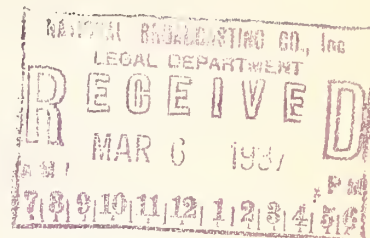


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INDEX TO ISSUE OF MARCH 5, 1937.

✓ Stewart Raps Press Control, Adds To FCC's Calculation.....	2
Curb On Radio Testimonials Proposed In Bill.....	5
Gary Talks On Procedure Before FCC To Law Alumni.....	5
Radio Manufacturers Eventual Target Of C.I.O.....	6
FCC Nominates Engineers For Bucharest Parley.....	6
RCA Television Received 45 Miles Away, Report States.....	7
U. S. Delegates Named For North American Parley.....	8
BBC To Lay Coaxial Cable To Broaden Television.....	8
French Listeners <u>Rap Propaganda</u> , Pick Radio Councils.....	9
Two New High Frequency Stations Granted Licenses.....	10
Effective Date Of FCC Rule Postponed.....	10
Women's Radio Committee To Make Awards March 31st.....	11
Lord's Prayer Plaque Is Unique Broadcast Souvenir.....	11
— Lawyers Given Television Test By NBC.....	12
Hearing Held On Globe Wireless Radio-Mail Service.....	12

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STEWART RAPS PRESS CONTROL, ADDS TO FCC'S CALCULATION

Filing a dissenting opinion in the case of Dorrance D. Roderick, of El Paso, Texas, Commissioner Irvin Stewart this week made the first attack from the Federal Communications Commission on newspaper ownership of radio stations and submitted new figures to show that 200 stations, rather than 150 as stated by the FCC, are controlled by newspapers.

Mr. Stewart attacked the Roderick grant and urged a rehearing on the ground that it may result in the extermination of the only competing station KTSM, and thereby permit a newspaper to control the only broadcasting station in the community. Roderick also owns the El Paso Times.

His argument follows in general the line of reasoning of Senator Wheeler (D.), of Montana, who has stated he will introduce a bill to restrict newspaper ownership of broadcasting stations.

"Broadcasting has given the listener the means of checking on the newspaper", Commissioner Stewart said. "More important it has given him a means to supplement the information he gets from the paper, to get matter denied him in the process of editorial selection or because of the limited resources of the publisher. This does not mean that he always gets better or more accurate information over the radio. The reverse may often be the case. Editorial discretion is a part of the broadcaster's stock in trade as it is of the publisher. There are instances in which the broadcaster has used his editorial discretion in a manner heartily to be condemned by fair minded men. The main thing is that where the newspaper and the broadcast station are separately controlled, the listener may receive the full benefit of both - that he has more chance to decide for himself what is really happening, what its influence upon him, his family, his community, his country is likely to be. Obviously the newspaper and the broadcast station can not be checked against each other when both are under the same control. To some this solicitude for channels of information independent of each other may seem a counsel of confusion; to me, it is a principal hope of democracy.

"As possibly shedding some light on the question of public interest as affected by newspaper control of broadcast stations it may be observed that one of the most direct requests that the Commission limit the freedom of speech of broadcasters was made on behalf of the American Newspaper Publishers' Association. That Association, on June 22, 1936, requested the Commission to fix definite periods as the only times at which news could be broadcast.

"Likewise it is not possible to define in a single term all types of relationship between newspapers and broadcast stations. In some cases the company owning a newspaper owns the broadcast station; in some the same holding company owns both; in some each is owned by a separate holding company, in turn owned by the same persons; in some the publisher of the newspaper owns the station as an individual; and there are several other variations of the same general idea. For simplicity of expression I am referring to all such cases collectively as newspaper controlled stations. In the total figures for newspaper controlled stations given below, there are included 29 existing stations and 12 pending applications where the ascertainable newspaper interest is 49% or less or the common relationship is one which may fall short of control..

