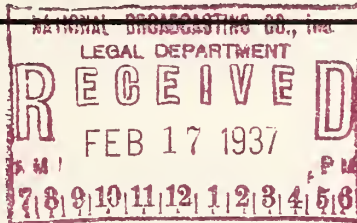


# HEINL RADIO BUSINESS LETTER

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February 16, 1937.

## WHEELER PLANS BILL TO BAR PRESS RADIO DOMINATION

Following receipt of requested information from the Federal Communications Commission, Senator Wheeler (D.), of Montana, Chairman of the Senate Interstate Commerce Committee, announced late last week that he would introduce a bill to bar newspapers from owning radio broadcasting stations.

He made a similar announcement prior to the opening of the 75th Congress, but he postponed action until he had obtained data and a legal opinion from the FCC. Early this week Senator Wheeler had not started drafting the bill.

The Montana Senator said his purpose is to prevent monopoly of channels of public information. As any law Congress might enact in this regard would not be retroactive, the 150 stations now owned or controlled by newspapers would retain their holdings. 1-2

The Communications Commission's report showed that 52 of these stations were acquired by newspapers during the past year and that 100 applications are pending for licenses from persons affiliated with newspapers.

An opinion by Hampson Gary, FCC General Counsel, that a law barring newspaper ownership as radio stations, "should meet the constitutional requirement" was interpreted by Senator Wheeler as sustaining the legality of his proposal.

The Senator had asked the Commission for an opinion on the constitutionality of legislation "denying the right of newspapers to obtain broadcasting licenses in the future and requiring them to divest themselves of existing rights in broadcast stations within a reasonable time."

In his opinion, Mr. Gary said the question was "not free from doubt, and therefore, I think the inquiry does not permit a categorical answer." But he added:

"I am of the opinion that the mutual ownership and control of newspapers and broadcast stations bear a reasonable relation to and have an effect upon interstate commerce and, therefore, if the Congress enacted a law of the purport suggested, it should meet the constitutional requirements."

On the question of newspaper ownership, Senator Wheeler also asked the Commission whether it had authority at the present time to deny applications from newspapers for stations on the ground of "public policy."

Mr. Gary held there was no such authority but that the Commission was empowered to consider the business connection of applicants in deciding whether a license would serve "public interest, convenience or necessity."

Senator Wheeler contended also that for one newspaper in a community to own a broadcasting station "makes it possible to give another newspaper unfair competition" by combining advertising rates or using the radio to advertise the paper.

Opposition to the control of cleared channels by radio chains was expressed by the Senator. He said the chains might need one or two for originating programs, but not more. He characterized acquisition of super-power stations by the chains as "a very distinct tendency toward monopoly."

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#### NEW RADIO WORKSHOP PROGRAM SCHEDULED

Plans for a six-weeks session of the Radio Workshop from April 5 to May 15 to provide training opportunities for persons desiring to enter the new field of educational broadcasting were announced this week at the Federal Office of Education.

The Radio Workshop is conducted by New York University in cooperation with the Educational Radio Project of the Office of Education, United States Department of the Interior.

Expert instruction and practice under supervision will be provided in four major fields of radio: Production and direction of programs, script-writing, acting, and the use of music in radio. The Workshop staff of directors comprises: Earl McGill, Director of Production; Lawrence Paquin, Director of Acting and Microphone Technique; Burke Boyce, Director of Script-Writing; Rudolph Schramm, Music Director, and Philip Cohen, Supervisor of Student Radio Programs.

Besides participating in activities at the Workshop, all students will be given an opportunity to hear the ideas of leaders in commercial and educational broadcasting. Students also will write and produce their own programs, possibly over some local New York station.

The Radio Workshop, being a school where radio techniques are learned through participation in actual work, will have few lectures during the entire session. Instead, the students will be given assignments which they undertake under expert supervision.



New modern studios have been installed for the Workshop by New York University at 20 Washington Square North, New York, N. Y. The Educational Radio Project's production unit also has headquarters in this building. This unit is presenting five programs each week over NBC and CBS networks

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# GEDDES ASSAILS IDAHO BILL TO BAN USE OF AUTO RADIOS

Ten reasons why the proposal to prohibit the use of radio receivers in private automobiles while in motion should not be adopted by the Idaho House of Representatives were outlined this week at a hearing in Boise by Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association.

The bill, sponsored by State Senator R. E. Whitten, passed the Idaho Senate on February 5th by a close vote of 22 to 20. It is the latest of several attempts by State Legislatures to bar the use of auto radio receivers.

