

## HEINL RADIO BUSINESS LETTER

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March 23, 1937

## FCC STARTS TO CLEAN UP BROOKLYN CASE AS PROBE LOOMS

With a Congressional investigation of radio broadcasting and its regulation accepted as a certainty, the Federal Communications Commission this week started to clean up one of its most troublesome cases.

Involving five Brooklyn stations and the Brooklyn Daily Eagle, the fight over facilities has been pending before the FCC since its organization and prior to that before the Federal Radio Commission.

It has been decided once by the FCC; the decision has been withdrawn; hearing after hearing has been scheduled on the reconsideration only to be postponed. Now, as the House Rules Committee prepares to pass upon the Connery resolution for a radio inquiry, the hearing has started. It probably will continue all week.

The continued operation of three Brooklyn stations - WLTH, WARD, and WVFW is at stake. The Commission in October, 1935, ruled that these stations should be denied license renewals, and at the same time decided that the disputed 1400 kilocycle channel should be divided between WBBC and the Brooklyn Daily Eagle.

Commissioner Irvin Stewart thereupon issued such a vigorous dissent and other protests proved so forcible that the decision was withdrawn and a rehearing was ordered.

Also involved in the case is Station WEVD, of New York City, now operating on 1300 kc. It is seeking assignment on the 1400 kc. wave.

As the hearing opened, indications were that it would be "a dog fight" among the stations involved for the 1400 kc. channel. That the FCC is now determined to go ahead with the hearing was apparent from the action of Chairman Anning S. Prall in over-ruling a motion by counsel for WBBC that it be postponed further.

The Commission in reaching its decision in the Fall of 1935 explained its conclusions as follows, in part:

"The Commission has before it eighteen conflicting applications with respect to the assignment of a single facility; viz., 1400 kc. Manifestly, all of them cannot be granted. The mandate of the Communications Act of 1934, to which we must

adhere, requires us to undertake a careful comparison of the merits of competing services.

"Of the four applications originally filed by Station WARD, WBBC, WLTH and WVFW the evidence, although contradictory in many respects, ultimately impels us to the conclusion that the operation of Stations WARD, WLTH and WVFW does not serve public interest, convenience and necessity. Upon the record before us we do not feel justified in renewing the licenses of Stations WARD, WLTH and WVFW for one-fourth time each, let alone increase the hours of any one of them.

"It is true that each of the stations operating in the Brooklyn area permitted the use of its facilities to certain civic, educational and religious organizations, but a complete review of this record indicates in no uncertain terms that Stations WARD, WVFW and WLTH were operated by the licensees in a negligent, slipshod and unbusinesslike manner. It further appears from this record in spite of much contradictory evidence, that the licensees of Stations WARD, WLTH and WVFW are far more interested in the financial return they get out of the station, than they are in rendering a good service to the listening public. This is evident, in part, from the practice indulged in by two of the stations of selling time and giving complete control over the programs to the person to whom the time is sold. In the case of the Paramount Broadcasting Corporation, as has hereinbefore been pointed out, the licensees apparently turned over complete control of the station to its manager who, for all practical purposes, was really the licensee.

"If there were unlimited facilities so that all who desired them might be accommodated, there would be less necessity for rigid selection between applicants, but in the existing state of the art, with available facilities severely restricted by physical and scientific factors, only a limited number can be so favored. In a measure perhaps all of them give more or less service. Those who give the least service, however, must be sacrificed for those who give the most. The abstract right of all persons to engage in the business of broadcasting is not absolute but exists only if their operation will serve public interest, convenience and necessity.....In the case at bar, on the record before it, the Commission is of the opinion that the applications for renewal of the licenses of Stations WARD, WVFW and WLTH standing alone, are not worthy of approval. Needless to say, no consideration can be given to their applications for additional time.

"On the record before us we have determined that the application of the Brooklyn Broadcasting Corporation (WBBC) for renewal of license should be granted. We can now undertake a comparison of the showings made by this station (WBBC) on its application for modification of license, with those made by the pending applications by the other applicants for modification of license.



"The Brooklyn Broadcasting Corporation(s (WBBC) application for modification of license requests the use of 1400 kc full time. So also does the application of Brooklyn Daily Eagle for construction permit to erect a new station in Brooklyn. Competing with these two is the application of Arde Bulova and Norman K. Winston for construction permit to erect a new station in Brooklyn, for full time use of 1400 kc., and the application of Debs Memorial Radio Fund, Inc., licensee of Radio Station WEVD for modification of license to operate full time on the frequency 1300 kc., requesting that stations WFAB, WBBR and WHAZ, assigned to this frequency, and with which it shares time, be transferred to the frequency 1400 kc. in the event the Commission should deny the renewal license applications of WARD, WVFW, WLTH and WBBC.

