal Government "Take over and operate all radio stations in the United States".

"Labor hopes and trust that the last-named alternative will not be forced upon us", he said, "but we are heartily and thoroughly in favor of complete government control and operation in preference to complete control and operation by trusts, press, magazine, radio networks, and their closely allied interests."

X X X X X X X X X

FCC REFERS "VANDENBERG INCIDENT" TO BROADCAST DIVISION

The Federal Communications Commission on Wednesday of this week neatly passed the buck in the Vandenberg incident to its own Broadcast Division. Although Commissioner George Henry Payne sought to bring up the matter, his colleagues, made up of Republicans and Democrats, preferred to let the smaller group decide what, if anything, should be done.

Observers predicted that the Broadcasting Division, of which Judge E. O. Sykes is Chairman, will follow the usual custom of ordering an investigation by its Legal Division so that by the time any conclusion is reached the protests will have died down and the election may well be over.

Senator Vandenberg, in an address at Wilmington, Del., on Tuesday night predicted that his stunt of using recorded words of rival candidates will "become standard practice in years to come".

"I can understand", he said, "the nervous perturbation of a radio station which must answer for its life to Washington bureaucracy every six months in the presence of a sudden decision such as had to be made last Saturday night, and I do not complain."

"But I cannot understand a radio commissioner in Washington who hastens to condemn my broadcast without ever having heard a word of it, while at the same time his Commission orders all radio stations to carry the voice of the Communist candidate for President of the United States."

Admitting that frequently it is the course of wisdom for public servants to change their minds, he insisted that it would be an affront to free speech to pretend that the record of their utterances was not public property.

"This applies to Presidents in their capacities as candidates for re-election just as much as to any other officials", he said. "Indeed, the importance of the accounting increases with the importance of the office. Personally, I am frank to say I should expect Mr. Roosevelt himself to agree with this statement. Only a confirmed and confessed autocrat could disagree."

Attacking "efforts to restrain or to interfere with a presentation of what I believe to be the facts", Senator Vandenberg said:

"We invoked a new technique. New technique certainly is not unprecedented these days. Instead of quoting second-hand statements made by the Democratic nominee for President four years ago, we faithfully presented his exact words in his own voice precisely as he spoke them at the time."

"We did it from transcriptions made at the time. We were careful to lift nothing from his context which could alter the meaning. If it was shocking to anybody, the shock must have resulted from the dramatic emphasis thus put upon the enormous gap between promise and performance.

"The broadcast was interrupted because of alleged violation of radio rules against the use of transcription. We were competently advised in advance that there was no such violation. But that is a technical question which does not concern us at the moment. The larger question is whether there should be a rule in free America which could be construed against the faithful presentation of the first hand truth to the American people.

Out of political anxiety Roosevelt partisans misrepresented the broadcast and "sought to steer its realities into a foggy detour", he said, adding: "However, I cannot understand the logic of those who condemned the broadcast as deceitful on the theory that some one might be misled into thinking Mr. Roosevelt was present in person, when we specifically said he was not and scrupulously explained precisely what was going on.

"I am a devotee of fair play in politics. I agree with the broadcast ruling that no one should be permitted to simulate Mr. Roosevelt's voice. That would be deceit. But I submit that his own voice is the best evidence all around of what he said and how he said it. His radio voice is famous and persuasive. If his opponents welcome it in this campaign, his friends should be the last to complain that it is heard too much."

X X X X X X X X X

DENMARK STILL CLAIMS MOST RADIOS PER CAPITA

The little country of Denmark, with 3,600,000 inhabitants, still claims to have the largest number of radio receiving sets per capita in the world, according to the U. S. Department of Commerce, although its claim is decidedly open to challenge by the United States.

Denmark bases its claim on the count of one radio to every 5.7 inhabitants, but the latest U. S. count disclosed 22,869,000 radio-equipped families or 73.7 percent of the total families in the country.

As the estimated population of this country is 127,519,000, a division of the number of families would show a set for every 5.5 plus persons. However, many families have more than one set, and it is believed that were the extra sets taken into the census, the U. S. would jump far ahead of Denmark even on a per capita basis.

X X X X X X X X X

FCC BAR GROUP NOW NUMBERS 129

The Federal Communications Commission Bar Association, composed of radio attorneys from all parts of the country, last week reached a membership mark of 129.

Proposed barely four months ago by Louis G. Caldwell, spokesman for clear-channel stations, the F.C.C.B.A. now boasts a roll-call which includes leaders in the field of radio law.

The only woman member is Mabel Walker Willebrandt, former Assistant U. S. Attorney General.

X X X X X X X X X

MOSCOW PLANNING "TELEVISION CENTRE"

The Radio Centre, Moscow, sends in the following report on television in the Soviet Union:

"Television on 1200 elements has become a mass hobby in the Soviet Union. Television fans in many of its towns and villages of the Soviet Union, pick up the television programs broadcast by the stations. The numbers of amateur television fans who have built their own sets are growing.

