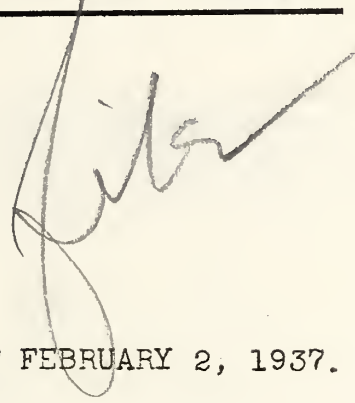


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No. 1001

February 2, 1937.

WIGGLESWORTH ASSAILS FCC AND "RADIO MONOPOLY" IN HOUSE

Citing testimony by members of the Federal Communications Commission before the House Sub-Committee on Independent Offices Appropriations, Representative Wigglesworth (R.), of Massachusetts, on Monday demanded a "thorough investigation" of radio and its administration on the floor of the House.

Representative Wigglesworth, who is a member of the Sub-Committee, made a similar demand last year. His cry of "monopoly" comes this session on the heels of a resolution calling for an inquiry by Representative Connery (D.), of Massachusetts.

The Republican charged that "testimony given to your Committee by the Communications Commission indicates that today we are in sight of a virtual monopoly of the air by the big broadcasting companies of this country, with all the possibilities, for capitalizing that monopoly into earnings and profits to the detriment of the American people with which we are all familiar in other fields.

"I further submit that the record clearly indicates, in the absence of further explanation, that the Federal Communications Commission has failed to exercise the regulatory functions contemplated in this connection by the Federal Communications Act", he said.

"Under the Communications Act, Congress undertook specifically to provide against the evils of monopoly by requiring that station licenses should not be issued for periods in excess of three years. As a matter of policy the maximum period is limited to six months. At the end of six months every licensee is required to make application for renewal. Renewal is authorized by law only if proved to be in the public interest.

"I call your attention especially to Section 301 and 310B of the Act. Under Section 301 the Act specifically sets forth its purpose, and, among other things I quote 'to maintain the control of the United States over all channels of interstate and for radio transmission and to provide for the use of such channels, but not the ownership thereof, by persons for limited periods of time under licenses granted by Federal authority.'

"Under Section 310b, it is provided and I quote that 'the station licenses acquire the frequencies used by the licensee and the rights therein granted shall not be transferred, assigned or in any manner, voluntarily disposed of - unless the

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Commission shall after securing full information decide; that said transfer is in the public interest and shall give its consent in writing.

"It is perfectly clear that it was intended to eliminate the evils of monopoly as well as those inherent in trafficking in Federal licenses. Nevertheless, the record indicates that under the policies pursued by the Communications Commission virtual monopoly is at hand, the renewal of licenses has become largely perfunctory and the transfer of licenses has been approved upon terms which, in the absence of further explanation, appear to be without justification.

"The three big broadcasting companies, National, Columbia and Mutual have acquired so many broadcasting stations and licenses that today it appears that to all intents and purposes they control all of the 40 clear channel frequencies as well as other highly desirable frequencies and stations. How nearly complete the control - monopoly - must be is suggested by a recent statement by a former member of the Federal Radio Commission to the effect that the 'Big 3' use in their stations 97% of all the full time broadcasting power authorized by the Communications Commission. I understand, moreover, that no independent full time station is licensed to operate at night with a power of more than 1000 watts, in contrast to the 165 or more stations controlled or operated by the 'Big 3' many of which stations are said to have power of fifty thousand watts, and, one of them having 500,000 watts.

"The record indicates that the renewal of licenses have become largely a formality. The record also indicates that the Commission has approved the transfer of licenses on terms which appear to be contrary to public interest and to the intent of the law.

"Let me call your particular attention to tables furnished by the Communications Commission purporting to show a record of all transfers and leases of licenses approved by the Commission since its organization. Instance, after instance appears where the Commission has given its approval to transfer of a licensed broadcasting station for a consideration far in excess of the replacement cost of the station transferred. Other instances will be found where the Commission has approved of a transfer in the form of a lease for periods in excess of the original license.

