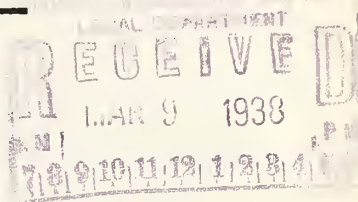


HEINL RADIO BUSINESS LETTER

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No. 1106

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March 8, 1938.

FCC POLICIES STATED IN DENYING PRESS OUTLETS

Definite statements of policies against the granting of radio broadcasting facilities to a licensee for a second station in the same community or for an additional station in a city already well served were enunciated late last week in two decisions made by the Federal Communications Commission.

The FCC rejected the applications of the Journal Company, of Milwaukee, and the Mid-Atlantic Corporation, of Washington, for construction permits. Both were for special broadcast stations using 1570 kc. with 1 KW power, unlimited time.

The Journal Company now operates WTMJ, as well as experimental relay, high frequency, television, and facsimile stations. The Mid-Atlantic Corporation was organized by Eugene Meyer, publisher of the Washington Post, and would have been operated in conjunction with the newspaper.

As to the Milwaukee application, the Commission declared:

"The frequencies available for use by stations of the broadcast class are limited, and a grant of an additional station to one who already has a license for a station in the same community should not be made unless it is clearly shown that public interest, convenience and necessity will be served thereby. Milwaukee now has two full-time regional assignments and one local daytime station. In addition, the greater part of the area receives service from stations located elsewhere, duplicating to some extent chain program service available from Milwaukee stations. The need for an additional station in Milwaukee is not such as to warrant the granting of the facilities requested to The Journal Company, at present the licensee of a regional station in that city."

The FCC gave little hope to any of the applicants who have sought to establish a fifth broadcasting station in the Nation's Capital in its ruling on the Meyer application. Among other applicants for a new Washington station have been former Senator C. C. Dill, whose application has been rejected already, the Scripps-Howard Newspapers and Hearst Radio, Inc.

Washington now has four stations, all of which are affiliated with networks. The National Broadcasting Company controls Stations WRC and WMAL, and the Columbia Broadcasting System has WJSV, and the Mutual Broadcasting System sends its programs over WOL.

Said the Commission on the Mid-Atlantic Corporation's application:

"This Commission is required by Section 307(b) of the statute to make such distribution of the limited facilities available for broadcast use as will provide a fair, efficient and equitable service to the several states and communities. The City of Washington now has four unlimited time regional stations and receives some additional service. In the interest of providing service to communities and states where definite need will be found to exist, this Commission cannot fail to comply with the clear and mandatory requirements of the statute. There is no need shown to exist at this time for an additional broadcast station such as that proposed for Washington."

A stand similar to that taken in the Milwaukee case was assumed by the Commission in rejecting an application by the Genesee Radio Corporation for a construction permit to build a station in Flint, Mich.

While admitting that additional station might fulfill a public need, the FCC noted that the proposed service would be similar to that already furnished Flint and then added:

"There is another element in this case, which, when weighed in conjunction with the facts already set forth, the Commission regards as controlling. The interests which control the existing broadcast station at Flint and those which would control the proposed station are identical. The managerial policy of the two stations would be the same. The two stations would not be engaged in actual or substantial competition with each other in the rendering of service. Further, to permit the entry into the field of this applicant might well, from an economic standpoint, prevent the future entry into the field by an applicant who would offer a new, different, improved and competitive service. It is not in the public interest to grant the facilities for an additional broadcast station to interests already in control of the operation of a station of the same class in the same community, unless there is a compelling showing upon the whole case that public convenience, interest or necessity would be served thereby.

"In order to assure a substantial equality of service to all interests in a community, to assure diversification of service and advancements in quality and effectiveness of service, the Commission will grant duplicate facilities to substantially identical interests only in cases where it overwhelmingly appears that the facility, apart from any benefit to the business interests of the applicant, is for the benefit of the community, fulfilling a need which cannot otherwise be fulfilled."

Ruling on rival applications of a newspaper and a church for full time on the frequency they now share, the Commission held that they should continue to divide the time. The applicants are the Pulitzer Publishing Co., of St. Louis, which operates KSD, and the Evangelical Lutheran Synod, of Clayton, Mo., which operates KFUD.

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McNINCH OPPOSES RADIO TAX ON WATTAGE

The Payne-Boylan radio station tax bill was given a severe jolt late last week when Chairman Frank R. McNinch, of the Federal Communications Commission, made public a letter he had written Representative Doughton, Chairman of the House Ways and Means Committee.