"In an endeavor to obtain complete information as to newspaper control of broadcast stations, I have supplemented the information disclosed by the Commission's records with such outside information as is available. The totals given below include four existing stations where the newspaper interest is not apparent from the Commission's records; in these cases the interest common between the newspaper and the broadcast station may be short of controlling. Within the limitations set out above, the following figures show the situation with respect to newspaper controlled broadcast stations as of February 16, 1937:

Existing Stations:	Pending Applications to	:Pending Applications
Controlled by	:Transfer Existing Stations:	for New Stations to
Newspapers	:to Newspaper Control	:be Newspaper Con-
:	:	:trolled
200	8	103

The Commissioner then included a table showing the dates from which newspaper control of the stations had been continuous.

"Comparatively few of the present stations were newspaper controlled during the highly experimental period prior to the creation of the Federal Radio Commission", he continued. "Newspaper control of most of them dates from the time when broadcasting had definitely demonstrated its value as a news distributing medium and its power to make money as an advertising medium. More than one-half of them have come under newspaper control since January 1, 1934, after the revenues of broadcast stations had stood up so significantly during the depression. The greatest rate of increase has occurred since the establishment of the Federal Communications Commission. In 1935 the Commission approved nearly twice as many newspaper stations as during 1935. In the period January 1 - February 16, 1937, eight newspaper controlled stations have been authorized; in the same period of 1936 none were authorized.

"There is no reason to believe that the demand for newspaper controlled stations will not continue. Although broadcast stations have come under newspaper control at a constantly accelerating rate, there were pending on February 16, 1937, a total of 111 applications the granting of which would result in other stations coming under newspaper control. The corresponding figure stood at 97 on October 1, 1936, at 87 on August 1, 1936, and at 62 on February 1, 1936. In other words, in spite of the rapidity with which newspaper stations have been authorized, there has been a steady increase in the number of applications yet to be acted upon. Even the open-handed policy thus far pursued has not been able to keep up with the demands of newspapers for broadcast stations.

"To these newspaper stations which were among the pioneers in the development of broadcasting, much credit is due. However, the table shows that few of the stations presently controlled by newspapers were among the pioneers. Most of the newspapers now controlling stations merely jumped on the bandwagon.

"Of more than passing interest is the following: in the case of only 78 out of the total of 200 newspaper controlled stations does the newspaper interest date from the construction permit or other original authorization. In the other 122 cases the newspaper interest has been projected into an already existing station.

"There are 103 cities in which the only broadcast station is newspaper controlled, 8 cities with two broadcast stations each in which both stations are newspaper controlled, and 2 cities with three broadcast stations each in which all three are newspaper controlled. Thus there are 113 cities in which all local broadcast stations are under newspaper control."

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CURB ON RADIO TESTIMONIALS PROPOSED IN BILL

A Federal restriction on advertising testimonials broadcast by radio stations was proposed this week in a bill introduced in the House by Representative Maloney (D.), of Louisiana.

The measure, which seeks to amend Section 317 of the Communications Act by adding a new subsection, reads:

"(b) It shall be unlawful for any individual to broadcast by radio communication any recommendation of the use of any article and, in such broadcast, to indicate that such person has used such article, unless such individual shall, at the time of such broadcast, also broadcast the fact, if true, that the recommendation was secured by the promise or payment of money or other valuable consideration, or that such person has been promised or has received money or other valuable consideration for the broadcast of which such recommendation is a part."

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GARY TALKS ON PROCEDURE BEFORE FCC TO LAW ALUMNI

An address by Hampson Gary, General Counsel of the Federal Communications Commission, to the Georgetown University Alumni Club, Washington, on legal procedure before the FCC, was printed this week (March 4) in the appendix of the Congressional Record.

After discussing the rules of the Commission in detail, Mr. Gary said:

"Since the adoption of these rules the Commission has become aware of some inadequacies - that one or two rules appear to be working a hardship in some respects. It was, of course, to be anticipated that the rules would need some revision and amendment after there was a practical try-out of them. It is the earnest desire of the Commission to correct inequities, and it welcomes constructive suggestions from which it may evolve amendments to the rules to the end that its procedure will respond more nearly to the purposes of the Act and the needs of the administration thereunder; in a word, that they may render maximum usefulness.

