

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF APRIL 12, 1938

McNinch Heads Probe As House Hears New Blast.....	2
Case Heads Super-Power Committee.....	5
Congressmen's Radio Speeches Add To Capitol Work.....	5
Radio Represented At Gridiron Club Dinner.....	5
Mackay Loses Appeal In Fight With RCA.....	6
Payne Turned Down On Monopoly Resolution.....	6
Longer Licenses Favored By Publishers' Organ.....	7
Television-Telephone Service Inaugurated In Germany.....	8
Radio Bibliography Issued By Commerce Department.....	8
BBC Gets Bigger Fee Share For Expansions.....	9
Costa Rican S-W Station Marks Tenth Anniversary.....	10
New KNX Transmitter To Be Placed In Operation Soon.....	11

No. 1116

April 12, 1938.

McNINCH HEADS PROBE AS HOUSE HEARS NEW BLAST

The authorized investigation by the Federal Communications Commission into chain broadcasting and charges of monopoly within the radio industry will be conducted under the thumb of Chairman Frank R. McNinch, it became apparent this week, when the Special Committee elected him Chairman.

While designated originally as only an ex-officio member of the Committee, Chairman McNinch was chosen to head the same by Commissioners Eugene O. Sykes, Thad H. Brown, and Paul A. Walker. Commissioner Brown was elected Vice-Chairman at the same time.

The date of the inquiry was still indefinite, but it became more apparent that the Commission has no intention of opening hearings until after Congress adjourns.

"The Committee directed the staff to report at the earliest possible date a list of all contracts relative to chain broadcasting", a FCC statement said, "now on file with the Commission, together with an analysis or brief summary of the terms of such contracts."

Coincident with the FCC announcement, Representative Connery (D.), of Massachusetts, blasted the Commission and the House Rules Committee for blocking a Congressional inquiry as proposed originally by his late brother.

After inserting in the Record, letters and newspaper clippings in which Chairman O'Connor, of the Rules Committee, was quoted as saying he would push the Congressional inquiry, Representative Connery said:

"Congress has had presented to it ample evidence of the deplorable conditions prevailing in the Federal Communications Commission. The facts concerning the monopolistic control of radio broadcasting on the part of a privileged few, residing in New York City, who control, through ownership and lease, the more important and powerful stations, and through network affiliations those radio stations using more than 90 percent of the power used at night for the broadcasting of radio programs, have been presented to this House. The absolute refusal of the Commission to bar from the radio those programs which were not only sensuous and blood curdling, but, actually obscene, indecent, and profane, has been defended on the basis that the Congress has denied to the Commission the right to censor programs.

Incidentally these programs which I have reference to were so much more objectionable than the program recently broadcast by Mae West that there is really no comparison.

"However, the Congress has specifically provided that radio franchises shall be issued only when public interest, convenience, or necessity will be served, and surely radio stations broadcasting obscene, indecent, or profane programs into decent self-respecting American homes are not serving either public interest, convenience, or necessity.

"Two years ago my late brother, Congressman William P. Connery, Jr., demonstrated that those whom the Federal Communications Commission had licensed to operate radio broadcasting stations had little respect for the decencies which should prevail when they, one might well say, protected the principal part of the radio monopoly, the National Broadcasting Co., from punishment for broadcasting into American homes programs which were indecent and profane.

"Later, other similar programs were called to the attention of the Commission, but no action was or apparently could be taken. The question arises, Are the majority of the Federal Communications Commission, in reality, free agents? Some of the programs were so obscene, profane, or indecent that the Post Office Department officially ruled that they were not mailable.

"Hearings of the House Appropriations Committee show that the Federal Communications Commission has sat silently by while a privileged few, through their ability and their willingness to dispense large sums of money, have gobbled up control through ownership or lease or network affiliations of all the clear channel stations, almost all of the regional stations, and a large number of even the 100-watt stations.

"There are but a few radio stations licensed to operate at night with power in excess of 1,000 watts which are wholly free agents and which can actually serve public interest, convenience, or necessity, because of the domination or control, in many instances resting in the hands of persons residing hundreds, yes, thousands of miles away. Naturally, those who are not conversant with or have no interest in the affairs of any particular community cannot serve public interest, convenience, or necessity.

"Those Members of the House who have looked into this question of radio monopoly and indecent radio programs read with pleasure the well-publicized address of Chairman McNinch, some months ago, wherein he stated that he would have the Commission investigate radio monopoly and chain broadcasting. However, it would appear that the influence of the radio monopolists, who probably realized what such an investigation would mean, soon brought about a change of heart on the part of Chairman McNinch.

