

# HEINL RADIO BUSINESS LETTER

INSURANCE BUILDING

WASHINGTON, D. C.

ISSUED TWICE A WEEK AND CONTAINING THE LATEST INFORMATION REGARDING THE RULINGS OF THE FEDERAL RADIO COMMISSION, RADIO LEGISLATION, DEPARTMENT OF COMMERCE REGULATIONS, CHANGES IN WAVELENGTH, CALL LETTERS AND POWER, PATENTS, EXPORTS, FEDERAL TRADE COMMISSION RULINGS AND OTHER MATTERS OF INTEREST TO BROADCASTERS AND MANUFACTURERS. :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::

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## SALTZMAN AND BROWN ADDRESS BROADCASTERS

Two of the principal speakers before the Eighth Annual Convention of the National Association of Broadcasters, which is meeting in Cleveland, O., the first three days of this week, were Maj. Gen. Charles McK. Saltzman, Chairman, and Col. Thad H. Brown, General Counsel, of the Federal Radio Commission. Both spoke at length, delivering probably their longest addresses since they became associated with the Commission.

General Saltzman, besides indulging in the customary pleasantries, devoted his talk to a defense, or rather an explanation, of the actions of the Radio Commission and the cleared channel system of broadcasting assignments.

Answering the self-proposed question: "Why does the Commission insist on a compliance with every one of the 98,756 details" of the Radio Act, he said: "There is a Court of Appeals and a Supreme Court in the District of Columbia and radio cases in those courts. Compliance with all these requirements is for the broadcasters' protection just as much as for the protection of the government."

### Listeners Are Third Party

The Commission must take into consideration a third party when making a decision, the Chairman said, and that is the listening public.

"Did you ever stop to think that it is the listening public that Congress had in mind when it wrote the law?"

In a half-jesting fashion the General sought to dispell the fears and apprehensions of the broadcasters aroused by rumors of what the Commission intended to do about some of the major issues.

"When you hear these rumors, take it calmly. Don't worry. Instead, loosen up and write the Commission about it. But address it to the Secretary."

Comparing the broadcasting system of this country with that of Europe, he launched into a defense of the cleared channel divisions.

"In this country there is much conversation against cleared channels", he said, "but I have yet to discover a broadcaster who would not accept one as a gift."



Declaring that European Countries would doubtless ask for a widening of the broadcast bands at the next International Radio Conference in Madrid, General Saltzman asked the broadcasters if they wished to have the broadcasting channels in this country increased at the expense of marine, aeronautical, and commercial frequencies.

The State Department, he said, will give the broadcasters ample opportunity to be heard before the Madrid conference.

The latter portion of the Chairman's address was devoted to an explanation of the organization of the Commission and the "grave responsibilities that rest upon it. Concluding, he said that the Federal body sought to administer all its affairs with "honesty and justice" to all, "above all . . . to the listening public."

#### Legal Aspects Discussed By Colonel Brown

Colonel Brown discussed the "Legal Phases of Radio Regulation and the Status of Radio Litigation" from the organization of the Commission to the present cases pending in Appellate Courts. Most of his address was devoted merely to legal history with little comment.

Toward the end, however, he delved slightly into speculation. Asserting that radio regulation must remain in the hands of the Federal Government, he said: "It is readily seen that there can be no place for State laws which attempt to say who may operate a radio station or what power it may use or what frequency it may occupy."

He added, though, that municipal ordinances, when the State constitution permitted, to prevent local interference with radio reception, were laudable. Ordinances aimed at persistent loudspeakers, which were obviously nuisances, were termed "desirable."

Colonel Brown said that while broadcasting stations are not considered public utilities by the Commission, radio communication stations are so classified.

Pointing out that only two States - Illinois and California have laws to prevent slander or libel over the radio, and that the Radio Act prohibits "indecent, profane, or obscene language" over the air, he added:

"It is doubted, however, that Congress may enact a valid law making libel and slander or the use of indecent, profane, or obscene language a criminal offense unless the objectionable language is received in a State other than that from which it radiates.

"The States, therefore, may well inquire into the desirability of enacting laws to prevent such objectionable uses of radio, and it is believed that laws for this purpose would find almost unanimous endorsement of the listening public."

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## RCA DENIES TUBE MONOPOLY CHARGE

A denial that the license agreements with various radio receiving set manufacturers, relative to the use of RCA tubes, is monopolistic in character, is made by counsel for the Radio Corporation of America in a brief filed in the Circuit Court of Appeals for the Third Circuit.