Chairman McNinch, who had previously expressed the belief that radio stations should pay a tax at least sufficient to pay the administrative expenses of the FCC, stated that any tax based on watts would be unfair. He suggested that the Commission would prepare a report and recommendation for a radio station tax if the Committee requested it.

His complete letter to Representative Doughton follows:

"I have your letter requesting recommendations or comments upon H.R. 6440, a bill 'To provide for the taxation of operators of radio broadcast stations', which was introduced by Representative Boylan, of New York.

"The bill is apparently designed to produce revenue considerably in excess of the cost of administering the provisions of the Communications Act of 1934 as amended, which deal with radio broadcast stations. The tax base prescribed in the bill, namely, the number of watts of authorized power which a station is licensed to use, does not represent an adequate or equitable basis for such a tax levy; nor is it equitable or proper to classify stations arbitrarily into three groups - those authorized to use less than one thousand watts, those authorized to use between one thousand and ten thousand watts; and those authorized to use in excess of ten thousand watts - for the purpose of fixing the tax rate.

"There is no consistent or logical justification for basing a tax on radio broadcasting stations solely on wattage, without regard to income, type of service, geographical coverage, or other pertinent considerations. The Commission's objections to H.R. 6440 should not be taken to be objections on the part of the Commission to the principle of levying a tax upon, or charging a fee for, the exercise of the privilege of broadcasting, either for the purpose of reimbursing the Government for the expense incident to the regulation or licensing of broadcast stations or for general revenue purposes. If, however, any such tax or fee is to be levied or charged, the Commission is of the opinion that there should be some proper relationship between the tax base and the tax rate and the purpose for which it is imposed.

"The determination of such a relationship is not a simple matter but one which involves many complex factors. Should the Committee desire that the Commission make a recommendation which goes beyond the expression of its objections to the pending measure and advance suggestions as to the manner in which it believes this problem may be scientifically and equitably solved, the Commission will be very glad to comply with any request the Committee may make."

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TALKING NEWSPAPERS FORESEEN IN FINCH PATENT

A new radio invention that "may revolutionize the newspaper industry" is described in the current issue of Editor & Publisher as an interview with the inventor, William G.H. Finch, of New York City.

Mr. Finch early this month obtained a patent covering a new method of producing a sound track on ordinary newsprint with printing ink. The sound may be reproduced in the home with the aid of a simple machine which utilizes an ordinary loudspeaker.

"Not only can comics and features be told in print with a recording printed alongside", the article states, "but speeches and news events can be recorded by reporters and reproduced for actual sound in the newspaper."

The inventor is adapting his sound system to the facsimile machines being tried out by WOR, Newark, and other radio stations. A combination of the two, according to Mr. Finch, would produce a "talking newspaper" in the home.

"According to Mr. Finch, this system is the cheapest sound recording device ever invented", Editor & Publisher reports. "Newspapers can buy a master recording machine for \$1,000 or \$1,500 which will produce the visible sound track. From the visible track a plate is made to be inserted in the regular newspaper makeup. The time consumed is practically negligible taking only the time to change audible impulses into visual signs on paper. The sound track is a miniature version of the picture produced in an oscillograph by talking into it, or in other words, a very wavy line.

"A full page of comics can be told in sound by use of one inch of space for the sound track. Approximately 100 lines can be printed in one inch. With much more expensive equipment, Mr. Finch says as many as 1,000 lines to the inch can be printed.

"The moving picture type of recording machine costs around \$15,000, Mr. Finch explained.

"Individual reproducers for the home can be manufactured for as low as 25 cents a piece, Mr. Finch says, and he visualized making them on a 5 and 10 cent store basis, providing volume production is great enough. The 25 cent scale would be reached on a contract for a million, he claims."

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NEW G.E. 100 KW STATIONS TO HAVE EFFECT OF 1200 KW

When General Electric begins broadcasting to South America over its authorized 100 KW short-wave station, the broadcast will have the effective power of 1200 KW, according to B. W. Bullock, Assistant Manager of Broadcasting.

The step-up in power, he explained, will be made possible by the confining of the 100 KW power within two 30 degree beams. The new transmitters for W2XAD and W2XAF, Schenectady, are expected to be in operation early this Spring.

General Electric, meanwhile, has started a new daily series of broadcasts to South America over the Pan American channel "lent" to it by the Federal Communications Commission.

The two directional beams, one covering the eastern half and the other the western half, will blanket the continent of South America, according to Mr. Bullock, and will enable this country to compete on equal or a better footing than Germany, which heretofore has had the advantage in South American broadcasts.

The Pan American frequency of 9550 kilocycles was dedicated in a special program from Washington and New York last Friday night. Speakers from Washington were Sumner Welles, Under Secretary of State; Frank R. McNinch, Chairman of the Federal Communications Commission; Dr. L. S. Rowe, Director General of the Pan American Union; and Fernando Lobo, Charge d'Affaires of the Brazilian Embassy.