"Two months after Chairman McNinch had publicly stated he would instigate this investigation, during which time he had taken no action, we find the Chairman reported in the Washington Herald as voting against a resolution, presented by Commissioner Craven and seconded by Commissioner Payne, calling for the appointment by the Commission of a committee to investigate monopolistic conditions in radio and chain broadcasting. Chairman McNinch attempted to have the Craven resolution set aside in favor of an investigation by a few Department employees. However, when a majority of the Commission refused to table the Craven resolution to investigate the radio monopoly, those who opposed the investigation, under the leadership of Commissioner Case, succeeded in delaying action for a few days. At the next meeting we find Chairman McNinch presenting a substitute for the Craven resolution which provides for a committee of the Commission, to be appointed by Chairman McNinch, to investigate radio monopoly.

"The honesty of purpose of this investigation, voted by the Commission, can well be judged by considering the background and the interest of those members of the Commission whom Chairman McNinch appointed to conduct this investigation.

"We find that Chairman McNinch has appointed as a committee to investigate radio monopoly and chain broadcasting the two members, who, more than all other members combined, made radio monopoly a reality, and who have at all times refused on one pretext or another to penalize those radio stations which have broadcast indecent, profane, or otherwise objectionable programs. He turned over control of this so-called investigation to the only two members of the Commission whom President Roosevelt inherited from the administrations of Coolidge and Hoover, namely Commissioners Sykes and Brown.

"This deliberate attempt to hoodwink the Congress and to whitewash the actions of those, who, through their control of money have created this radio monopoly, those who have trafficked in and been enriched through the granting, sale, and purchase of radio franchises, which property the Congress specifically reserved to the American people, is apparently made with the pious belief that such a Commission investigation will forestall a constructive and factual investigation on the part of the Congress itself.

"Such investigation, or possibly whitewash, by the Commission itself is apparently resented by those members of the Commission who, honestly minded and with nothing to hide or to have whitewashed, are not fearful of or afraid of a Congressional inquiry. This present minority, at least, is willing to have the Commission declare itself whether or not it fears an investigation on the part of either branch of Congress."

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CASE HEADS SUPER-POWER COMMITTEE

The sub-committee of the Federal Communications Commission to investigate super-power has elected Commissioner Norman S. Case as Chairman of the committee and Commissioner T.A.M. Craven as Vice-Chairman. Commissioner George Henry Payne is the third member of the sub-committee. The hearings will begin on May 16th.

Commissioner Case was formerly a member of the FCC Broadcast Division, abolished by Chairman Frank R. McNinch last Fall. Chairman McNinch will serve as ex officio member of the super-power investigating committee.

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CONGRESSMEN'S RADIO SPEECHES ADD TO CAPITOL WORK

The frequency with which members of Congress go on the air is adding to the work of legislative employees in the U. S. Capitol and to the costs of the Federal Government, it was disclosed this week.

Joseph Sinott, House doorkeeper, told a sub-committee of the House Appropriations Committee, that most members who speak over the radio have copies of their speeches printed and mailed home to their constituents in case they didn't tune in.

This adds to the work of the folding room, Mr. Sinott said, where the speeches are prepared for mailing.

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RADIO REPRESENTED AT GRIDIRON CLUB DINNER

Prominent persons in the broadcasting and radio industry were guests at the semi-annual Gridiron Club dinner Saturday night in Washington. Among those present were the following:

Thad H. Brown, Federal Communications Commissioner; Gene Buck, President, American Society of Composers; Louis G. Caldwell, radio counsel; John W. Guider, radio counsel; Alfred J. McCosker, President, WOR Broadcasting Co.; E. F. McDonald, Jr., President, Zenith Radio Corporation; Frank Russell, Washington, Vice-President, National Broadcasting Company; Kurt G. Sell, German Broadcasting Co.

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MACKAY LOSES APPEAL IN FIGHT WITH RCA

The Mackay Radio & Telegraph Company this week lost another round with the Federal Communications Commission and the Radio Corporation of America in its attempt to establish radio communication connections with foreign points now served by R.C.A. Communications, Inc.

The United States Court of Appeals of the District of Columbia on Monday upheld an FCC order refusing Mackay a license to maintain service with Oslo, Norway.

The court held that there is nothing in the Communications Act which requires the FCC to insist upon competition in the radio communications field and that the FCC order was therefore not arbitrary.

The opinion also pointed out that radio traffic between the United States and Norway is small.

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PAYNE TURNED DOWN ON MONOPOLY RESOLUTION

Commissioner George Henry Payne, who was the only member of the Federal Communications Commission who voted against the McNinch resolution for an investigation of chain broadcasting and monopoly charges, last week was blocked in a move to inform Congress that the Commission would welcome a Congressional inquiry of the FCC and the industry.