Mr. Geddes, in a prepared statement before the Committee on State Affairs, said in part:

"The pending bill is peculiar in that it would not prohibit sale or installation of automobile radios, but its purpose and effect would be to prohibit their public use. It would be a misdemeanor, carrying both fine and imprisonment penalties 'for any person while operating or for any person while riding in a motor vehicle upon the public highways of the State of Idaho to connect or turn on a radio in such automobile and receive therefrom any sound, voice or music.' Official police cars would be exempt. The result actually would be public prohibition of automobile radio in Idaho, applying not only to Idaho citizens, but also to great numbers of tourists and others from outside.

"An important point for your attention is the fact that the bill is without any statement or declaration of any cause, reason, purpose or public necessity. It is a flat and unqualified ban on public operation of radio in automobiles. The bill does not state that it is necessary or reasonably required in the cause of public safety or for any cause or purpose whatever, real or imaginary.

"Senator Whitten, author of the bill, has stated that the purpose of this bill is 'to draw attention to and if possible minimize the horrible fatality and accident tolls which automobiles are taking on our public highways'. We of the radio industry are in full sympathy with this objective of reducing highway hazards, making automobile driving safer. That is why we are appearing today against this bill which would not make



for safer driving but instead would remove a factor which makes automobile operation actually safer. That automobile radio is really a safety factor and tends to reduce rather than increase highway accidents is the overwhelming judgment of State and police officials throughout the nation, including many officers of your own State.

"Summarizing our opposition to this bill, it is established conclusively that:

"First, that the pending legislation is unnecessary, meeting no recognized or demonstrable necessity or condition in Idaho.

"Second, the bill is unwise in that it would remove a safety factor from the Idaho highways because automobile radio is a safety accessory. It reduces driving speed, promotes alertness of automobile operators and in many other respects tends to lessen and not increase highway hazard and accidents.

"Third, the Idaho Commissioner of Public Works and Chiefs of Police of eleven of the largest cities in Idaho all state that there is no record of a single traffic accident caused by or even attributable to automobile radio. Therefore, there is a total absence of reasonable necessity for this prohibitory legislation.

"Fourth, Commissioners of Motor Vehicles of an overwhelming majority of States in the Nation and also police officials also record an absence of any traffic accidents due to automobile radio and regard prohibitory legislation as both unnecessary and unwise. No State or city has adopted this type of prohibition against automobile radio and we have no record of a single accident, anywhere in the United States, which it has caused although automobile radio has been in use since 1930 and there are now over 4,000,000 automobiles equipped with radio.

"Fifth, safety of automobile radio also is attested by insurance companies in that none require any extra premium for insurance of car operators or its use in automobiles.

"Sixth, this legislation would unnecessarily and seriously injure many Idaho business interests and citizens, especially broadcasting stations and radio and automotive distributors, dealers and service men. Important Idaho tourist trade would be greatly harmed through the resentment against the proposed law from tourists. Also there are now about 13,500 Idaho owners of automobile radio who have invested about \$700,000 in such equipment and who would be barred from its use, its farm and business utility and rightful enjoyment.

"Seventh, also unnecessarily injured would be important national manufacturing interests, both automotive and radio.

"Eighth, validity of the pending legislation is questioned as a violation of exclusive jurisdiction over radio vested in Congress and the Federal Communications Commission, as decided in Federal court rulings.

"Ninth, the legislation is arbitrary and unreasonable, without demonstrable public necessity or public demand and it would be an invalid exercise of police power.

"Tenth, if passed the legislation in actual practice would be unenforceable as is attested by law enforcement officers of your State and many others. It would become a 'nuisance' law and lead to wide and justified public protest with eventual repeal."

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#### TIGHTER RULES ORDERED RE FINANCIAL RESPONSIBILITY

More rigid requirements as to financial responsibility of applicants for broadcast facilities have been ordered by Davis G. Arnold, Chief Examiner of the Federal Communications Commission.

Examiners were instructed to demand more evidence of ability to build and operate stations than "self-serving declarations". Statements must be furnished under oath as to assets and liabilities.

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#### FOG HELPS RATHER THAN HAMPERS TELEVISION TEST

"It has now been confirmed that fog has no adverse effect on television signals", the British Broadcasting Corporation reports. "During a recent London fog good pictures were obtained not only within the normal range of twenty-five miles, but at Coventry, ninety miles from Alexandra Palace. Not only were the pictures clear, but there were no secondary images such as might be expected in long-distance reception. What is perhaps even more astonishing is that normally Coventry does not receive the television signals at sufficient strength to make a picture."

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## SMALL PAPER FINDS RADIO STATION AN ASSET

"Since Congress passed the Communications Act in 1934, radio competition which formerly was a problem largely of metropolitan newspapers, has become a problem confronting small daily publishers", Editor & Publisher states. "The Communications Act empowered the Federal Communications Commission to license stations of 100 watt power in communities where radio facilities were not already established.