"The determination of the proper balance between public need and private ambition in the communications field presents a challenge to our honored profession. As science forges ahead and lays yet more wonders at our feet, may we keep pace in promoting and safeguarding these advances for the common good and make due contribution to the health, happiness, and welfare of all the people."

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3/5/37

RADIO MANUFACTURERS EVENTUAL TARGET OF C.I.O.

The scheduling of a conference this week between the General Electric Company and the United Electrical and Radio Workers for March 15th led to predictions in broadcasting circles that John L. Lewis' Committee for Industrial Organization will eventually make demands for wage and hour improvements, and probably recognition of the UERW, on the principal radio manufacturers.

Lewis has indicated that he will start negotiations with the smaller industries after obtaining benefits from the larger, such as the steel and automobile manufacturers.

The success of Lewis in obtaining concession from General Motors and leading steel companies, labor leaders predict, make it inevitable that demands will be made of the radio industry.

The General Electric-UERW conference will affect 60,000 employees. It will be held in New York City.

A blanket increase of 10 cents an hour for all employees, including salaried ones; increased compensation for certain shifts, revision upward of bonuses and elimination of all forms of the "group incentive or speed-up system" of payment will be among the questions discussed at the conference.

While the negotiations will concern more immediately wage and working conditions in the Schenectady plant, a Committee elected by the Union in January to draw up a proposed basis for bargaining on a scale affecting all the plants of the company, will also participate in the conference.

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FCC NOMINATES ENGINEERS FOR BUCHAREST PARLEY

The Federal Communications Commission has recommended E. K. Jett, Assistant Chief Engineer in charge of Telegraph, and Gerald C. Gross, Chief of its International Section, as representatives of this country at the International Radio Consulting Committee meeting in Bucharest in May.

The appointments must be approved by the State Department and made by the President. State, Army and Navy delegates also will be named. The meeting is preparatory to the International Telecommunications Convention to be held in Cairo, Egypt, early next year.

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RCA TELEVISION RECEIVED 45 MILES AWAY, REPORT STATES

Reception of the experimental television broadcasts by the Radio Corporation of America in New York City has been achieved as far away as 45 miles, according to the RCA annual report to its stockholders. This is farther than the regular transmission distance of the BBC television broadcasts in London.

The RCA report on its television experimentation reads as follows:

"RCA television was taken from the laboratory in 1936 for practical field tests under everyday working conditions. These tests are continuing with gratifying success.

"The tests began on June 29, 1936, on the basis of 343 lines to the picture. Later, those engaged in the research agreed that 441 lines would be a more desirable standard for ultimate public service. Accordingly, the new standard was adopted. Successful field tests on the new, 441-line standard have been in progress since January 19, 1937. The need for additional experimentation indicates that this work will continue for some months to come.

"In the field tests now in progress, images of motion pictures as well as living talent are being successfully transmitted to approximately 100 receivers located in the homes of RCA technicians in the greater metropolitan area of New York City. The distance over which these television programs have been received has exceeded our immediate expectations. In one favorable location programs have been consistently received as far as 45 miles from the television transmitter.

"The tests have been highly instructive. Much has been learned about the behavior of ultra-short waves and how to handle them. More is known about interferences, most of which are man-made and susceptible of elimination. The difficulties of making apparatus function efficiently outside the laboratory are being surmounted. The technical fundamentals of our system have been confirmed. Theory has been put into practice, and the experience gained thereby is enabling the laboratories to chart the needs of a practical television service.

"A major problem in television is that of network program distribution. The present facilities for distributing sound broadcasting cover the vast area of the United States and serve its 128,000,000 people. Similar coverage for television programs in the present state of the television art would require a multiplicity of transmitters and network interconnections by wire or by radio facilities still to be developed."