"The realization is growing", said Mr. Welles, "that amicable relations in this hemisphere can be strengthened permanently through open and free facilities for cultural interchange.

"The term is broad enough to include the transmission of every legitimate expression of the national mind, with the purpose of strengthening this friendship through appreciative knowledge.

"The broad understanding between our two peoples, achieved in peace and amity, will continue to be a guarantee of tolerance and mutual respect in this hemisphere."

Chairman McNinch spoke in part as follows:

"As Chairman of the Federal Communications Commission and of the Interdepartmental Committee to Study International Broadcasting, I am particularly interested in the development of radio as a means of interchange of culture. I feel certain that much important work in this direction can be done through the cooperation of the American nations to make Inter-American broadcasting the finest of all international broadcasting. I hope that Inter-American radio programs will be selected with that care, discrimination and understanding which is so necessary if they are to truly represent and be worthy of the countries of this continent. I will welcome suggestions which will help us to do our part in this great cause."

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NAB TO OPPOSE ALL SPECIAL TAXES ON RADIO

The Executive Committee of the National Association of Broadcasters has decided to oppose all special taxes on broadcasting stations on the ground that such levies would interfere with the freedom of the air.

Meeting in Louisville, Ky., last week-end, the Committee discussed plans for fighting the Payne-Boylan wattage tax when hearings begin before a sub-committee of the House Ways and Means Committee.

While the letter of Chairman Frank R. McNinch, of the Federal Communications Commission, had not been made public at that time, the Committee, according to Philip G. Loucks, General Counsel and Acting Executive Head of the NAB, agreed to oppose any tax on radio stations that is not imposed on other industries.

"We are standing on the Supreme Court decision in the Louisiana tax on newspapers", Mr. Loucks said. "We believe that radio stations are entitled to the same protection and freedom as newspapers."

The Committee discussed suggested candidates for the position of paid president of NAB but reached no conclusions.

Mr. Loucks early this week went to New York to discuss questions of musicians' unemployment as it relates to non-network stations with Joseph N. Weber, President of the American Federation of Musicians.

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ZENITH MYSTERY INVENTION IS DISCLOSED

The mystery invention which the Zenith Radio Corporation has been cleverly publicizing for the past six weeks was revealed this week as a "radio nurse".

The new product, when plugged into a socket in a room where a baby or invalid has been left alone, will broadcast cries or requests to any point of the house where an amplifier has been installed.

The device, which will be announced formally on the Zenith Foundation program over CBS next Sunday night, is now being distributed to dealers all over the country. It will sell for \$29.95.

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BRITISH START S-W SERVICE TO SOUTH AMERICA

A service of broadcast news bulletins in Spanish and Portuguese for listeners in Central and South America will be inaugurated by the British Broadcasting Corporation on the night of March 14-15. As from March 15, these bulletins will be broadcast daily from two BBC short-wave transmitters at Daventry, working simultaneously on a wavelength of 31.55 metres, under the call sign GSB, and directed to Central and South America. The Spanish bulletin will be broadcast at 8:30 P.M., EST, and the Portuguese at 8:45 P.M., EST. The bulletins, which the BBC says will be objective in character, will be compiled by the staff of the BBC from the reports of the British news agencies.

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TWO NEW STATIONS ARE RECOMMENDED

Favorable Examiner reports were submitted to the Federal Communications Commission this week on the applications of Floyd A. Parton, of San Jose, Calif., and Louis P. Thornton, of Baker, Ore., for construction permits to erect new broadcasting stations.

The San Jose application is for 1170 kc. with 250 watts power, daytime, while the Oregon request is for 1500 kc., 100-250 watts, and unlimited time.

Another favorable report was filed on the application of WLAK, Lakeland, Fla., for permission to increase its daytime power from 100 to 250 watts.

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TRADE NOTES

Reports reaching Washington are that the International Radio Conference in session at Cairo, Egypt, will continue for another month. It convened February 1st.

A 10-minute period of news prepared especially for Portuguese-speaking listeners has been added to the comprehensive schedule of daily news broadcasts in six languages over Station W3XAL, the NBC international station in New York.

Stricter regulation of radio was urged on the Federal Communications Commission in resolutions adopted at the recent convention of the Hoosier State Press Association in the Spink-Arms Hotel, Indianapolis. The Indiana publishers asserted that radio should be "placed on a par with the newspaper in dissemination of news and portrayal of advertising."