Commissioner Payne, who supported Commdr. T.A.M. Craven in his original resolution proposing a monopoly probe, had Commissioner Craven's support in return. All other members of the Commission, however, voted to postpone action, temporarily tabling the resolution, which read as follows:

"Whereas there have appeared in print representations that this Commission or members thereof are opposed to an investigation by Congress; and

"Whereas the members of this Commission neither fear an investigation nor wish to see it blocked; and

"Whereas the recent proposal of the Commission to conduct an investigation of its own has been criticized as an effort to forestall Congressional inquiry and as an attempt to investigate itself; Therefore be it

"Resolved, That the Chairman of the Rules Committee of the House of Representatives be notified that this Commission is not only not opposed to such a Congressional inquiry, but welcomes it both as to the entire subject of communications and the Commission itself."

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LONGER LICENSES FAVORED BY PUBLISHERS' ORGAN

Endorsement of the plea of William S. Paley, President of the Columbia Broadcasting System, for longer broadcasting licenses than six months was given last week by Editor & Publisher in the following editorial:

"The essential delicacy of the position of American broadcasting can be sensed from the annual report this week of William S. Paley, President of the Columbia Broadcasting System. He points out that the present American system of regulating radio is an outgrowth of the necessity of policing against interference of broadcasts, and plainly implies a belief and a hope that the present system is not the last word.

"Also engaging his attention is the potential menace of censorship, for which he urged wider public interest. It is linked with the licensing system, tightly under present rules, and we agree with the CBS head that it need not be and probably should not be.

"The present short-term licenses are a formidable barrier to comfortable operation of radio stations as newspaper adjuncts. There is always the peril that a politically-minded Commission can make the renewal of a newspaper-owned radio license conditional upon 'good behavior' of the editorial owner, and while we know of no such black-jacking to date, its possibility is always present.

"There may be sound reasons why long-term licenses cannot be granted, removing them definitely from the political arena, and making them revocable if the Commission can establish in open court that the licensee is not adhering to the conditions upon which short-term licenses are now held. If there are such reasons, we have not heard them. The fondness of Congress and the executive for short-term licenses can probably be traced to the belief that radio stations with a sword hanging continually overhead will not be likely to offend the politicians in the fashion made familiar by untrammelled newspapers."

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The New Zealand Government, Post and Telegraph Department, will purchase radio short-wave transmitters, direction finders and short-wave receivers, the U. S. Commerce Department reports.

"Specifications have been received for radio equipment on which quotations are desired delivered at Wellington", the report states. "Quotations will be received to noon May 10, 1938, Interested firms may receive a copy of the specifications by writing to the Electrical Division, Bureau of Foreign and Domestic Commerce, Washington, Department of Commerce, or through any of the District Offices."

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4/12/38

TELEVISION-TELEPHONE SERVICE INAUGURATED IN GERMANY

A new telephone-television cable which permits simultaneously transmission of television conversation and 30 ordinary long distance telephone conversations has been added to the service between Leipzig and Berlin, according to a report by the American Consulate at Leipzig made public by the Department of Commerce.

It is claimed that this development is only in its primary stage and that the system can be ultimately extended to permit 200 simultaneous long distance telephone conversations, the report stated.

The new innovation was achieved by the joint cooperation of the German Reichs-Post and a Berlin firm which specializes in this field.

Many visitors at the Leipzig Spring Fair, which was recently concluded, are reported to have used the service.

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RADIO BIBLIOGRAPHY ISSUED BY COMMERCE DEPARTMENT

A comprehensive bibliography of radio publications, covering sixty-four pages, was issued this week by the Electrical Division, U. S. Bureau of Foreign and Domestic Commerce.

Books and periodicals included are those that:

1. Are solely devoted to a strictly radio subject, or as much to radio as to any other subject. Non-radio developments arising from radio research are not considered suitable for listing. *Shall I get a copy? DC*
2. Have been published or revised since 1933, with exception of any previously published that have not been rendered obsolete by later publications from any source. *Yes. g*
3. Are published in the English language, and *yes-L and for route*
4. Constitute a standard reference, text, or reading instructive as to radio subjects, including history. *around yes in*

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BBC GETS BIGGER FEE SHARE FOR EXPANSIONS

The British Broadcasting Corporation will get a larger share of the radio set license fees this year than heretofore to pay for expansions of its short-wave and television services, according to a report of the American Commercial Attache at London.

About a third of the revenue heretofore allocated to the British Treasury will be allocated to the BBC this year, the report states.