"The time will not permit detailed analysis. Among other approved sales, you will find the following, the replacement value of the station transferred being given in the first column, the consideration paid for station in the second column:

Replacement ValueConsideration Value

\$ 217,000.00	\$1,250,000.00
13,500.00	28,500.00
14,000.00	65,000.00
65,000.00	110,000.00
14,000.00	50,000.00
75,000.00	170,000.00
20,000.00	80,000.00
29,000.00	60,000.00
17,000.00	105,000.00
29,000.00	91,000.00
58,000.00	104,000.00
85,000.00	239,000.00
8,000.00	27,000.00

"You will also find among the leases referred to a lease of a station with replacement value of less than \$500,000 leased for an annual rental of \$219,000 for a period of eight years. Also, a lease for a period of ten years with an option of renewal for another ten years, and, in still another instance a lease of a station apparently for a period of 99 years. I am advised that the lessor in a number of instances obtains under the terms of the lease not only a fixed rental but, in addition a substantial percentage of profits realized by any increase in rates of the station leased.

"If the Federal Communications Commission can justify these transactions, I hope it will do so. I know, Mr. Chairman, it is unnecessary to emphasize the dangers inherent in traffick- ing in Federal licenses. The practice opens the door to all the scandals of the past in other fields, scandals which the Com- munications Act was intended to eliminate. In the absence of further explanation it is difficult to believe that transfers approved by the Commission have been in the public interest and within the terms of the Communications Act.

"Here is an industry whose very existence depends upon the grant of a Government franchise for which it pays nothing. Here are conditions imposed by Congress upon the granting of franchises with a view to eliminating the evils of monopoly and the trafficking in licenses, yet, because of the policy pursued by the Broadcast Division of the Communications Commis- sion, we find, upon the record the existence of a virtual monopoly and what seems to be unjustified trafficking in licenses to the detriment of the American people.

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Denial of the application of WCAP, Asbury Park, N. J., for an increase in power from 500 watts to 1 KW on 1280 kc. was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin.

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EXCISE TAXES TOP \$6,500,000 ON RADIOS, PHONOGRAPHS

Total Treasury collections for 1936 of the Federal 5 percent excise tax on radio and phonograph apparatus reached the unprecedented figure of \$6,514,898.45, an increase of 46.9 percent over collections of 1935, and, of course, without inclusion of substantial 2 percent automotive-radio taxes, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, declared this week.

The official report of the December 1936 radio tax collections, showed a total of \$906,358.41, an increase of 24.2 percent over radio taxes of \$730,002.69 in December, 1935. The December taxes on mechanical refrigerators totaled \$319,439.34 against \$176,984.52 in December, 1935.

Since the excise tax law became operative June 20, 1932, the industry has paid total radio taxes of \$18,253,299.61, exclusive of additional automotive taxes.

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TELEVISION RESEARCH PLANNED BY JAPAN BROADCASTING COMPANY

Television is a subject of considerable discussion in Japan at the present time, according to a report to the Department of Commerce from Assistant Trade Commissioner C. H. Boehringer, Tokyo.

The Japan Broadcasting Corporation is constructing a laboratory for television research near Tokyo which will be completed next March. It is reported that the Corporation has allotted 500,000 yen (\$1,500,000) for such activities during the current year.

According to local reports, Professor Takayanagi, premier researcher in Japan, has been successful in 90 percent of his experiments with a daylight television-receiver to replace the present fluorescent-light type now in use and that he expects to complete his development by March.

The Japan Broadcasting Corporation is planning to initiate a campaign to arouse public interest in television throughout the country. When the Olympic Games are held in Tokyo in 1940, the Corporation expects to be in a position to transmit television pictures to points within a radius of 12 miles from the capital, according to the report.

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30 FREQUENCIES NOW ASSIGNED IN INTERNATIONAL BAND

Thirty frequencies are now allocated in the international broadcast band of the United States, according to a tabulation released this week by the Federal Communications Commission. There are less than half that many stations, however, as some of the outlets have two or more waves.

Columbia Broadcasting System holds five of the frequencies, and all are used by W2XE, Wayne, N. J., while the National Broadcasting Company has four and two stations, W3XAL, Bound Brook, N. J., and W9XF, Downer's Grove, Ill.