"The application of the Debs Memorial Radio Fund, Inc., (WEVD) for modification of license, if granted, would result in causing objectionable interference with the service of other existing stations. Since there is no other proposal which the Commission can consider on the record before it, it is compelled to refuse this application.

"Thus the competition for the frequency 1400 kc. is limited to the following: Brooklyn Broadcasting Corporation (WBBC); Brooklyn Daily Eagle Broadcasting Company, Inc., and Arde Bulova and Norman K. Winston. Of these three applicants the Commission feels that the existing Station WBBC, whose operation at Brooklyn over a long period of time has been handicapped to some extent by its lack of sufficient time, has the financial, technical, legal and other qualifications necessary to its successful operation on a larger scale, so as to allow this station one-half time on the frequency 1400 kc. As to the remaining half time between the applicants, Brooklyn Daily Eagle Broadcasting Company, Inc., and Arde Bulova and Norman K. Winston, the Commission is of the opinion that the Brooklyn Daily Eagle Broadcasting Company, Inc., is clearly in a position legally, financially, technically and otherwise, to render better service in the public interest, particularly because of its intimate knowledge of the needs of that section of the country, it having been in close touch with that community through its newspaper for a long period of time and, therefore, its application is granted in part so as to permit the erection of a new station to operate on the 1400 kc. frequency with the remaining one-half time."

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Station WDGX, Minneapolis, has started a new series of television broadcasts through its station W9XAT, at 12:30 p.m. daily, under the personal direction of George Jacobson, chief technical.

Dr. George Young, owner of the station, is one of the pioneers in television and has complete studio equipment costing between \$40,000 and \$50,000.

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## SENATE PASSES SAFETY-AT-SEA MEASURE AFFECTING RADIO

Without debate the Senate last week passed a bill to amend the Communications Act of 1934 for the purpose of promoting safety of life and property at sea through the use of wire and radio communication and to make more effective the International Convention for the Safety of Life at Sea, 1929.

The measure, which now goes to the House, specifies what radio equipment is necessary for the various classes of sea vessels and certain types of life boats. It is intended to broaden the use of radio at sea.

A similar bill passed the Senate last session but died in the House.

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## HIGH FREQUENCY BAND ATTRACTS APPLICANTS UNDER NEW RULES

The high-frequency broadcasting band, which may eventually open up a new field of purely local broadcasting, is again attracting applicants who otherwise have little chance of obtaining licenses from the Federal Communications Commission.

After more than a year's inactivity in this band, the FCC has again started issuing permits for new stations to operate in accordance with revised regulations. As a consequence almost a score of applications have been filed for assignments on the band although it is still listed as "experimental".

Newspapers are showing particular interest in the high frequencies because of the possibilities of their eventual development on a commercial scale.

Under the amplified rules adopted by the FCC the 33 stations now operating in this band may broadcast regular programs, including those commercially sponsored, provided they get no direct revenue from the broadcasts.

These high frequency stations appear at present to be limited in their coverage and most suitable for local reception with low power. Much experimental work remains to be done, however, before they can be placed on a commercial scale.

With the assignment of the two new groups of frequencies below 30,000 kc. for high-frequency broadcasting, the FCC took recognition of the allocation of these bands internationally for broadcast use. No international allocations have been made with respect to frequencies above 30,000 kc. except for general experimental operations. As a consequence, it is assumed that stations licensed on the bands below 30,000 kc.

will stand a good chance of retaining their assignments whereas it is quite probable that those operating on the higher frequencies may not retain the precise channels, under some future allocation treaty.

Grants made this month were to the Charleston Broadcasting Co., operating WCHS, Charleston, W. Va., on the 2600 kc. band with 50 watts; to Ben S. McGlashan, operator of KGFJ, Los Angeles, for assignment on the 88, 120, 240 and 500 megacycle bands with a maximum power of 500 watts, and to the General Electric Co., for such a station in Albany, on 31,600 to 41,000 kc., with 150 watts.

