

HEINL RADIO BUSINESS LETTER

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L. Reid 6/12/39

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NBC TELEVISES FIGHT AS NAB SEES LAW BARRIER

The first heavyweight fight was televised in the United States for public reception Thursday night when the National Broadcasting Company placed its camera at the Baer-Nova ~~right~~ side in the Yankee Stadium, New York City.

Yet only a few days earlier, Neville Miller, President of the National Association of Broadcasters, told a Senate sub-committee that there is a serious question as to whether or not the televising of boxing exhibitions does not constitute a violation of the Federal law which prohibits the transmission of fight pictures across State lines.

On the day of the fight, RCA Victor in newspaper advertisements in New York announced that NBC's television camera would be at the ringside "ready to send the big fight to you through air by pictures".

While there was no data available immediately as to how many television receivers were tuned in on the visual broadcast, it is assumed that some of these at least were in New Jersey or other States than New York.

Mr. Miller's remarks were made at a hearing on the Barbour Bill before a Sub-Committee of the Senate Interstate Commerce Committee. The measure, sponsored by a one-time heavyweight boxer, Senator Barbour (R.), of New Jersey, seeks to eliminate the Federal ban on transmission of fight pictures across State lines.

Mr. Miller pointed out that the question of transmission of fight pictures by television heretofore has not arisen, but he added that it probably will unless the Barbour Bill is enacted into law.

"There have been many changes in American life and American opinion since 1912 when Congress enacted the present law making it unlawful to ship in interstate commerce films of prize fights", he said. "Since that time broadcasting has been developed as a medium of public entertainment and as a means of dissemination of news and information. Sports of all kinds have become more popular, and the American people have become more sport minded and interested in sporting events.

"Today many sporting events, such as football games, baseball games, prize fights and horse races are broadcast, and these programs are listened to by large nationwide audiences. No distinction, as far as I know, has been drawn between broadcasting of prize fights and the broadcasting of other sporting events, and all today are an accepted form of entertainment.

"Television is now in the process of being developed, and a number of broadcasters possess the necessary Government licenses to operate television transmission stations. Television receiving sets are now being manufactured, and sold to the public in areas where service is available. The program service in television is being developed, and, unless prohibited by law, will include the transmission of pictorial representation of prize fights.

"Many of such transmissions will be across State lines, and therefore will fall within the category of interstate commerce. Although no court as yet has been called upon to decide whether the Act of 1912 would apply to a telecast of a prize fight, it is conceivable that the question may be raised, and no broadcaster desires to run the risk of violating the law, even though the possibility of his act being a violation may be remote.

"Programming is one of television's most difficult problems, and it must depend upon special events as a major source of material. As prize fights have proved to be very acceptable to the public as broadcast program material, they will undoubtedly prove to be very acceptable for television program material. A prohibition of the use of prize fights for television programs would deprive the industry of very valuable program material, and accomplish no good purpose.

"Speaking on behalf of the broadcasting industry, I desire to urge the passage of Senate Bill 2047, introduced by Senator Barbour of New Jersey."

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FCC CONTINUES GOVERNMENT TELEGRAPH RATES

The Federal Communications Commission this week ordered that the presently effective rates for the handling of United States Government telegraph messages as promulgated by its Order No. 41, effective July 1, 1938, be continued in effect commencing July 1, 1939, pending decision and the further order of the Commission in Docket 5337, which is now before the Commission for decision.

The question of government telegraph rates for the ensuing fiscal year was presented in an extended hearing before an Examiner some time ago. The Commission by its action today extended the existing rates until a decision is reached as a result of that hearing.

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WHEELER DROPS REORGANIZATION PLAN FOR SESSION

The long-dormant McNinch-Wheeler Bill, to establish a three-man Federal Communications Commission, has been dropped definitely for this session, Chairman Wheeler, of the Senate Interstate Commerce Committee, announced this week.

While this move was not unexpected in view of the storm of opposition that followed introduction of the measure, there has been some indication that hearings might be held jointly on the Wheeler and White bills if Congress remains in session until late Summer.

President Roosevelt is understood to have told Senator Wheeler that he does not consider the FCC reorganization essential at this session.

Whether or not an investigation of the Communications Commission will be ordered either by the Senate or House before Congress adjourns is still conjectural, but it appears at this stage that nothing will be done in this direction either.

Critics of the FCC have been rather quiet for the last few months, and the Administration has given no indication that it wishes the radio inquiry to go ahead.