The complete list by frequencies follows:

<u>Frequency</u>	<u>Call Letters</u>	<u>Licensee</u>	<u>Location</u>
6040	W1XAL	World Wide Broadcasting Corp.	Boston, Mass.
6040	W4XB	Isle of Dreams Bdstg. Corp.	Miami Beach, Fla.
6060	W3XAU	WCAU Broadcasting Co.	Newtown Square, Pa.
6060	W8XAL	The Crosley Radio Corp.	Mason, Ohio
6080	#9XAA	Chicago Fed. of Labor	Chicago, Ill.
6100	W3XAL	National Bdsting Co.	Bound Brook, N.J.
6100	W9XF	"	Downer's Grove, Ill.
6120	W2XE	Columbia Broadcasting System, Inc.	Wayne, N.J.
6140	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.
9530	W2XAF	General Electric Co.	Schenectady, N.Y.
9570	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.
9570	W1XK	"	Millis, Mass.
9590	W8XAL	Crosley Radio Corp.	Mason, Ohio
9590	W3XAU	WCAU Broadcasting Co.	Newtown Square, Pa.
11790	W1XAL	World Wide Bdstg. Corp.	Boston, Mass.
11830	W2XE	Columbia Broadcasting System, Inc.	Wayne, N. J.
11830	W9XAA	Chicago Fed. of Labor	Chicago, Ill.
11870	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.
15210	W8XK	"	"
15250	W1XAL	World Wide Bdstg. Corp.	Boston, Mass.
15270	W2XE	Columbia Broadcasting System, Inc.	Wayne, N. J.
15330	W2XAD	General Electric Co.	Schenectady, N.Y.
17760	W2XE	Columbia Broadcasting System, Inc.	Wayne, N. J.
17780	W8XK	Westinghouse Elec. & Mfg. Co.	Nr. Saxonburg, Pa.

<u>Frequency</u>	<u>Call Letters</u>	<u>Licensee</u>	<u>Location</u>
17780	W3XAL	National Broadcasting Co.	Bound Brook, N.J.
17780	W9XAA	Chicago Fed. of Labor	Chicago, Ill.
17780	W9XF	National Broadcasting Co.	Downer's Grove, Ill
21460	WLXAL	World Wide Bdcstg. Corp.	Boston, Mass.
21520	W2XE	Columbia Broadcasting System, Inc.	Wayne, N.J.
21540	W8XK	Westinghouse Elec. & Mfg. Co.	Near Saxonburg, Pa.

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HOUSE BILL SEEKS TO BAR PRESS OWNERSHIP OF STATIONS

While Senator Wheeler (D.), of Montana, was awaiting a reply to his questionnaire to the Federal Communications Commission regarding newspaper control of radio stations, Representative Wearin (D.), of Oklahoma, introduced a bill in the House to prohibit newspaper ownership or operation of broadcasting stations.

The measure would amend the Communications Act by adding a new provision "to prohibit unified and monopolistic control of broadcasting facilities and printed publications". The section would declare it to be "against the public interest to permit the creation or the continuance of monopoly in the distribution of general information, news and editorial comment thereon, through any combination resulting in unified control of newspapers, magazines or other printed publication, with radio broadcasting."

All inclusive in content, the bill states that after its effective date, it would be unlawful for any licensee to any extent, directly or indirectly, in its own person or through an agent, holding corporation, affiliated corporation, subsidiary corporation, by stock ownership in a corporation, or otherwise, to be owned, partially owned, managed or controlled by any person who owns, partially owns, manages, controls, directs or publishes any newspaper, magazine or other printed publication circulated or distributed to any extent "within the area or zone served by the broadcasting station allotted to such licensee."

It would be unlawful for a similarly described individual or corporation to own or partially own any newspaper or magazine, provided that the prohibition would not apply or be enforced against any licensee until the termination of the existing license "but shall apply and be enforced against such present licensee immediately upon termination and without any extension of the existing term of such licensee."

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SCRIPPS-HOWARD RADIO EXPANSION UNDER AYLESWORTH SEEN

The Scripps-Howard newspaper syndicate is expected to expand greatly its radio activities when Merlin H. Aylesworth, former President of the National Broadcasting System, joins its management staff on March 1st.

Announcement that Mr. Aylesworth will leave his post as head of Radio-Keith-Orpheum and join the newspaper enterprise was made on Monday by Scripps-Howard officials in San Diego, California. No mention was made of what Mr. Aylesworth's duties will be, but broadcasters predicted that they will be concerned with radio primarily.

Scripps-Howard has organized the Continental Radio Company, which owns and operates four stations already and is seeking more before the Federal Communications Commission. One of the applications is for a broadcasting outlet in Washington.