"Many publishers of daily newspapers in cities of 10,000 population and even smaller are face to face with choosing between going into the radio broadcasting business or having radio competition clutter up their fields.

"The Roseburg (Ore.) News-Review met the situation by promptly making application for a radio station license. The license was duly granted and the News-Review is now operating its own radio station with the call letters KRNR. Harris Ellsworth, publisher of the News-Review and now director of radio station KRNR, makes the following observations based upon his 12 months' experience in operating a newspaper and radio station combination in a small city.

"We are decidedly pleased with our new department. Were we required now to make the decision which we made nearly two years ago, we could do it with the greatest ease. We decided to go into the radio broadcasting business - and would make the same decision over again if called upon to do so, with no misgivings at all.

"Our station, KRNR (K-Roseburg News-Review) has been operating 12 months. Although we elected to get it firmly established and with favorable public acceptance before attempting to make a systematic effort to sell radio advertising, we have made a modest profit with the station every month thus far.

"Does the radio station do the News-Review any good - that is, do you use it to promote the newspaper? That question is often asked. Our answer, borne out by our circulation records, is that the radio station is a decided aid in building circulation."

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## U. OF P. HONORS ORMANDY

Eugene Ormandy, conductor of the Philadelphia Orchestra, was awarded an honorary degree at the mid-year convocation of the University of Pennsylvania last Saturday when 229 students were graduated.

Mr. Ormandy, former leader of the Minneapolis Symphony Orchestra, and internationally-famous director, was made a Doctor of Music.

Mr. Ormandy was praised as a "native of Hungary, but citizen of two continents", as he received his degree from Dr. Thomas G. Gates, President of the University. He was cited for "a wide knowledge of musical literature and rare understanding of a composer's meaning."

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## BBC BROADCASTS SONGS REJECTED BY PUBLISHERS

The British Broadcasting Corporation recently broadcast a program of songs which publishers would not accept.

"It was listened to with considerable interest", the BBC reported, "but the general reaction seemed to be that the publishers knew their own business very well."

The BBC chose a jury of ordinary listeners, including a policeman, a business girl, a page boy, and a nurse, picked at random. They sat in a studio in Broadcasting House and listened to forty songs which had been rejected by publishers. The ten songs which were considered best were broadcast. Listeners were next invited to send in letters stating which of the ten songs they considered best. Nearly twenty thousand listeners were sufficiently interested to send in their selections.

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A Moscow electro-mechanical shop has begun mass production of radio sets for passenger automobiles. The sets will be housed under the hood, and tuned by three controls on the instrument board. They will be adapted to reception of both medium and long wave lengths, making it possible for a passenger to tune in on any central broadcasting station. All the latest improvements are contained in this new set, including an automatic regulator maintaining a constant degree of speaker volume regardless of the speed of the car.

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AMENDED COPELAND FOOD-DRUG BILL REPORTED FAVORABLY

An amended food-drugs-cosmetics bill, sponsored by Senator Copeland (D.), of New York, was reported to the Senate this week.

The Committee in reporting the measure explained it as follows, in part:

"This bill has been prepared with three basic principles in mind: First, it must not weaken the existing laws; second, it must strengthen and extend that law's protection of the consumer; and, third, it must impose on honest industrial enterprise no hardship which is unnecessary or unjustified in the public interest.

"This bill meets these three principles. It has been prepared after many and extensive conferences with the enforcement agencies of the Government and with representatives of various consumer groups or associations, professional groups, and the industries to be regulated.

"The controversial subject of control of advertising has been met by providing for the prohibition of false advertising by injunction. The bill also states differently the offense of false advertisement. Previous bills have defined false advertisements as those which are 'false or misleading in any particular.' That definition has occasioned no end of controversy - some of it quite meritorious - on the ground that when applied to the unlimited field of advertising it was too elastic and encompassed things far beyond the purposes of the bill. Also, it would lend itself to unnecessary and unjustified governmental interference in the affairs of business, and impose upon the Government a job far beyond the Government's financial and personnel capacities to enforce. The statement of the offense in the bill defines those subjects pertaining to food, drugs, and cosmetics which should be under Government control.

"There has been controversy as to whether the Food and Drug Administration or the Federal Trade Commission should enforce the bill's provisions on advertising. On the premise that advertisements of foods, drugs, and cosmetics are nothing more than extensions of the labeling, this bill proposes that the control be vested in the Food and Drug Administration which enforces the provisions on adulteration and labeling. But, it does not have the effect of depriving the Federal Trade Commission of its jurisdiction to proceed against false advertising in such form as to make it an unfair method of competition. The bill specifically provides that it shall not be construed as impairing or diminishing the powers of the Federal Trade Commission."