"In the near future a special 'Television Centre' is to be built in Moscow. The centre is to be equipped in the last word of television technique and will be able to be broadcast with high quality programs on ultra short waves on 160000 elements (343 lines).

"Two ultra short-wave transmitters of 7.5 kilowatt capacity each are to be constructed within one of the buildings of the 'Centre'. One of the transmitters will broadcast the vision, the other the sound. The broadcast will be emitted on 6 meters.

"The position of the antenna (aerial) and its height (150 meters) will ensure good reception with a radius of 50-60 kilometers.

"In the second building of the 'Centre' there will be a studio with an area of 320 square meters. The television broadcasts will take place from this second building.

"The designing and building of the 'Centre' in Moscow is to be carried out by the All Union State Trust 'Radiostroy'."

X X X X X X X X X

PAYNE DROPS INQUIRY INTO "VANDENBERG INCIDENT"

George Henry Payne, the only member of the Federal Communications Commission who had anything to say publicly about the "Vandenberg Incident", on Thursday announced through his secretary, that he had dropped the matter.

Commissioner Payne, who, though a Republican, has several times come to the defense of President Roosevelt, had charged Senator Vandenberg with unethical conduct following the Saturday night stunt broadcast.

Upon being asked for an explanation of his action in turning over to the FCC copies of telegrams he had received relative to the broadcast, Commissioner Payne said:

"To make clear my position in this matter, I should like to say that at no time did I ever think that the Commission had any power, punitive or otherwise, over the person who broadcasts. Our power comes simply through the fact that we grant the license to the station.

"We are duty bound to see that the station is operated in the public interest. Our authority is restricted to the licensee. However, the Communications Act says 'no person within the jurisdiction of the United States shall utter any obscene, indecent or profane language by means of radio communication', a provision which is not involved in this case.

"The Communications Act emphasizes that the Commission has no right of censorship over programs and that act outlines specifically how broadcast stations must handle political broadcasts.

"From published reports I was led to believe the rule of the Commission regarding the use of phonograph records had been overlooked.

"The Commission's Rule 176, amended, provides, among other things, as follows:

"'Each broadcast program consisting of a mechanical reproduction, or a series of mechanical reproductions, shall be announced in the manner and to the extent set out below:

"'1. A mechanical reproduction, or a series thereof, of longer duration than fifteen minutes, shall be identified by appropriate announcement at the beginning of the program, at each fifteen minute interval, and at the conclusion of the program; * * *

"'2. A mechanical reproduction, or a series thereof, of a longer duration than five minutes and not in excess of fifteen

minutes, shall be identified by an appropriate announcement at the beginning and end of the program;

"5. The exact form of the identifying announcement is not prescribed but the language shall be clear and in terms commonly used and understood by the listening public. The use of the applicable identifying words such as "a record", "a recording", "a recorded program", "a mechanical reproduction", "a transcription", "an electrical transcription", will be considered sufficient to meet the requirements hereof. The identifying words shall accurately describe the type of mechanical reproduction used, i.e., where a transcription is used it shall be announced as a "transcription" or an "electrical transcription" and where a phonograph record is used, it shall be announced as a "record" or a "recording"."

X X X X X X X X

"BROOKLYN CASES" HEARING POSTPONED UNTIL JANUARY

The Federal Communications Commission this week again postponed a scheduled hearing on the so-called "Brooklyn cases", this time upon petition. The hearing, which had been set for October 26th, was deferred until January 14, 1937. Commissioner Irvin Stewart dissented.

The "Brooklyn cases", which involve WARD, WBBC, WLTH, WVFW, and the Brooklyn Daily Eagle, have been before the Commission for several years. The FCC last Winter ordered three of the stations deleted only later to retract its order.

X X X X X X X X X

TOTAL POLITICAL BROADCASTS COST \$2,000,000

A bill of about \$800,000 will be presented to the various political parties by the National Broadcasting Company for time on the air during the 1936 campaign, the New York Times said Friday. It added: "In radio circles it is believed the total expenditure for political broadcasts throughout the nation this year will exceed \$2,000,000."

Up to October 17, the Republican National Committee spent \$265,000 for broadcasting over the WEA and WJZ networks, according to the NBC statisticians. The Democratic National Committee, up to the same date, spent \$165,000 and the Communists \$20,000. In addition \$75,000 has been spent by all parties to date for local and State broadcasts.

10/23/36

With less than two weeks of the campaign remaining, the radio listeners are to be "bombardeed" with a political barrage, according to the number of political speeches scheduled on the books of the NBC.

From now until election the Republicans have contracted for more than \$90,000 worth of radio facilities through NBC outlets; the Democrats \$65,000; Communists, \$15,000; Socialists, \$7,000, and the Union Party \$9,000.