The District Court of Delaware sometime ago granted a permanent injunction against the enforcement of clause 9 in the agreements following the institution of proceedings by the DeForest Radio Company and four other plaintiffs, who alleged that the license agreement was in violation of the Clayton Act.

The affidavits of the complaining companies in support of the motion for a preliminary injunction, the brief states, set out that the business of the plaintiffs, other than DeForest, has been virtually wiped out, their sole market had been absorbed by the compulsion of the quoted clause and that the replacement market which, theoretically might exist, is fictitious and not real.

All these allegations, it is claimed in the brief, have "been abandoned or have been utterly disproved by the evidence." On the contrary, it is alleged, the business of tube manufacturers competing with the Radio Corporation as a whole, grew much more rapidly than did the Radio Corporation's business while the clause was in effect.

By undisputed evidence in the record, it is declared, the Radio Corporation's business is shown to have declined from 66 per cent in 1926 to 54 per cent in 1928, that during the effective time of the clause, while competition increased in intensity, in the number of competitors and in the volume of their business.

The need of receiving set manufacturers to be sure of an adequate supply of good tubes for all the sets made by them, is ascribed in the brief, to be one of the causes motivating the adoption of Clause 9. The Radio Corporation was also interested in seeing that the licensed sets operated properly.

In its argument the RCA declares that the evidence adduced upon final hearing proved that the effect of clause 9 was not to "lessen competition or tend to create a monopoly." The sales to jobbers and the total sales to all customers were decreased as a result of sales to set manufacturers, while the replacement market - a field wholly untouched by clause 9 - was more than twice as large as the market for tubes for initial installation.

John W. Davis, Stephen H. Philbin, Thurlow M. Gordon and William G. Mahaffy appeared upon the brief for the Radio Corporation.

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GENERAL ORDER NO. 88, AS AMENDED

The Federal Radio Commission on November 14, 1930, amended General Order No. 88 as follows:

"That General Order No. 62 is hereby repealed.

"That in the frequencies exceeding 1500 kcs per second, a channel of radio communication shall be regarded as a band of frequencies, the width of which varies according to its position in the spectrum. The width of these channels increases with the frequency according to the following table:

<u>FREQUENCY (KCS)</u>	<u>CHANNEL WIDTH (KCS)</u>
1500-2198	4
2200-3313	6
3316-4400	8
4405-5490	10
5495-8202.5	15
8210-10980	20
10990-16405	30
16420-21960	40
21980-32780	60

Note: A visual broadcasting channel shall not be more than 100 kc. in width.

A commercial telephone channel below 3313 kc. shall be regarded as 6 kc in width.

A relay broadcasting channel between 6000 and 9600 kc. shall be regarded as 20 kc in width.

"In granting licenses, the Federal Radio Commission will specify the frequency in the center of the particular channel licensed to be used, but the licensee may occupy the center frequency and in addition such adjacent frequencies (within the limit indicated on the above table) as may be permitted by the frequency maintenance tolerance and required by the type of emission the station may be authorized to use, all of which will be specified in the instrument of authorization.

"Licensees of fixed stations who have been granted the use of a channel for communication with specified points, upon application to the Commission for licenses may be granted the use of the same channel for communications with other points on the condition that the public interest, convenience, and necessity will be served by such a grant.

"This order shall be effective on the day first above written."

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## U. S. RUSSIA CIRCUIT OPENED

William A. Winterbottom, Vice President and General Manager of RCA Communications, Inc., has announced:

"The first direct communication service between the United States and Russia was opened by RCA Communications, Inc., on Nov. 13th. The new circuit was established as a consummation of an agreement entered into between the Radio Corporation of America and the Telegraph Administration of the Soviet Republic two years ago.

"The new direct radio service will make unnecessary the relaying of telegraphic communications through intermediate countries as has been necessary up to this time.

"The first direct communication service between the United States and China will be opened later in the month."

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## ADVERTISING AROUSES COMMISSIONER'S WRATH

On the warpath on the subject of too much advertising on the air, Commissioner Ira E. Robinson declared:

"Advertising over the radio can be accomplished without disgusting the public, but assuredly it is not so now. If the present overdose continues, no returns from advertising by radio will be received. The method is simply killing the goose that lays the golden egg."

Judge Robinson cited the case of a station in Argentina that was barred from the air for 8 days because it was broadcasting more than 250 words of advertising between successive numbers.

Apropos his anti-advertising stand, the Judge yesterday received the following from P. C. Barnes, a lawyer, in Cumberland, Md.:

"To radio fans you're one good friend,  
You've sat upon the advertising men -  
Who spoil our programs on the air  
By over talking their bum ware.