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ORAL ARGUMENT ON RULES HEARD BY COMMISSION

Spokesmen for ten groups of broadcasters appeared before the Federal Communications Commission on Thursday and argued on various provisions of the proposed new FCC rules and regulations. One of the chief points argued was the FCC ban on super-power broadcasting or any regular broadcasting with power in excess of 50 KW.

Louis G. Caldwell, speaking for the Clear Channel Group of stations, made the principal arguments for greater power. The National Association of Regional Broadcast Stations opposed an increase beyond 50 KW.

Other broadcasters that were represented in the oral arguments on the FCC rules were: The National Association of Broadcasters, the National Independent Broadcasters, NBC, CBS, and Stations WOR, WHKC, WQXR, WCBD, WMBI and WCAU.

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MCDONALD SAYS AERIALS ARE ON THE WAY OUT

Unsightly antennas and aerials on homes, apartment houses, and hotels will soon be a relic of the past, according to Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, of Chicago.

Addressing Zenith distributors at their annual convention in Chicago, Commander McDonald said:

"The telephone and electric light companies have done their part in endeavoring to conceal unsightly wires and the radio industry is now making its first move to follow suit. Nothing has more distorted our sky line of beautiful residences than the clothes line effect of antennas and aerials. The entire new line of radios introduced at this convention are equipped with the new development, which Zenith first tried out on one model in January of this year, the Wavemagnet, which does away with the necessity of aerials, antennas and ground wires. This new development, the Wavemagnet, also permits a radio to be moved from one part of the house to the other, as the radio is no longer anchored to an antenna. The Wavemagnet also acts as a static eliminator, as it greatly reduces man-made static produced by motors, generators and electrical devices. This new device will also save the public millions of dollars in the cost of antennas and aerials."

Following trade conventions in New York and Chicago, Commander McDonald stated that the orders of distributors attending these conventions for their June and July requirements represented an increase of 164 percent over the orders placed by the same distributors at the same annual conventions last year. This increase of 164 percent was in number of units. There was an increase of 149 percent in dollars over the same conventions last year. This increase is largely accounted for by the introduction of the new radio line of receivers which do not require antennae, aerials or grounds.

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CANADA LOOKS FOR IDEAL RADIO ANNOUNCER

Only four announcers of the Canadian Broadcasting Corporation are considered ideal, and out of 1,500 examined in the last two years only 15 were selected, Maj. Gladstone Murray, the General Manager, recently told the Canadian Parliamentary Radio Committee.

What they were seeking, said Major Murray, was the warmth and life of American announcers without the "high pressure" feature and without the "atmosphere of inevitable tragedy" in every news bulletin. The ideal voice should possess the calm and detachment of good British announcers, without the "olympian air".

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FCC'S EXPANSION TO BE DENIED; FUNDS TO BE ALLOWED

The Federal Communications Commission will have to operate on pretty much the same basis for the next fiscal year as it has during the current year, it appeared this week.

Although Chairman McNinch asked for substantial increases to finance a proposed expansion, particularly in the Press Division, Congress refused to consider his request in the light of a proposed FCC reorganization.

Now, with the fiscal year nearing an end, House leaders said that the FCC will be given funds in the last deficiency measure but on the same basis as last year's appropriations. That would mean a 1940 appropriation of \$1,700,000 instead of \$2,000,000 as requested by Chairman McNinch.

Representative Woodrum, Chairman of the House Sub-Committee on Deficiency Appropriations, said the FCC fiscal problem will be taken up when hearings are held on estimates for the third deficiency measure, probably early in June. He indicated that members of the Commission may again be invited to appear before the Committee.

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MBS SIGNS ELLIOTT ROOSEVELT AS COMMENTATOR

Elliott Roosevelt, second son of President Roosevelt, whose regular talks heretofore have been heard only in Texas, will broadcast over the Mutual Broadcasting System three times weekly, beginning Saturday, June 3, from 7:15 to 7:30 P.M., EDST, it was announced this week.

Sponsored by the Emreson Radio and Phonograph Corporation, Mr. Roosevelt will be heard over WOR, Newark; WOL, Washington, WAAB, Boston, and 23 stations of the Texas State Network on Tuesdays, Thursdays and Saturdays from 7:15 to 7:30 P.M., EDST.

Because of this new radio contract, Mr. Roosevelt will divide his time between New York and Washington, and the broadcasts will originate from these cities.

It is expected that the program will be extended to coast-to-coast proportions in the near future.

The first broadcast will come from the studios of WOR, 1440 Broadway, New York City.