Of the 30 "apex" stations already licensed, eight are newspaper-owned. The 30 high-frequency stations already in operation are:

E. Anthony & Cons, Inc., W1XEQ, Fairhaven, Mass., 31600, 35600, 38600, 41000 kc., 100 w.; Edwin H. Armstrong, W2XMN, No. of Alpine, N. J., 41600, 86500, 111000 kc., 40,000 w.; Baltimore Radio Show, Inc., W3XEY, Baltimore, Md., 31600, 35600, 38600, 41000 kc., 100 w.; Bamberger Broadcasting Service, Inc., W2XJI, Newark, N. J., 31600, 35600, 38600, 41000 kc., 100 w.; Julius Brunton & Sons Co., W6XAS, San Francisco, Calif., 31600, 35600, 38600, 41000 kc., 100 w.; Columbia Broadcasting System, Inc., W2XDV, New York, N. Y., 31600, 35600, 38600, 41000 kc., 50 w.; Columbia Broadcasting System, Inc., W9XHW, Minneapolis, Minn., 31600, 35600, 38600, 41000 kc., 50 w.; Virgin V. Evans, a/b as The Voice of South Carolina, W4XH, Spartanburg, S. C., 31600, 35600, 38600, 41000 kc., 50 w.; Evening News Association, W8XWJ, Detroit, Mich., 31600, 35600, 38600, 41000 kc., 100 w.

Also, Head of the Lakes Broadcasting Co., W9XJL, Superior, Wis., 31600, 35600, 38600, 41000 kc., 80 w.; The Journal Company (The Milwaukee Journal), W9XAZ, Milwaukee, Wis., 26400 kc., 500 w.; Ben S. McGlashan, W6XKG, Los Angeles, Calif., 25950 kc., 1000 w.; Memphis Commercial Appeal, Inc., W4XCA, Memphis, Tenn., 31600, 35600, 38600, 41000 kc., 250 w.; Midland Broadcasting Co., Inc., W9XER, Kansas City, Mo., 31600, 35600, 38600, 41000 kc., 50 w.; Monumental Radio Co., W3XES, Baltimore, Md., 31600, 35600, 38600, 41000 kc., 300 w.; National Broadcasting Co., Inc., W2XDG, New York, N. Y., 31600, 35600, 38600, 41000 kc., 5000 w.; National Broadcasting Co., Inc., W2XHG, New York, N. Y., 31600, 35600, 38600, 41000 kc., 150 w.; National Broadcasting Co., Inc., W9XBS, Chicago, Ill., 31600, 35600, 38600, 41000 kc., 2500 w.

Also, Pulitzer Publishing Co., W9XPD, St. Louis, Mo., 31600, 35600, 38600, 41000 kc., 100 w.; Shepart Broadcasting Service, W1XER, Quincy, Mass., 31600, 35600, 38600, 41000 kc., 500 w.; Star-Chronicle Publishing Co., W9XOK, St. Louis, Mo., 31600, 35600, 38600, 41000 kc., 100 w.; Stromberg-Carlson Telephone Manufacturing Co., W8XAI, Victor Township, N. Y.,



31600, 35600, 38600, 41000 kc., 100 w.; WBEN, Inc., W8XH, Buffalo, N. Y., 31600, 35600, 38600, 41000 kc., 100 w.; WDOD Broadcasting Corp., W4XBW, Chattanooga, Tenn., 31600, 35600, 38600, 41000 kc., 100 w.; WKY Radiophone Co., W5XAU, Oklahoma City, Okla., 31600, 35600, 38600, 41000 kc., 100 w.; WTAR Radio Corporation, W3XEX, Norfolk, Va., 31600, 35600, 38600, 41000 kc., 50 w.; Westinghouse E. & M. Co., WLXKA, Boston, Mass., 31600, 35600, 38600, 41000 kc., 50 w.; Westinghouse E. & M. Co., W3XKA, Philadelphia, Pa., 31600, 35600, 38600, 41000 kc., 50 w.; Westinghouse E. & M. Co., W8XKA, Pittsburgh, Pa., 31600, 35600, 38600, 41000 kc., 150 w.; Westinghouse E. & M. Co., WLXKB, E. Springfield, Mass., 31600, 35600, 38600, 41000 kc.

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#### NBC DENIED PRESS ACCOMMODATIONS BY COURT

Radio broadcasters have been denied access to the press accommodations in the Supreme Court Building in Washington, D.C. A National Broadcasting Company representative filed a request with the Court that the chain be allowed to place a man in the press section of the new court room, and that he be allowed to broadcast digests of decisions immediately after they were handed down.

Marshal Frank Green told the NBC man that the nine justices had decided that the "request must be denied" although no explanation was given.

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#### RADIO LINK BETWEEN U. S. AND HAWAII OPENED

Completion of installation of the new radio apparatus at Fort Shafter, Hawaii, and in the Munitions Building in Washington, was celebrated yesterday (Monday) with an exchange of messages between Major Gen. Hugh A. Drum, commanding the Hawaiian Department, and Major Gen. J. B. Allison, Chief Signal Officer.

