
REGULATION OF AMERICAN BROADCASTING COMPANIES OPERATING ACROSS THE INTERNATIONAL BORDER

MARCH 22, 1934.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. BLAND, from the Committee on Merchant Marine, Radio, and Fisheries, submitted the following

REPORT

[To accompany S. 2660]

The Committee on Merchant Marine, Radio, and Fisheries, to whom was referred the bill (S. 2660) to amend the Radio Act of 1927, approved February 23, 1927, as amended (44 Stat. 1162), having considered the same report thereon with the recommendation that the bill do pass with the following amendments:

On page 1, line 5, strike out the words "a new section to follow", and insert the words "two new paragraphs to". On page 1, line 6 strike out the words "new section", and insert the word "paragraphs".

On page 2, line 7, strike out the colon, insert a period, and strike out the remainder of the paragraph, being all of lines 8, 9, 10, 11, and 12 on the second page of the bill.

As stated in the Senate Report on this bill, its purpose is to give the Federal Radio Commission power to prevent any person from having a studio or apparatus in the United States where radio programs are produced and sent to a foreign country and broadcast by a station in that country so that the program is heard consistently in the United States. Certain persons who have been forbidden to operate broadcasting stations in the United States have set up stations in Mexico and are operating studios on the American side of the boundary. This bill will give the Federal Radio Commission power to stop such outlaw broadcasting.

Testimony at the hearings disclosed that five stations of very high power located in Mexico along the border, financed by United States capital, operated for the purpose of supplying programs to audiences in the United States, broadcasting principally in English, are supplied with programs from studios located in the United States transmitted by wire to the radio stations in Mexico and put on the air there.

These stations have, respectively, authorized power of 500 kilowatts, 220 kilowatts, 150 kilowatts, 10 kilowatts, and one of which the authorized power is not known.

In addition there is one other station under construction, another with concession to construct, and two more with construction requests pending.

Two of the stations are operated by persons who have been denied licenses by the Federal Radio Commission, and are sending out programs which the Federal Radio Commission has found not to be in the public interest.

These stations are operated on frequencies and with power which cause interference within the regular service areas of stations throughout the United States, many American stations being subjected to cross-talk and heterodyning.

This bill will not interfere with exchange of programs between the United States and foreign countries because the Commission is authorized to grant permits to those who operate in the public interest.

The following language is stricken from the Senate bill:

Provided, That nothing in this section shall apply to the use of any studio, place, or apparatus in connection with any program which is broadcast simultaneously by a foreign radio station and by any radio broadcasting station licensed by the Federal Radio Commission.

The Chairman of the Federal Radio Commission feared that this provision would cause embarrassment, as the offenders might buy time over some small stations located nearby in the United States and broadcast simultaneously from these stations and the foreign station, with the result that the Federal Radio Commission would possibly have to hold hearings on all renewal applications of the domestic stations broadcasting these programs to determine whether they were in the public interest. This procedure would involve delay and postpone relief from the evils sought to be remedied.

There follow letters from the Chairman of the Federal Radio Commission to the chairman of this committee and of the Committee on Commerce of the Senate recommending the enactment of this legislation in the form in which it is reported by this committee:

FEDERAL RADIO COMMISSION,
Washington, February 3, 1934.

HON. S. O. BLAND,

*Chairman Committee on Merchant Marine, Radio, and Fisheries,
House of Representatives, Washington, D.C.*

DEAR JUDGE: Attached please find suggested copy of amendment to cover especially the Mexican situation, with which you are familiar.

If you agree with me that the situation is such as to warrant legislation at this time, I wish you would talk with Senator Dill about the matter and see what he thinks should be done.

I am enclosing copy of my letter to Senator Dill and am also sending a copy of the correspondence to Congressman Ramspeck, chairman of your subcommittee on radio.

With kindest personal regards.

Sincerely yours,

E. O. SYKES, *Chairman.*

FEDERAL RADIO COMMISSION,
Washington, February 3, 1934.

Hon. C. C. DILL,
*Chairman Interstate Commerce Committee,
United States Senate, Washington, D.C.*

MY DEAR SENATOR DILL: Attached please find proposed amendment to the Radio Act, prepared for the purpose of stopping broadcasts by remote control by people in the United States over transmitters located in foreign countries.

The object and purpose of this proposal is especially directed at the broadcasts from Mexican stations, such as Dr. Brinkley, who has now moved his hospital to Texas and broadcasts from Texas to his station in Mexico.

It is our belief that if such an amendment were enacted it would make it very much harder for these people, because then they would be compelled to do their broadcasting from foreign soil and would greatly tend to discourage not only the present broadcasting of this character but would also tend to stop the erection of new stations along the Mexican border. We have submitted the proposed amendment to Dr. Irvin Stewart, of the State Department, and he thinks it is all right.

With reference to the chain broadcasting through Canadian stations, under this proposal they could obtain the consent of the Commission for a continuance of it, and I, therefore, do not believe they would now have any objection to this proposal.

As you will note, the proposed amendment also covers electrical transcription prepared for this purpose.

You are familiar with the Mexican situation, and we, therefore, ask that you consider whether or not legislation of this character should not be passed in this session of Congress.

I am sending copies of this letter to Senator White, Chairman Bland, of the House committee, and Congressman Ramspeck, chairman of the subcommittee of the House on radio.

We shall be pleased to furnish any other information you may desire on the subject.

Sincerely yours,

E. O. SYKES, *Chairman.*

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (new matter proposed to be added to existing law by the bill is printed in italics; existing law in which no change is proposed is shown in roman):

SEC. 28. No person, firm, company, or corporation within the jurisdiction of the United States shall knowingly utter or transmit, or cause to be uttered or transmitted, any false or fraudulent signal of distress, or communication relating thereto, nor shall any broadcasting station rebroadcast the program or any part thereof of another broadcasting station without the express authority of the originating station.

No person, firm, company, or corporation shall be permitted to locate, use, or maintain a radio broadcast studio or other place or apparatus from which or whereby sound waves are converted into electrical energy, or mechanical or physical reproduction of sound waves produced, and caused to be transmitted or delivered to a radio station in a foreign country for the purpose of being broadcast from any radio station there having a power output of sufficient intensity and/or being so located geographically that its emissions may be received consistently in the United States, without first obtaining a permit from the Federal Radio Commission upon proper application therefor.

Such application shall contain such information as the Commission may by regulation prescribe, and the granting or refusal thereof shall be subject to the requirements of section 11 of the Radio Act of 1927 with respect to applications for station licenses or renewal or modification thereof, and the license or permission so granted shall be revocable for false statements in the application so required or when the Commission, after hearings, shall find its continuation no longer in the public interest.