Tooth-paste and oil and gasolenes,  
Radios, cigarettes and sewing machines,  
Fur coats, perfumes and axle grease,  
Their tireless tongues they never cease;

No matter where they now do dwell  
Their proper place is right in ----."

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## TELEVISION CONFERENCE IS CALLED

As a result of frequent demands on the part of experimenters in the television field, the Federal Radio Commission has called a conference to consider whether or not the ban on commercial visual broadcasting should be lifted.

The conference, which will be held on December 3rd in Washington, will be attended by engineers from all holders of experimental licenses and will be a symposium on the progress and the possibilities of television as seen by its foremost authorities.

One of the other major topics to be discussed at the parley is the possibility of using the ultra-high frequencies, beyond the present 23,000 kilocycles, for visual broadcasting. Contentions have been made that the five channels now assigned to television experiments, each of which is 100 kilocycles wide or ten times the width of the broadcasting channel, are not well adapted to the new art.

The parley is likely to be a showdown for those applicants who have insisted upon being given an opportunity to put visual broadcasting on the same basis as radio. If sufficient proof can be offered to convince the Commissioners that television is ready for commercialization, the Commission will probably reverse its policy; but, should this proof not be forthcoming, the matter will likely be shelved for some time.

The meeting will open at 10 o'clock in the morning in the offices of the Commission. The topics to be discussed are as follows

1. Interference existing in the present visual broadcasting channels and methods available to provide a maximum use of these channels with a minimum of interference.
2. The feasibility of using the frequencies above 30,000 kilocycles for visual broadcasting.
3. The selection of channels for synchronized sound. (a) Should the use of experimental frequencies be continued? (b) Should frequencies on the edge of the visual broadcast channels be designated for synchronized sound? (c) If very high frequencies are to be used for visual broadcasting, shall very high frequencies be also allocated for synchronized sound?
4. The coordination of radio regulations and standard methods of operation.

Holders of experimental television licenses invited to send engineering representatives to the conference are United Research Corporation, Long Island City, N. Y.; Jenkins Laboratories, Wheaton, Md.; Pilot Electric & Manufacturing Co., Lawrence, Mass.; Purdue University; DeForest Radio Co., Passaic, N. J.; Chicago Federation of Labor, Chicago; Western Television Corporation, Chicago; National Broadcasting Co., New York; Radio Pictures, Inc., New York;

Shortwave and Television Lab., Inc., Boston; Westinghouse Electric & Manufacturing Co., Pittsburgh; General Electric Co., Schenectady; RCA Victor Co., Camden, N. J.; Jenkins Television Corporation, Jersey City; Chicago Daily News, Chicago; and the Great Lakes Broadcasting Co., Downers Grove, Ill.

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### CHAINS QUIT KEEPING UP WITH LIZZIE

The following is from "Dial Flashes" by Robert D. Heinl; in the Washington Post:

"Formerly both chains always broadcast the President's speech. Also when one chain has done anything of importance, the other one by way of "keeping up with Lizzie" has followed and tried to outdo it.

"At the convention of the Association of National Advertisers here last week, it was different. The NBC alone broadcast the speech of President Hoover and Columbia alone brought down a company of artists from New York to furnish the talent for the occasion."

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### WLW ON 50 KW NBC CHAIN?

The reports continue to be circulated that Station WLW, at Cincinnati, is to be the next acquisition to what has been described as a 50 KW chain supposed to be in the making by the National Broadcasting Company.

Denials of this come from New York and Cincinnati but reports to the contrary continue to circulate. Supposedly this chain is going as far West as Chicago with WTAM, at Cleveland, as the newest link. If such a chain is formed, it will probably be the radio deluxe proposition in the advertising field with new top figures very likely paid for ethereal publicity.

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### CITY FOLKS LIKE MIDGET RADIO SETS

There has been a most interesting and favorable reaction on the part of the public to midget radios, according to Powell Crosley, Jr., Cincinnati manufacturer. "In the cities, sales of midget sets have greatly exceeded those of all other models", he says. "However, in the villages and rural districts, the larger cabinet radios are still selling best."

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: BUSINESS LETTER BRIEFS :  
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Extension of all radio licenses for point-to-point ship, marine and aeronautical uses until April 1, 1931, and of all police, fire, and experimental visual and relay broadcasting licenses until May 1, 1931, was ordered by the Radio Commission November 14th in General Order No. 101.