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## STATION OPERATOR APPEALS TO CONGRESS ON COPYRIGHT

Members of Congress this week received copies of a letter from Ed Craney, operator of KGIR, Butte, Montana, and urging amendments to the copyright law in the interest of broadcasters. He said he was acting in behalf of a group of independent stations.

Charging the American Society of Composers with favoritism to the networks, Mr. Craney asked for corrective legislation to force ASCAP to issue licenses for broadcast performing rights in a more equitable manner. His proposal was that stations be required to pay only for the copyright music they use.

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## NBC'S JANUARY REVENUE HIGHEST IN ITS HISTORY

The National Broadcasting Company's network revenue for January 1937, soared to 32% above the corresponding month last year - the total of \$3,541,999 making the month of January, 1937, the highest in the history of the company for that month.

The NBC-Red Network, with an increase of 37.6%, leads all other networks for the month, according to an NBC statement.

Individual NBC network figures for January, 1936, and January, 1937, follow:

	<u>1936</u>	<u>1937</u>	<u>% Increase</u>
NBC-Blue Network	\$ 956,643	\$1,167,366	22.0%
NBC-Red Network	<u>1,725,172</u>	<u>2,374,633</u>	<u>37.6%</u>
	\$2,681,815	\$3,541,999	32.1%

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Bob Carter, announcer and commentator, has been appointed Chief Announcer for Station WMCA, New York, following the resignation of Lee Cronican, according to Bertram Labhar, Jr., Sales Director for the station.

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## PRIVATE PHONE PLACED ON MARKET BY PHILCO

A new product, the Philco-Phone, has just been announced by the Philco Radio and Television Corporation, for direct two-way private communication in home, factory, office, store or other establishments.

The Philco-Phone is built to serve as many as four remote stations connected with the master control unit and will operate over a distance of a quarter of a mile.

It is listed to retail at \$49.50 for the master control unit and one remote station, a price designed to appeal to the average home or office and it will be marketed through established Philco merchandising channels. Each additional remote station retails for \$10.

While the system draws its energy from the ordinary A.C. or D.C. electric socket or outlet, the voice transmission is confined to the wires of the system itself, thereby assuring privacy.

Combined with the low initial cost and low current consumption, is the ease of installation, which requires merely a wiring connection from the various stations to the master control unit and this is accomplished within a few minutes even by an inexperienced person. No inspection is required.

The system is a simplified voice transmitter and amplifier. The master control unit measures  $10\frac{1}{2}$ " long,  $8\frac{3}{4}$ " high and  $5\frac{5}{8}$ " deep, or sufficiently small to sit on the ordinary desk without usurping valuable space. The remote stations measure  $6\frac{7}{8}$ " high,  $6\frac{7}{8}$ " wide and  $3\frac{3}{4}$ " deep. The cabinets, both master and remote units, are finished in walnut and designed to harmonize with home or office surroundings.

Sufficient amplification is provided to enable a person to listen or speak in the normal voice even when the cabinet is placed room-length away. The voice volume, in transmission and reception, is controlled by a volume control knob on the master control unit.

A tiny signal light indicates when the Philco-Phone is in operation. Conversations may be carried on with one station or all on the system as occasion requires, this also being controlled on the master cabinet.

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::: INDUSTRY NOTES :::  
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Commissioner Thad H. Brown will deliver the principal address at the annual meeting of the Ohio Independent Telephone Association at the afternoon session on April 21, 1937, at Columbus, Ohio. The subject of his address will be "Telephone Regulation Under the Communications Act." Mr. Brown is a Federal Communications Commissioner.

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Van-Tage Medicine Company, Inc., 1265 North Vermont Ave., Los Angeles, and its President, G. H. Mosby, are charged in a complaint issued by the Federal Trade Commission with misrepresenting the therapeutic value of a medicinal preparation designated "Van-Tage". The respondent is a radio advertiser.

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A public hearing has been ordered by the Federal Communications Commission on the proposed sale of radio station WREN of Lawrence, Kans., to the Kansas City Star. Because the sale price is reported to be between \$250,000 and \$300,000 and Congress has frowned upon perfunctory action in approving radio station transfer involving large sums, the Commission intends to inquire into the question whether saleable assets are worth that much money.

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Col. Richard C. Patterson, Jr., has been elected Chairman of the Board by the Citizens Budget Commission, Inc., with offices at 51 East 42nd Street, New York City. Until recently he was Executive Vice-President of the National Broadcasting Company.

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Maj. Gen. James G. Harvord, Chairman of the Board of the Radio Corporation of America, in a preparedness address February 15th, voiced a warning that "if there is ever another big military explosion, no matter where, the dangers it generated would threaten every land in the small and closely interrelated world of today." He spoke to the Women's National Republican Club in New York.

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