Because of Mr. Aylesworth's background in the broadcasting field and his contacts, both with Federal administrative officials and advertising sponsors, he is looked upon in the industry as an ideal man to develop the Scripps-Howard radio subsidiary.

Scripps-Howard, which has fought William Randolph Hearst in the newspaper field for some years, is also trying to keep pace with Hearst Radio, Inc., in broadcasting.

An announcement of Mr. Aylesworth's affiliation with the Scripps-Howard newspapers said:

"Mr. Aylesworth achieved an enviable reputation as Chairman of the Public Service Commission in his native State of Colorado before being affiliated with the National Electric interests where he attracted the attention of Owen D. Young, who was largely responsible for his being called upon to organize and establish the National Broadcasting Company."

The announcement added that he was instrumental in the negotiations with Atlas Corporation which resulted in its purchase of one-half of the Radio Corporation's holding in Radio-Keith-Orpheum Corporation and its option in the remaining half.

During the period of Mr. Aylesworth's connection with RKO, it was declared, the company has passed from heavy operating losses to substantial operating profits, as reflected by the figures for 1936.

David Sarnoff, President of the Radio Corporation of America, commented on Mr. Aylesworth's resignation from RKO as follows:

"Mr. Aylesworth had advised me some time ago of his wish to be relieved of his duties with RKO when a plan for reorganization of that company had been developed and submitted. That step having been taken, Mr. Aylesworth informed me of the invitation extended to him by the Scripps-Howard newspapers to join their organization.

"During the past ten years Mr. Aylesworth has made significant contributions to the field of radio broadcasting, which he ably served during its pioneering period. He has also served the motion pictures and theatre field with distinction.

"I congratulate Mr. Aylesworth on his new association and congratulate the Scripps-Howard organization on their selection of a man who brings to his new position great experience and untiring energy."

The Scripps-Howard newspapers own four broadcasting stations - WCPO, Cincinnati Post; WMC-WNBR, Memphis Commercial Appeal; WNOX, Knoxville News-Sentinel.

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FOREIGN HOLDINGS OF BRAZILIAN RADIO STATIONS BARRED

Foreign interests are prohibited from owning or operating radio broadcasting stations in Brazil in regulations just submitted for approval to the Minister of Transportation and Public Works by the Federal Technical Radio Commission, according to a report to the Commerce Department from Trade Commissioner J. Winsor Ives, Rio de Janeiro.

Other provisions, it is pointed out, limit further the proportion of time which can be devoted to advertising and commercial announcements, and heavy penalties are to be imposed on stations found guilty of deviating from the frequency channels allotted to them.

The Federal Technical Radio Commission, the report shows, is composed of representatives from the Ministry of Transportation and Public Works and the Army and Navy. The complete text of the proposed regulations has not yet been made public.

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An application for authority to transfer KALB, Alexandria, La., from 1420 kc. to 1210 kc., and increase hours of operation from daytime to unlimited was approved, conditional upon compliance with Rule 131, in a report filed with the Federal Communications Commission this week by Examiner John P. Bramhal.

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PRALL LAUDS ROLE OF RADIO IN FLOOD RELIEF

"Radio - both short wave and broadcasting - has done a maganificent job in connection with these disastrous floods", Anning S. Prall, Chairman of the Federal Communications Commission, declared last Sunday in an address over the NBC-Blue Network.

"As Chairman of the Federal Communications Commission, I fully realize that the telephone and the telegraph lines have played their parts in this emergency and have played them well, but I humbly salute radio for its tremendous contribution in this hour of need.

"In some instances telephone and telegraph wires and central offices and exchanges were completely inundated, and other means of communication had to be employed. Much of this communication was by radio, the latest principal arrival to the family of electrical communications.

"To the amateur operator, who, from his homemade set directed relief messages when all other means of communication had failed, to the small and to the powerful broadcasting stations I am happy and grateful to say that radio has met its greatest crises in a truly American way.

"Ordinarily associated with entertainment activities, radio stations in the afflicted areas have taken off their uniforms, put on their overalls, and gone to work in earnest, reporting conditions, warning residents of impending danger, collecting funds, and serving as a clearing house for the efforts of relief agencies.

"The physical damage in this wave of floods probably exceeds that of any previous one in recent years, and the death toll, large as it is, would undoubtedly have been much higher except for the efficient work of the station broadcasters and the amateur operators who dropped all other forms of radio activities to concentrate on relief and rescue problems.