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U. S. DELEGATES NAMED FOR NORTH AMERICAN PARLEY

The State Department this week announced the names of the delegation which will represent the United States at the North American Technical Radio Conference at Havana March 15-22 (see last news letter). In its official announcement the Department said:

"This Government has accepted an invitation of the Government of Cuba for participation in a preliminary regional radio conference to be held at Habana from March 15 to 22, 1937, for the purpose of consulting with representatives of the Governments of Cuba, Canada and Mexico regarding radio matters in this hemisphere, particularly broadcasting. The object of the meeting will be a consideration of problems of interest to all of the participating governments and the formulation of an agenda for a formal regional radio conference to be held in early November of this year and to be participated in by the governments of the Western Hemisphere.

"Commander T.A.M. Craven, Chief Engineer of the Federal Communications Commission, has been selected to act as Chairman of the American delegation to the preliminary conference. The other delegates of this Government are to be Mr. E. K. Jeff, Assistant Chief Engineer, and Mr. Gerald C. Gross, Chief of the International Section of the Federal Communications Commission, and Mr. Harvey B. Otterman of the Treaty Division of the Department of State."

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BBC TO LAY COAXIAL CABLE TO BROADEN TELEVISION

As a means of broadening the range of the BBC television broadcasts in London, the General Post Office is to lay a coaxial cable around inner London so that "outside" television broadcasts may be made with the new television van recently purchased by the B.B.C., according to U. S. Assistant Trade Commissioner Henry E. Stebbins. This cable will be tapped at various places as occasion requires, such as during the Coronation, thus giving a much greater degree of flexibility in television broadcasts. In addition to being able to feed pictures from the camera to the coaxial cable, the van will have an ultra short wave transmitter to take care of the sound. It is understood that the range should be about 6 miles on the average, subject to variations.

With this van and cable it is hoped that sporting events such as cricket, horse and greyhound racing may be televised on the spot.

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3/5/37

FRENCH LISTENERS RAP PROPAGANDA, PICK RADIO COUNCILS

The balloting this week of French radio listeners for councils to govern France's 12 regional broadcasting stations attracted world-wide attention because (1) the election is unique and (2) the listeners registered a protest against the use of propaganda over the ether waves by the Government.

The New York Times in a special Paris dispatch noted the significance of the radio ballot. The correspondent said, in part:

"France has been holding radio elections this week which have caused almost as much excitement as a Parliamentary poll. In fact, the campaign has been conducted on such well-defined political lines and politics have been injected to such an extent that some people go so far as to speak of it as a kind of straw vote on the accomplishments of the Blum Cabinet in the last nine months.

"That is doubtless going too far. But what the elections clearly show is that propaganda is two-edged.

"Apart from any possible political significance, however, the elections have considerable general interest in that they mark virtually the first consultation of listeners-in in any country, where radio is a government monopoly.

"Regardless of age, sex or nationality any person paying a tax on a receiving set is entitled to vote for listeners' representatives on the management councils, which supervise the preparation of programs. When these groups were created under a Rightist government the listeners delegates also had a word to say in financial matters, but the Popular Front government abrogated such control over the expenditure of the proceeds from taxes on radio sets amounting to some 150,000,000 francs annually. The management councils consist of thirty members of which one-third are popularly elected, the remainder being named by the government.

"There are two main tickets in the current election, namely, the Radio-Family, roughly representing the Right parties and church influence and the Radio-Liberty, representing the Left parties with the Communists active in the electoral campaign.

"Both sides charge bribery and corruption. The Radio-Liberty party accuses its opponents of purchasing wholesale numbers of crystal set licenses costing only 15 francs apiece.

3/5/37

"However, all politics apart, the result of the elections stands out as a protest against propaganda. The Blum Cabinet made no secret that it was using broadcasting for political purposes, but overzealous subordinates packed the programs with many political talks and tinted the news with such pronounced party bias that many listeners, even if adherents of the Left parties, preferred to switch on foreign stations for some music.