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The Federal Radio Commission on November 13th filed an answer to the motion of WDAY, of Fargo, N. D., for an order to restrain the Commission from granting to KFYZ, of Bismark, N. D., increased broadcasting facilities. The pleading was entered in the District Court of Appeals.

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The Amateur Call Book of the Radio Division of the Department of Commerce, is now available for distribution. It contains a complete list of approximately 19,000 amateur radio stations arranged alphabetically by States and cities. Copies may be had from the distributor.

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The Institute of Radio Engineers has become affiliated as a member body of the American Standards Association, which is expected to aid in establishing a group of national radio standards.

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A special dedication program was on the air last Saturday night for the new WMCA transmitter, New York. A special crystal control device holds the carrier wave of the station within "fifty cycles of the exact assignment", according to Donald Flamm, President.

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In his speech to the Broadcasters convention at Cleveland Monday, General Saltzman, Chairman of the Radio Commission said:

"I have heard of a few station owners who are thinking much more of the profits than the service they are obligated to render, and for that reason resort to excessive advertising. If I know the demands of the public, I should say they are for less advertising and for more education and better quality of programs."

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## ABOUT RADIO ADVERTISING

"Forecasting Advertising" is the title of an article in The Elks Magazine for November, 1930, by John R. Tunis. In part, this is what Mr. Tunis has to say about radio advertising:

"The radio public wants, demands, insists, in fact, upon huge and expensive programs, with nationally known singers, humorists and musicians to entertain it.

"Do not forget that besides his talent, the manufacturer who has been furnishing four-thousand-dollar programs to listeners at a cost of a few cents apiece (Mr. E. J. MacDonald, the President of Zenith Radio, figured recently that 'for less than a cent an hour any home can have \$75,000,000 worth of talent') must also pay station charges. Thus over the Columbia System he must pay \$4,715 an hour, over the National Broadcasting Company System, he will be obliged to pay \$4,890 an hour. This means \$500,000 a year for an average program upon the air. No wonder the gentleman who furnishes us with this entertainment is beginning to be staggered by the expense of it, no wonder he is speculating as to just how much longer he can continue this game merely for the good-will which the broadcasting authorities mention.

"Does this give the impression that the big broadcasting systems are waxing rich at the expense of the manufacturing concerns who supply programs? If so, it is a totally wrong impression. For despite the fact that their fees to the sponsors of various hours have mounted steadily, the broadcasting stations are with difficulty earning their dividends.

"The mere fact that the broadcasting chains are not paying large dividends on their investment is little consolation to the manufacturer when his costs have jumped several thousand per cent since the first years on the air. All he knows is that the hour which was once valued at a hundred dollars now costs thousands. That the singers and entertainers who were formerly available for nothing, are now as heavy an item in the expenses of the evening as the actual time he buys from the station. Do you wonder that he is starting to look around and suggest that someone else hold the bag for a while?

"He is, too. Thus, the Eveready Hour, the oldest hour on the air, a feature that has been steadily before the radio public since the beginning of commercial broadcasting seven years ago, this year cut its appropriations for broadcasting from an hour to a half hour. What radio fan does not remember the old Philco Hour with Jessica Dragonette and Colin O'Moore? Philco Hour was once a weekly program over the N.B.C. network; some time ago it cut its time to half an hour, and shortly afterward left the N.B.C. system for the less expensive Columbia system. Do you remember the Happiness Boys, Billy Jones and Ernie Hare? The Happiness Hour is no more. The man behind the bankroll simply cannot stand the gaff. He is getting a little tired of furnishing entertainment without any certain direct return therefrom."



Mr. Tunis concludes this article by declaring:

"Forces are working to make us all face the facts, however. These forces are stronger than any of us, stronger than the National Broadcasting Company or the United States Government. They are the inexorable laws of economics. For eight years radio fans of the country have been getting something for nothing. The time is coming when they must contribute their share of the burden of the entertainment they have enjoyed since the inception of broadcasting over the air."

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WE THANK YOU!

The following letter has been received from a Chicago subscriber for which we are deeply grateful:

"I want to take this occasion to compliment you on the excellence of your service. Although we read the 'United States Daily', and similar publications, we find that your service contains a great many items that do not appear elsewhere; and we believe that the convenience of having this information in compact form makes it worth many times the subscription price."