For local broadcasts an additional \$15,000 worth of time has been booked. It is expected that at least another \$50,000 may be added for rallies now being planned but as yet not definitely booked for broadcasting.

Inquiry at the Columbia Broadcasting System for the amount netted from politics since the campaign opened did not yield information.

"We are not at liberty to disclose such figures", said a representative of the Columbia System. "It is up to the national committees to release that information. As far as we are concerned, we, of course, have the figures and have no reason to keep them secret, but it is their business to report on these expenditures."

The campaign costs over the Mutual Broadcasting System will not be released until after election day, according to a representative of WOR, the New York outlet for the hookup.

X X X X X X X X X X

WITHDRAWAL OF CP URGED UPON FAILURE TO UTILIZE IT

Cancellation of a construction permit to erect a broadcasting station in Newport, R. I., for operation on 1200 kc., with 100 and 250 watts powers, unlimited time, was recommended this week to the Federal Communications by Examiner R. H. Hyde. The holder of the permit is S. George Webb, who had asked for a second extension of time to build the station, but the Examiner found that he "did not complete or perform any part of the construction authorized in the permit issued to him June 4, 1935, and later modified under date of August 20, 1935."

Examiner Hyde recommended that Station WTHT, operated by the Hartford (Conn.) Times, consequently be granted full time on the 1200 kc. channel.

X X X X X X X X X X

W-B AND ASCAP REPORTED IN NEW SCRAP

"With the reconciliation between the two less than three months old, the Warner Bros. publishing group and the American Society of Composers, Authors and Publishers have become entangled in a controversy over royalty allocations, Variety reports in its current issue. "In a stinging letter of protest, Warners this week charged the Society's publisher availability committee of going haywire in determining the value of the Harms, Inc., T. B. Harms Co., Witmark and Remick catalogs.

"The letter demanded that the committee exercise more care and fairness in rating the availability status of each of these catalogs. It was said by the Warner organization that the fight on the issue would be carried, if necessary, to the courts, with fraud and conspiracy used as grounds for the litigation.

"Warner got its first royalty check from ASCAP last week. The amount was \$42,000 and represented the WB publishing group's share for the months of August and September. The deduction of WB's share cut down appreciably the pay-off to the publishing contingent of the Society for the third quarter of 1936. The plum for this period was about 10% less than it had been for the second quarter, but the divvy to individual publishers was about 20% less than it had been for the same three months."

X X X X X X X X X X

EUGENE MEYER SEEKS "HIGH FIDELITY" STATION IN D. C.

Filing his third application for a broadcasting station in Washington, D. C., Eugene Meyer, wealthy publisher of the Washington Post this week applied for a permit to operate a station on the "high fidelity" frequency of 1570 kc., with 1 KW power unlimited time.

The application was filed in the name of the Mid-Atlantic Corp., with Mr. Meyer listed as holding 100 percent of the \$75,000 in stock.

X X X X X X X X X

The increase in the number of wireless licenses issued in Great Britain and Northern Ireland continues to make steady progress. At the end of August, 1936, the number of licenses in force was 7,744,472. Since the British Broadcasting Corporation took over from the British Broadcasting Company on January 1, 1927, the increase has been 5,566,213.

X X X X X X X X X

::::
 :::: INDUSTRY NOTES ::::
 ::::

Under the heading "A Radio Personality", World-Radio in its October 9th issue notes the thirtieth anniversary of David Sarnoff, President of the Radio Corporation of America, in the radio field and sketches briefly his career.

The Columbia Broadcasting System this week closed a contract for the purchase of WOAI, San Antonio, 50,000-watter, from the Southland Industries Co. The station is currently under an affiliation obligation to NBC as outlet for either the red or blue network and even if the Federal Communications Commission approved the buy, it will be necessary for Columbia to give NBC a year's notice. Purchase price is reported to be \$550,000.

The 1937 National Radio Industry Trade Show will be held at the Hotel Sherman in Chicago, April 2-4, 1937, according to the Institute of Radio Service Men, Inc.

Import duties on radio sets and tubes have been reduced 50 percent by the government of the Federated Malay States, according to the U. S. Department of Commerce.

A Peruvian executive decree, effective August 21st, increased by half the import duty on radios, radio parts, and tubes, according to a report to the Commerce Department from its Commercial Attache at Lima.

X X X X X X X X X X

MONTREAL POLICE TEST EXCLUSIVE S-W SETS

The Police Department radio experts of Montreal, Canada, are experimenting with a device which prevents anyone but police from picking up broadcasts from the police station to squad cars.

Director Fernand Dufresne refused to disclose details, but admitted the new apparatus will be used as an addition to the current short-wave radio receivers in use there and will not require a complete change of equipment. He said the apparatus will broadcast calls in such a way that they will sound like static to listeners with ordinary short-wave sets, but will come in normally on police receivers.

X X X X X X X X X