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G.E. PICKS UP NBC TELEVISION SHOW 130 MILES AWAY

Contrary to theory that television programs can be received only 40 or 50 miles from the transmitting station, General Electric engineers in Schenectady, using a standard console Type G.E. receiver, picked up the complete two-hour program telecast by NBC from the Empire State building recently. Both picture and voice were received exceptionally well, G.E. engineers said, despite the fact the airline distance to the transmitter was 130 miles and the receiver was located approximately 8,000 feet below the "line-of-sight". This is believed a record for reception of a regularly broadcast television program.

A group of engineers headed by C. A. Priest, Chief Radio Engineer of G.E., and W. J. Purcell, Engineer in Charge of WGY, erected a temporary directive antenna, diamond in shape last Friday night. It was suspended from four masts with the plane of a diamond parallel to and about 40 feet above the ground. The antenna occupied a space on the ground of about 300 by 600 feet.

The receiver was mounted in the back of a truck for convenience in selecting a location. Power was obtained from a small gas-driven electric generator. The picture as viewed by the group was 8 by 10 inches.

The program included a ladies' fashion parade, song by a quartet, a dancing act, a dramatic sketch, and a special television edition of the motion picture "Gunga Din". The sound accompanying the picture was received on the same receiver.

The place where the tests were conducted was about two miles from the new highpower television station which General Electric is erecting in the Helderberg mountains, 12 miles from Schenectady. The spot was at a location slightly higher than the station which commanded best view of New York and the south. The station is slightly down the mountainside so that part of the mountain acts as a shield to the south, since this transmitter plans only to cover the capital district.

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The sound distribution installation provided in the League of Nations building in Geneva is claimed to be the largest in Europe. It enables speeches delivered in either the Assembly Chamber or in a small meeting room to be heard in any part of the building, and at the same time they are transmitted to the two radio broadcasting stations of the League, as well as to any foreign stations which may desire to broadcast them.

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COMMERCIAL ANNOUNCEMENT RULING IS CLARIFIED

Replying to an inquiry of the National Association of Broadcasters, the Federal Communications Commission this week explained that commercial announcements may be expressed in any form so long as the announcer states the program is sponsored and gives the sponsor's name.

The NAB had asked for clarification of an order recently issued by the FCC warning broadcasters that all sponsored programs must be so identified.

T. J. Slowie, FCC Secretary, writing to the NAB, said:

"The statute does not specify the exact language of the required announcement. You are informed that the Commission regards an announcement that a particular program is sponsored as in substantial compliance with Section 317 when the name of the sponsor is given."

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A.P. LIFTS BAN ON SPONSORSHIP OF ITS NEWS

The Associated Press' Board of Directors last week adopted the recommendation of members of the Association and lifted its previous ban on the use of A.P. news on sponsored broadcasts.

The Directors authorized A.P. members to broadcast its news, either on a sustaining or commercial program, under a series of strict regulations.

The Committee's action provides for an additional assessment of 5% of the paper's basic assessment if A.P. news is used on sustaining programs and for a 25% increase if the news is sponsored. If the news is broadcast without sponsorship, A.P. must be credited, but "sponsored programs shall be broadcast by the member in the name of his newspaper and the A.P. shall not be identified therewith".

Network broadcasting of A.P. news is prohibited by a clause in the Committee's resolution limiting broadcasting to the "member's city of publication". In cities where one paper has a day A.P. wire and another paper a night wire, broadcasts sold by each paper must be confined to its hours of publication unless the papers themselves work out some other arrangement.

All commitments for broadcasting A.P. news are subject to the rules and regulations of A.P. and for the present all commitments shall be terminable on three months' notice, so that members can conform to any changes found to be necessary in these A.P. regulations. Resolution also specifically charges members with the responsibility for continuing to "guard the integrity of the news".

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NETWORK TIMES SALES \$117,780,000 IN 1938

Net time sales of the three major networks - NBC, CBS, and MBS - amounted to \$117,780,000, according to calculations of the Federal Communications Commission. After the deduction of agency and representative commissions, the FCC report divulged, the aggregate income was \$100,385,018.

The figures were produced last week to supplement voluminous data already produced in connection with the chain-monopoly investigation.

These figures, based on network and station questionnaire returns to the FCC, cover the sale of time only, and do not include revenues from the sale of talent or other income items. It was stated by the Commission witness, deQuincy V. Sutton, head accountant, that complete tables similar to those released at the super-power hearing of last June 6, 1938, were in process of compilation and would probably be ready in mid-June.