The equipment permits communication between Washington and Hawaii at a rate up to 300 words a minute.

Use of similar high-speed apparatus during the recent floods enabled the War Department's radio system to transmit a half million words, in addition to the normal traffic of government messages.

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## MC DONALD PUTS CROSLLEY TO WORK CHARTING GEORGIAN BAY

How Commander E. F. McDonald, Jr. put his guest, Powel Crosley, Jr., to work as an assistant in helping him chart dangerous passages in and around the 30,000 islands in Georgian Bay, thousands of which still remain unexplored by man, is told by Pierre Boucheron in the March issue of "The Rudder", the magazine for yachtsmen. The article is profusely illustrated by photographs of Commander McDonald's yacht "Mizpah", Senatore Marconi and David Sarnoff aboard the yacht, and numerous other views.

Last year there was published for the first time a chart of McGreagor Bay by McDonald and his crew with up-to-the minute scientific range and depth finding instruments. Only ten miles square there nestle within this Bay some 3,000 islands previously uncharted. Even so, this new chart is not complete by any means. It shows one where to go but not where one cannot go. At one stage of this charting, Powel Crowley, Jr., a guest, flew over McGreagor Bay in his amphibian for a full day taking photos to ascertain the location of rocks, otherwise unseen.

"Commander McDonald actually rates the title", writes Mr. Boucheron, formerly of the Radio Corporation of America but now with the Remington Arms Company, who himself is a Lieut. Commander in the Naval Reserve. "He is a lieutenant commander in the U. S. Naval Reserve, having first been commissioned in 1917 when he served in the Navy as a lieutenant during the war, and the 'Mizpah' today is one of the very few private vessels on the Great Lakes privileged to fly the Naval Reserve pennant. Moreover, he takes this naval association seriously and demonstrates it in a practical way each year when local Sea Scouts take over the ship for their annual training cruise. Also, the professional master of the 'Mizpah' has standing orders to put out to sea in time of storm when it can be of help to small craft. Practically in commission the year around, the 'Mizpah' has won the unofficial title 'watch dog of the water front.'

"The 'Mizpah' may look like another millionaire's yacht but to a nautically minded visitor she is a most unusual vessel combining as she does a year-round home, laboratory and cruising office. Built in Hampton Roads in 1928, of 559 gross tons, and powered with two 1,000 horse-power Diesels, she has a cruising range of some 7,000 miles and carries a crew of twenty-seven. The range of her voice and telegraph radio is practically unlimited, as demonstrated during the ship's sojourn in the Galapagos and in Labrador when Commander McDonald was in constant communication with his Chicago business headquarters, thousands of miles away, with fifteen-minute daily long range conferences a common occurrence."



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Colombia's National Police Department, under the jurisdiction of the Ministry of Government, at different times has considered the installation of a broadcasting station at Bogota and the establishment of radio car patrols in and about the capital. Heretofore a lack of funds has prevented the materialization of this scheme, but there is a chance of it being carried into execution before 1938, according to the U. S. Commerce Department.

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A favorable report on the application of H. W. Wilson and Ben Farmer, of Wilson, N. C., for a construction permit to build and operate a broadcasting station on 1310 kc. with 100 watts power daytime was filed with the Federal Communications Commission this week by Examiner P. W. Seward.

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Sale of merchandise by means of plans involving lottery schemes, in violation of Section 5 of the Federal Trade Commission Act, is alleged in two complains issued by that Commission. Albert J. Tarrson, 230 East Ohio St., Chicago, is respondent in one complaint. Trading as National Advertisers Co., A. J. Sales & Manufacturing Co., The Tarrson Co., and Pla-Pal Radio & Television Co., Tarrson is engaged in the sale of cameras, pen and pencil sets, radios, safety razors, clocks, and other merchandise.

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The 1937 International Exhibition in Paris will be opened on May 1st and the annual Paris Fair will continue May 15 to 31. As usual there will be a special section at this Fair devoted to radio.

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Denial of an application of the Falls City Broadcasting Corp., Falls City, Nebr., for a construction permit to build and operate a broadcasting station on 1310 kc., with 100 watts power, unlimited hours, was recommended in a report to the Federal Communications Commission this week by Examiner Ralph L. Walker. The station, the Examiner said, would cause objectionable interference.

David Guthrie, 13 years old, son of F. P. Guthrie, Washington Manager of R.C.A. Communications, Inc., died last Friday following a long illness. The funeral was held Monday in the churchyard near Staunton, Va., where other members of the Guthrie family are buried.