The State Department this week released a report on the Inter-American Radio Conference at Havana last Fall. It was prepared by Commdr. T.A.M. Craven, Chairman of the U.S. delegation, and is similar to the preliminary report made by Commissioner Craven to the Federal Communications Commission some weeks ago.

"Both Sides of the Microphone", a comprehensive volume on the multiple aspects of broadcasting as an industry, co-authored by John S. Hayes, Assistant Production Chief of WOR, was published last week by J. B. Lippincott. The book presents the complete story of radio, written especially for the average listener, the student, and the future radio employee. Horace J. Gardner, author and radio commentator, collaborated with Mr. Hayes in its preparation.

An increase in the listener's license fee in Canada from \$2. to \$2.50 for the year beginning April 1, has been announced by the Canadian Minister of Transport. New regulations also make compulsory a separate license fee for each receiving set, and will cancel the present provision which permits one license to cover both a house and a car receiver belonging to the same owner.

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BBC TO EXTEND TELEVISION SERVICE

Gerald Cock, Director of Television for the British Broadcasting Corporation, has announced forthcoming extensions in television programs. From April 3 next there will be an hour's television program on Sundays, and week-day evening programs are to be extended an extra half-hour whenever possible, with a view to permanency.

Reviewing the past year in television, and the position today, Mr. Cock said:

"The home is the place for television, because in its present stage I am sure the programs could not be designed for any other purpose; and they could certainly never be designed for large theatre screens and home screens simultaneously. I think you will find, like Mr. Bernard Shaw, when he visited us, that the comparative smallness of the screen does not really matter if it is in your own sitting room.

"One should resist the temptation to compare television programs too closely with what you see on the stage or films. The excitement and charm of home television lie in its unique qualities of intimacy and immediacy. Magically you are with the artists, during a show, not looking at them across the footlights, or their reproduction at second hand. You are taking part in a great event, not standing in the back row, or seeing it afterwards off a bit of film. And the sound reproduction is uncannily good.

"The scope, and consequent progress, of the Service hinges upon continual technical improvements at what one might call the camera or studio end. Technically, television is now a really efficient medium. Finance is the problem, though it is getting easier. The demands of television are constantly increasing; for more space, for example, which is only another aspect of the financial problem. Did you know that our one fully-equipped studio is a room only 70 ft. by 30 ft.? And that in it all programs are rehearsed, and transmissions carried out from a single stage about 30 ft. by 20 ft., with only a recent temporary relief in an overflow room of similar size, which is not yet fully equipped? Here again we must look forward to better times ahead."

Reviewing the progress that television has made in the last year and a half, including the successful televising of the Coronation and a Cenotaph Service, and the difficulties that had to be overcome in creating programs of every kind from plays to current events of news interest, Mr. Cock went on:

"From a tentative, patchy, and often sloppy combination of disjointed items, real television productions and 'actualities' became possible. Flicker disappeared. Now, you can see real programs regularly and clearly on a set which is quite easy to handle.

"As time goes on, I hope there will be few things of interest and entertainment not included in the Service. If they are not, it will not be our fault. You must not think we are complacent. On the other hand, we are certainly not apologetic. I believe that set owners are getting value for their money now, and I am quite certain they will get more than value for their money before very long. With an imaginative and courageous long-view policy, we ought to keep our lead, though the speed of development must depend to an extent upon your practical support. As most of you know, no foreign country has yet found itself in a position to begin - one could almost say 'dared' to begin - a public service. And our friends from abroad are the first to recognize the astonishing strides made over here. So, for better or worse, British pioneering has brought world television nearer, which should be something to be proud of.

"In my own case, the qualified optimism of two years ago has given place to a profound belief in this miraculous medium. If, from the activities at Alexandra Palace, a new industry can be built up to absorb some of the best young brains in the country; if in due course a country-wide service of visual broadcasting comes into being, then the unavoidable tribulations of these early days will have been worth while."

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MOSCOW TELEVISION STATION TESTING

A successful test has been made of the new television station in Moscow by showing on a screen 14 x 19 centimeters a band marching along a street in an Ukranian village, according to a trade report to the U. S. Commerce Department. The sound of the band-music accompanied the picture. The station equipment is not yet complete, and it will not undertake regular transmission until early in April. At present only ten receiving sets, placed in various sections of the city, are in operation.

The Moscow television center, began in October, 1936, is equipped with American machinery; the studio has an area of 280 sq. meters, and is brilliantly lighted from above and from the sides. The walls and ceiling are sound-proofed, the former with sheets of copper between the wall-layers, and the latter with a wooden ceiling hung below the regular one. It is expected that the pictures sent out will be received in Moscow and its environs; receivers will be set in clubs, "homes of culture", etc., for a large number of spectators.

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