"Whatever else the poll may be construed to show it undoubtedly proves that there is such a thing as overdoing propaganda."

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TWO NEW HIGH FREQUENCY STATIONS GRANTED LICENSES

The Federal Communications Commission this week granted construction permits for the erection of two new high frequency radio stations. They are:

Ben S. McGlashan, Los Angeles, on 88,000, 120,000, 240,000, and 500,000 kc., with 500 watts; and Charleston Broadcasting Co., Charleston, W. Va., 26,100 kc., 500 watts.

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EFFECTIVE DATE OF FCC RULE POSTPONED

The effective date of Rule 981 of the Federal Communications Commission was further postponed for a period of 6 months from March 15, 1937, to give the manufacturers additional time in which to perfect this equipment for sale to the licensees. (This rule relates to frequency monitors).

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The Chairman of the Telephone Division of the Federal Communications Commission announced this week that further hearings in the telephone investigation will begin at 10:00 A.M, March 22nd.

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3/5/37

WOMEN'S RADIO COMMITTEE TO MAKE AWARDS MARCH 31ST

The Women's National Radio Committee will hold its annual award luncheon Wednesday, March 31st, at the Hotel St. Regis in New York City, the newly elected Chairman, Mme. Yolanda Mero-Irion, has announced.

The Committee is increasing the number of awards this year from five to six, the classifications including musical, dramatic, variety, news, and children's programs, and also an adult educational program.

The award committee will be made up of representatives of the Women's National Radio Committee and of specialists in the various fields which are under consideration. Announcement of the awards will be made to a Nation-wide audience through networks of the major broadcasting companies.

Federal Communications Commissioner Anning S. Prall, executives of the broadcasting companies and other distinguished representatives of the radio world will be invited to attend.

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LORD'S PRAYER PLAQUE IS UNIQUE BROADCAST SOUVENIR

Unique among radio souvenirs for listeners is the miniature plaque carrying the complete text of the Lord's Prayer which Station KFUD, the Lutheran outlet at St. Louis, is offering listeners to the Lutheran Hour network program.

Station KFUD is the key station for the religious broadcast, now on 28 stations, including two short-wave transmitters. Herman H. Hohenstein, director of KFUD, said that approximately 5,000 pieces of fan mail are received every week.

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White House sources said this week that Mrs. Franklin D. Roosevelt will begin in mid-April a 13-week series of talks on a commercial radio program. Her compensation, these sources said, will be paid directly to the American Friends' Service Committee, a charitable organization with headquarters at Philadelphia. The remuneration was not announced.

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3/5/37

LAWYERS GIVEN TELEVISION TEST BY NBC

Members of the Communications Committee of the New York County Lawyers' Association were to get their first practical experience in the operation of television, Friday night, March 5th, when they were the guests of the National Broadcasting Company, at a television demonstration in Radio City.

The demonstration was arranged by A. L. Ashby, Vice-President and General Counsel of the National Broadcasting Company, Director of the N.Y.C.L.A., and Chairman of the Communications Committee. Charles Evans Hughes, Jr., President of the Association; Robert C. Morris, Past President; Terrence J. McManus, Secretary and approximately thirty members of the Communications Committee were present.

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HEARING HELD ON GLOBE WIRELESS RADIO-MAIL SERVICE

The Telegraph Division of the Federal Communications Commission this week was engaged in a lengthy and technical hearing on the question of whether to approve or disapprove the radio-mail service furnished by the Globe Wireless Company and the Pacific Islands.

RCA, Mackay, Western Union, and the Commercial Pacific Cable Co. were united in protesting against the service, which is said to be cheaper than the normal radio or cable communication rates. It also reputedly does not meet other standards.

The hearing has been in progress all week and will continue into next week. Dr. Irvin Stewart is presiding.

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The new Yugoslav financial law proposed with the 1937-1938 budget contains provision to conclude agreements for the construction and operation of new radio stations at Zagreb, Ljubljana, and Belgrade, with relay stations at Sarajevo, Split, Maribor, and Skoplje.

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