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Imports of radio sets into Habana in January, according to private compilations from ships' manifests, numbered 3,425 units valued at 80,232 pesos. These data compare with 2,627 sets valued at 78,936 pesos, entered in December and 3,348 units valued at 71,895 pesos corresponding to incoming shipments in January of 1936. More than 25 brands were represented in the total imports for January.

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#### PHILCO LEADS RADIO MAKERS IN NEWSPAPER ADVERTISING

Philco Radio & Television Corp., Philadelphia, led radio manufacturers in newspaper lineage used last year, according to a tabulation made by Editor & Publisher.

The complete list, covering dailies in 100 cities, follows:

	<u>Sets</u>
American Bosch.....	26,637
Arvin.....	54,070
Atwater-Kent .....	5,400
Crosley Radio.....	53,259
Delco Radio.....	7,438
Emerson.....	55,577
Fairbanks Morse.....	16,524
General Electric Radio.....	417,810
Grunow.....	428,518
Kadette.....	1,750
Little Giant.....	1,740
Majestic.....	11,180
Midwest.....	60,279
Motorola Auto Radio.....	19,069
Philco.....	2,071,238
R.C.A. Victor Radio.....	559,146
Royale.....	488
Sparton.....	43,601
Stewart-Warner Radio.....	68,990
Stromberg Carlson.....	147,269
Westinghouse Radio.....	24,030
Zenith.....	422,730

	<u>Tubes</u>
R.C.A. Tubes.....	42,065
Sylvania Tubes.....	8,764

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## NBC GETS OUT SPECIAL SHORT-WAVE PROGRAM

Made up five weeks in advance to get them to foreign countries in time for publication, program listings for short-wave Station W3XAL, at Bound Brook, New Jersey, are now being distributed by the National Broadcasting Company which operates that station. The listings are prepared by Vance Babb, Manager of the Press Division, and according to Wayne L. Randall, Director of Publicity, are published in response to a strong newspaper demand.

Such a listing service has been maintained by the General Electric Company for its short-wave stations W2XAD and W2XAF, at Schenectady, and also by the Columbia Broadcasting System for W2XE at New York and W3XAU, Philadelphia.

The first NBC-W3XAL listing covering the week of April 4-10 was mailed from New York March 5th.

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## NETWORK ENGINEERS TO GO ON 5-DAY WEEK

The two "inside unions" representing the operating engineering staffs of the fifteen stations owned and operated by the National Broadcasting Company and the nine owned by the Columbia Broadcasting System, have completed arrangements with their managements under which the engineers of both networks will be working a five-day, forty-hour week on or before September 1st, according to the New York Times.

The engineers now are on a six-day, forty-eight hour week. The NBC engineering staff includes about 350 who are members of the Association of Technical Employees; the staff at CBS consists of 160 engineers who are members of the Associated Columbia Broadcast Technicians. The change in policy will not affect the wages of the technical employees, it was said by the network officials.

Neither association is affiliated with the American Federation of Labor or the Committee for Industrial Organization, it was pointed out.

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## U. S. RADIOS SELL RAPIDLY AS DEVALUATION BOOSTS PRICES

Following is an account of the effect of devaluation in Switzerland on the radio market, as reported to the U. S. Commerce Department by Consul Maurice W. Altaffer, of Zurich:

"Nearly all American radios are imported as chassis, for which cabinets are manufactured here. Before devaluation the average cost of an American radio chassis was approximately 100 francs. After devaluation, therefore, this amounted to 140 francs. Considering the comparatively high retail prices charged for radios in this country and the good margin of profit obtained by the retail dealers, the loss resulting from devaluation could have been absorbed by the latter. The Price Control Bureau, however, permitted them to increase prices of imported radios in an amount exactly equal to the loss in value of the currency.

"The domestic radio industry has requested the permission of the Price Control Bureau to increase prices on Swiss made radios by 10 percent but this has not been granted. It is not unlikely that a price increase approximating this amount will be approved by the Government around the first of 1937. This will cover the increased costs of materials going into the assembly of domestic sets, since Swiss radios are without exception assembled products. Sales are less a matter of price than of quality and advertising, so this price increase is likely to have little effect on turnover.

"As a result of the wave of periodic buying immediately after devaluation, stocks of American radios were soon sold out. Inasmuch as the quota for American radios is small, in spite of its increase through the provisions of the Trade Agreement, these stocks were of little significance. The contingent system, which was intended to afford protection behind which domestic interests could build up a radio industry in Switzerland, has been responsible for the reduction of American radio imports to a comparatively small volume. This is the more regrettable since American radio dealers were pioneers in this market and formerly controlled a large share of the trade."

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