The FCC's figures did not purport to cover the broadcasting industry as a whole since income reports of approximately 40 stations and of the regional networks were not included. It was informally estimated that their figures would add perhaps \$3,500,000 to the aggregate of net time sales and \$2,900,000 after commissions.

The \$117,780,515 figure of the FCC compared with \$115,822,248 for 629 stations in 1937, while the \$100,335,018 figure compared with \$100,512,860 for 1937. This would indicate that in 1938 there was a decrease in the actual dollar income of the stations and networks covered under 1937.

The total net sales shown by the FCC for 1938 included \$35,455,510 retained by the networks from network time sales after allowing discounts (but before allowing \$8,414,105 in commissions paid) and after making payments to stations and other networks. The networks paid out to affiliated stations \$18,481,773, which included \$5,347,388 to their 23 owned and managed stations.

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PUBLISHERS' ORGAN PEEVED AT F.D.R. RADIO PAT

"President Roosevelt has again demonstrated his proclivity for taking a dig at newspapers, this time in a radio electrical transcription sponsored by the National Emergency Council and designed for use by more than 125 stations", Editor & Publisher comments editorially in a recent issue.

"Starting off a series of broadcasts in which the entire Cabinet will be heard, the President said, among some more pleasant things: 'It should be possible, through broadcasts, to correct the kind of misinformation that is sometimes given currency for one reason or another. In some communities it is the unhappy fact that only through the radio is it possible to overtake loudly proclaimed untruths or greatly exaggerated half-truths. While, to be sure, the people have learned to discriminate pretty well between sober facts and exciting fiction, they have a right to expect their Government to keep them supplied with the sober facts in every possible way.'

"The best answer, we think, was made by Westbrook Pegler, who said:

"'I go along with the President in that, but insist that he himself spoke a half-truth there, because he knows that no single paper or chain of papers ever had half the influence in this country that Charles E. Coughlin possessed when he was on top and that vicious liars who deal in intruth and innuendo enjoy a degree of license on the air which is unthinkable in the papers and equalled only in the halls of Congress, where every member has a license to lie and slander. . . .

"'Is it fair to ask whether Mr. Roosevelt or any of his bureau chiefs would publish, on the air or in print, any material prepared by any of the New Deal journalists which presented "sober facts" in an uncomplimentary way, and how soon that free soul would be canned for cause?'"

"We are waiting hopefully for the day when the President finds it possible to allude to the press without seeking to belittle it in the mind of the public."

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CBS ADULT EDUCATION BOARD NOTES PROGRESS

Marked progress by radio in the field of education during the past year was noted by the Columbia Broadcasting System Adult Education Board at its annual meeting in New York recently.

"There is reason for congratulation in the reaffirmation of the fact that millions of Americans have a taste for serious programs", the Board said in the report which it adopted. "Both audiences and program makers are changing because the broadcasters are tirelessly searching for new ideas, and listeners are learning an all too familiar lesson, that trivialities wear out, even as entertainment."

Sterling Fisher, CBS Director of Education, pointed out in his report that a great gain was registered in the number of Columbia's adult education programs and time devoted to them in 1938 as compared with 1937. Totals were 897 $\frac{1}{2}$ hours and 3,619 broadcasts in 1937 and 1,225 $\frac{1}{4}$ hours and 4,636 broadcasts in 1938. Some of the principal classifications and hours devoted to them follow:

	<u>1937</u>	<u>1938</u>
Science	37	60 $\frac{1}{4}$
Drama	117	153
History and Travel	43 $\frac{3}{4}$	73
Religious	109 $\frac{1}{2}$	116
Public Affairs (at home)	40	54 $\frac{1}{2}$
Public Affairs (abroad)	11 $\frac{3}{4}$	78 $\frac{3}{4}$
Labor and Industry	34 $\frac{3}{4}$	35
Current Events	297 $\frac{1}{4}$	347
General	33 $\frac{1}{2}$	51 $\frac{3}{4}$

Further increases were recorded for the first quarter of 1939 as compared with the same period for 1938, Mr. Fisher said. Under the general heading of education, CBS broadcast 731 programs totaling more than 328 $\frac{1}{2}$ hours during January, February and March, 1939. This compares with 645 programs, adding up to 286 hours, in the first quarter of 1938. Religious broadcasts rose sharply from 59, consuming 24 $\frac{1}{2}$ hours, to 108, totaling almost 40 hours. News and public events programs, which totaled 250, for 36 $\frac{3}{4}$ hours, increased to 287, for over 63 hours. Broadcasts touching on agriculture rose sharply from 4, totaling one hour, to 55, consuming 20 $\frac{1}{2}$ hours.

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