"The complete story of radio's contribution to flood relief as yet cannot be recorded; but sufficient reports have been received to indicate that in the saving of lives, the safeguarding of property, and in the raising of funds, radio - and the splendid men and women associated with it - have played a major role.

"I know that the public has already learned of the splendid work which is being performed by the various communication organizations to provide prompt and efficient communications with the flooded districts. The record of the radio amateurs, while their activities are normally inspired without pecuniary interest is rich in contributions to the public

interest. They have greatly aided in the present emergency by providing communication with isolated points which could not have been reached in any other manner. The Commission is happy to report that we have received from them the very finest cooperation throughout this emergency period. Through the days and nights these men, resisting weariness, stuck to their posts relaying messages to and from the afflicted districts.

"Discarding all other programs, many broadcasting stations were on the air all day and throughout the night warning residents of danger, locating supplies, mobilizing truck drivers, pleading for medical supplies, establishing relief stations, and directing activities of relief workers, under the direction of the police and emergency relief committees."

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RADIO NEWS WRITERS FORM AN ASSOCIATION

Organized for the purpose of improving standards of radio news writing, an Association of Radio News Writers was formed in Chicago recently. At a preliminary meeting, John Van Cronkhite, WBBM and Columbia Broadcasting System, was named temporary Chairman of the group. Organization work will continue under direction of the Executive Committee with the view towards a national meeting of radio news writers next Summer in connection with the annual convention of the National Association of Broadcasters.

Mr. Van Cronkhite said that the new association is "not another newspaper guild, nor is it concerned with salaries of radio news writers". He explained "radio news has no heritage". The group is primarily interested in better news writing in radio and one of its first objectives will be a manual for radio news writers, he said. It is estimated that approximately 300 persons are engaged in radio news writing at the present time.

Members of the Executive Committee include Leland C. Bickford, WNAC, Yankee Network, Boston; K. B. MacClure, WOAR, San Antonio, Tex.; Walter Paschall, WSB, Atlanta; H. L. MacEwen, WLW, Cincinnati; and T. C. Christie, Universal Service, New York, Secretary; W. J. Heggen, United Press, Treasurer.

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Examiner George H. Hill this week recommended to the Federal Communications Commission that the applications of the United States Broadcasting Company to erect new stations in Toledo and Columbus, O., on 1200 and 1310 kc., respectively, be dismissed with prejudice.

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PRESS ASSOCIATION PRAISES WORK OF RADIO STATION

The Associated Press, which not so long ago was at sword's point with the broadcasting industry, has joined in the acclaim of radio's role in the Ohio Valley flood.

Following, in part, is a story sent out from Louisville by the SP:

"The first week SOS call from Jack Binns on the sinking liner 'Republic' in 1909 has another historic radio achievement to stand beside it as a result of the flood here. This is a new record of radio calls for help - 16,500 separate appeals in five days over Station WHAS.

"With lights gone, an emergency engine pumping only one-third of the normal power into the microphone, the station never left the air during the worst five days and nights in the city's history. Without this central clearing house for bringing aid to those trapped by rising waters, Louisville probably would number its dead today in thousands, instead of hundreds."

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PHILCO ENGINEER OUTLINES PLANS FOR 1937

Reporting on television progress at a recent meeting of the Franklin Institute, Philadelphia, Albert F. Murray, television engineer of the Philco Radio and Television Corporation, outlined the development plans for 1937. At the same time he pointed out that "when commercial television eventually reaches the home, it will in no way supplant regular sound broadcasting."

In his forecast for what this year may hold for television, Mr. Murray said that field tests will continue; ultra-high frequency waves will be further explored and their service areas more definitely determined. It is expected that leading experimenters will change their transmitting equipment to conform with the new standard of 441 lines. Experimental receivers will be improved and simplified. Improvements in picture size and brilliancy may be expected, according to Mr. Murray, who said that research will continue in the various laboratories with unabated vigor. He expressed belief that "an entirely new method of flashing pictures into the home might result, but in the meantime, engineers and physicists will plod along on conventional lines."

In his lecture, Mr. Murray said that experimental receivers will be improved, simplified and costs will be somewhat reduced, making the price nearer what the average man can pay when commercial television arrives. Also improvement in picture size and brightness may be expected. Experiments in television relaying will be initiated; that is, images from the athletic field will be relayed to the main broadcasting station for rebroadcast.

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