"On a basis of the past year's income", the report explains, "this will amount to a sum of something more than £360,000 and presumably, the reason the Government has been so willing to release this sum from the Treasury to the broadcasting operations is because of the foreign language broadcasts newly undertaken and the planned expansion for television transmissions. Both of these activities are considered as a legitimate charge, or at least warranting financial support on the part of the Government.

"More current developments with regard to the BBC not covered in the annual report for 1937 include further foreign language broadcast services. The programs in Arabic were started before the end of the year and comment concerning these has been reported previously. It is now definitely announced that a broadcast service of news bulletins in Spanish and Portuguese, specially designed for listeners in Central and South America will be broadcast daily on two short wave transmitters, beginning in mid-March.

"There is also the question of BBC difficulties with the Musician's Union, based upon a demand by the musicians for higher remuneration for broadcasting services. This difficulty is not completely settled as yet.

"A further announcement concerns the erection of a new headquarters for Northern Ireland at Belfast, which will be started soon and will consist of a rather large six-story building near the business center of the city, with all necessary facilities for the various radio services.

"Another current activity of the BBC is the opening of a travelling exhibition, which is designed to demonstrate to the public the actual operation of radio broadcasting. During the coming Spring and Summer, this will be used at Glasgow Empire Exhibition and thereafter, it will be sent to other parts of the country where active interest is displayed."

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4/12/38

COSTA RICAN S-W STATION MARKS TENTH ANNIVERSARY

Claiming rivalry with the United States, England, and Holland in pioneering work in short-wave broadcasting, Costa Rica is preparing for the forthcoming tenth anniversary on May 4 of Station TL4-NRH, "The Voice of Costa Rica", at Heredia.

The Chicago Short Wave Radio Club, in publicizing the anniversary, observes:

"When the British Broadcasting Corporation was transmitting experimentally on short waves nearly ten years ago over their experimental short-wave station G5SW at Chelmsford, near London, England - when the Philips Radio Laboratories at Eindhoven, Holland, were doing the same thing over Stations PCJJ and PHI when the Westinghouse Electric and Manufacturing Company at Pittsburgh, Pennsylvania, was conducting experimental transmissions over W8XK and when the General Electric Company made occasional tests with their Station W2XAF at Schenectady, New York - a radio wizard, 'The Marconi of Costa Rica' - not a company or a large organization with unlimited resources at their disposal, but one single man - was establishing his country on the same level of radio with England, Holland, and the United States of America, pioneering the short-waves along with organizations of international fame in what was then the almost unknown city of Heredia.

"A prophet is not without honor save in his own country.' But in the case of Amando Cespedes Marin of Heredia, Costa Rica, 'a prophet is not without honor.' In his own country, Sr. Cespedes has been royally honored but his accomplishments are even better known and appreciated in the outside world."

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The French War Minister and the Air Minister have submitted to the Chamber of Deputies a project of law with a view to increasing the well-being of the French Army, and tending to develop cooperative regimental organizations of recreation, the U. S. Commercial Attache at Paris reports. Such cooperative organizations will include amusement halls to be satisfactorily provided with phonographs, pianos, and particularly, with radio sets. This arrangement, of course, will probably mean an increase in radio sales.

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4/12/38

NEW KNX TRANSMITTER TO BE PLACED IN OPERATION SOON

A new 50,000 watt transmitter, which is being constructed at Torrance, Cal., at a cost of more than a quarter of a million dollars, in conjunction with Columbia's new KNX Hollywood studios, will be in operation by late Summer or early Fall, according to A. B. Chamberlain, Columbia's Chief Engineer.

The transmitter project will include an antenna system consisting of a 490-foot uniform cross-section guyed vertical steel mast and a ground system of more than 120,000 feet of copper wire. A circular transmitter building to house the equipment will be built in modern design and so arranged that most of the operation will be visible to the public.

"The site, which is approximately fifteen miles southwest of Hollywood, was selected after months of search and is ideal for transmitting purposes", said Chamberlain, "not only from the point of view of the conductivity of the soil on which it stands, but also because of its position in regard to the populous areas of Southern California. Owing to the peculiar topography of the coast line near which it is situated, it will be possible to transmit to southernmost California chiefly over salt water, which is ideal for sending purposes.

"The combination of antennae and ground system, and the inclusion of all desirable features of transmitter design known to the art, including negative feed-back which reduces harmonic distortion and carrier hum to a minimum, will make the transmitter project one of the most efficient in the country."

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The East Ham District Society requests American radio catalogs to be sent for their library in care of Racio 2C3Q, 62 Bedford Road, Walthamstow E17, London, England. They inquire whether any U.S.A. Manufacturers of communication receivers, also tube manufacturers, could arrange for London representatives to give demonstrations of equipment for next season as these dates must be booked in advance.

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