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#### APPLICATIONS RECEIVED BY FEDERAL RADIO COMMISSION

November 13 - WSGH-WSDA, Paramount Broadcasting Corp., Brooklyn, N. Y., C. P. to make changes in equipment; WQDM, A. J. St. Antoine, St. Albans, Vermont, C. P. to install new equipment and increase power from 5 watts to 100 watts on 1370 kc.; WFIW, WFIW, Inc., Hopkinsville, Ky., C. P. to move transmitter and studio from Hopkinsville, Ky., to Louisville, Ky.; KGFW, Otto F. Sothman, and Roy H. McConnell, Ravenna, Nebraska, request for authority to voluntarily assign license to the Central Nebraska Broadcasting Corporation; KGCA, Charles Walter Greenley, Decorah, Iowa, C. P. to make changes in equipment; KFJB, Marshall Electric Company, Inc., Marshalltown, Iowa., C. P. to install a new transmitter, change frequency and time from  $\frac{1}{2}$  time on 1200 kc., to  $\frac{4}{7}$  time on 880 kc., sharing with WSUI, and increase power from 250 watts day and 100 watts night to 500 watts; WEBR, Howell Broadcasting Co., Inc., Buffalo, N. Y., request for authority to install automatic frequency control; The McAdoo Drug Company, Carlsbad, New Mexico; C. P. to erect a new station to use 860 kc.,  $7\frac{1}{2}$  watts and daytime hours; WOKO, H. E. Smith, & R. M. Curtis, d/b as Hudson Valley Broadcasting Co., Poughkeepsie, N. Y., C. P. to move transmitter from 2 miles east of Beacon, N. Y., to Albany, N. Y., also studio from Poughkeepsie, N. Y., to Hotel Ten Eyck, Albany, N. Y., and install new equipment.

November 14 - WHP, Pennsylvania Broadcasting Company, Harrisburg, Pennsylvania, request for authority to voluntarily assign license and C. P. to WHP, Inc.; J. Milton Cuyton, Uniontown, Pa., C. P. application amended to request 620 kc., instead of 1190 kc., 250 watts day and 100 w. night for 3 evenings per week instead of 250 watts unlimited time; WIP, Gimbel Bros., Inc., Philadelphia, Pa., C. P. to install new equipment; Texas Broadcasting Co., Galveston, Texas, C. P. to erect a new station to use 1290 kc., 1 KW, and daytime hours to 7:00 P. M. with one additional evening hour on Fridays.

### Applications Other Than Broadcasting

Nov. 13 - International Society of Radio Engineers, Indianapolis, Ind., new C. P. for low frequency and 250-300 watts; RCA Communications, Inc.; Rocky Point, N. Y.: WHR, renewal of limited public license for 13420 kc.; WIY, for 13870 kc.; WKC, for 13465 kc.; WKD, for 13435 kc.; WUJ, for 9460 kc.; WKO, for 15970 kc.; WET, for 9470 kc., all for 80 KW; American Radio News Corp., Carlstadt, N. J., WAL, modification of C. P. for extension of completion date to 6/2/31; W10XAG, Atlantic Broadcasting Corp., Portable, renewal of special experimental license for 2467 kc., 7.5 watts; WRDN, Pan American Airways, Inc., Norfolk, Va., modification of C.P. for extension of completion date to 6/1/31; KGTA, and KGTL, Aeronautical Radio, Inc., Holbrook and Kingmann, Arizona respectively, C. P. for new transmitter on 3460, 6350, 8015, 12180 kc., 150 watts; Press Wireless, Inc.; WJU, W2XCK, and WJQ, Little Neck, N. Y., modification of C. P.'s for extension of completion date to 6/30/31, 12/31/31 and 6/30/31, respectively; WJF, New Orleans, La., modification of C. P. for extension of completion date to 6/30/31.

November 14 - WJS, Press Wireless, Inc., Little Neck, L.I., N. Y., modification of C. P. for extension of completion date to 6/30/31; Globe Wireless, Ltd., Kaena Point, Island of Oahu, T. H., KYG, C. P. for new transmitter on 500, 5525, 11050, 16580, 22100, 460, 4116, 6515, 8630, 11020, 11080, 11140, 11200, 16900, 22160 kc., 1.5 KW, also C. P. for new transmitter same frequencies and power as above; W4XG, Tropical Radio Telegraph Co., Hialeah, Fla., modification of license to cover additional transmitter on 1604, 2398, 3256, 4795, 6425, 8650, 12850, 17300 kc., 350 watts; W2XAG, RCA Communications, Inc., New Brunswick, N. J., renewal of special experimental license for 6950, 6965, 7415, 8930, 9450, 9470, 13840, 14870, 14800, 14920, 16000, 17860 kc., 80 KW.

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