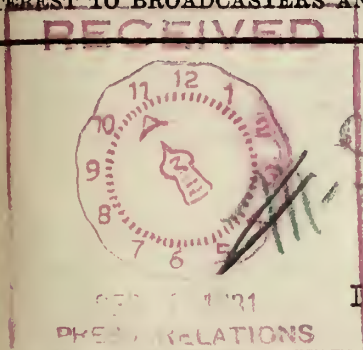


# HEINL RADIO BUSINESS LETTER

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::



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No. 465 (1)

## CBS TO TRY "BOOSTER" SYNCHRONIZATION

Application to the Federal Radio Commission for permission to operate an experimental, 250-watt "booster" station in Washington, D. C., to carry in synchronization for 17 hours daily the programs of WABC, the Columbia Broadcasting System's key station in New York City, was announced today by William S. Paley, President of the coast-to-coast network.

Attention was directed to the fact that if approved by the Commission, this will be the first time in the history of American radio that a key station has been linked on its own wave-length with a "booster" to repeat all its programs. Thus the citizens of the Nation's Capital would receive the same service that WABC, renders New York on a wave-length which, insofar as Washingtonians are concerned, is now virtually going to waste. The project represents an attempt at conservation of a vital national resource - the Nation's broadcasting channels.

"We are hopeful", Mr. Paley said, "that the Federal Radio Commission will agree with us that a real service to Washington and the national can be given under the arrangement we propose. At the same time we believe this drastic experiment will mark an advance for the radio broadcasting industry as a whole, demonstrating the possibilities of synchronization to a degree never before attempted. In selecting Washington as the scene of our experiment, we have been guided by our belief that the Nation's Capital is entitled to full and complete access to Columbia programs in their entirety."

If the Columbia application is granted, it was explained, Station WMAL, in Washington, will continue its affiliation with the Columbia Broadcasting System probably for several months after the expiration of its present contract November 11, 1931. It was estimated that the construction would require at least 90 days after Commission approval is obtained.

Mr. M. A. Leese, owner of radio station WMAL, said that the relationship between his station and Columbia remains extremely cordial.

The new arrangement, if consummated, he pointed out, would give WMAL more time on the air in which to give additional local service to Washington listeners. Because of demand for time on WMAL by the network, it was becoming extremely difficult to take care of local broadcasts of primary interest to the citizens of the Capital.

Columbia has long desired its own station in Washington. It attempted to purchase Station WMAL from M. A. Leese but the price asked is said to have been in the neighborhood of \$300,000, with CBS unwilling to pay more than half that amount for it.

Although there has not been time for thorough consideration, it is not unlikely that the NBC may make Mr. Leese an offer in order to get WJZ network coverage in Washington.



The technical aspect of the proposed change in Columbia's Washington facilities was explained in detail in the application filed with the Commission. It was revealed that the proposed change is, in a large measure, an important experiment and a forward step in broadcasting. For the first time, the application said, an attempt to employ an antenna designed to suppress "the high-angle skywave" will be made. In past synchronization attempts, the application said, "it is generally understood that the high-angle sky-wave has caused unsatisfactory reception in certain areas and has been a chief source of difficulty.

"Synchronization offers interesting possibilities for conservation and more efficient use of the nation's natural resources represented by the frequencies set aside for broadcasting", the application continues. "No synchronization tests are in progress in which the originating station utilizes an antenna designed to suppress the high-angle sky-wave. Anticipating the possibilities of rendering more widespread service to a larger audience by making more efficient use of its cleared channel, the applicant has expended more than \$100,000 to develop and erect for WABC a sky-wave-suppressing antenna, consisting of a single tower radiator 665 feet in height, the first of its kind in the country.

"Since the sky-wave has caused most of the difficulty in synchronization tests, we believe that, with the 665-foot sky-wave-suppressing tower antenna soon to be under operation with 50 kilowatts by WABC, and with which the proposed 250-watt 'booster' in Washington would be synchronized by wire line, we would be able to develop important information on synchronization and to render unusual program service to Washington and vicinity without interfering with the normal, rural service of WABC. In addition, the operation of the 'booster' would not cause interference with any existing stations. The experimental operation herein proposed will produce extremely useful data, all of which would be made available to the Commission and its staff.

"It is emphasized", the application goes on to say, "that the experimental project herein proposed is entirely different from any other synchronization tests approved by the Commission: first, because a vertical, half-wave antenna, designed to suppress high-angle sky radiation will be used for the first time and, second, because the actual method of maintaining synchronization is a radical departure from any other system. This is the first opportunity wherein the economics and requirements of public service have made it desirable for us to operate this new equipment experimentally under practical broadcasting conditions. Such operation would give the Commissioners, the staff of the Commission, members of Congress and others an opportunity to observe the experiment at first hand."

Although the application stated the location would be in the Washington Building, this may be changed if a more favorable one can be found. Consideration is being given the National Press Club Building, and its management is endeavoring to work out satisfactory space.

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## WHK TO HAVE SPACIOUS NEW QUARTERS

On September 8th, Station WHK, of Cleveland, is moving into very large and pretentious studios in the new Terminal Tower Building in that city.

"This will be the finest layout of any independent station in the country", M. A. Howlett, General Manager of WHK said, discussing the move. "By independent, of course, I mean, excepting the two national chain layouts."

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## HEARST STILL REPORTED SEEKING BROADCAST CHAIN

An aftermath of Station KJR, KEX and KGA passing into the control of the National Broadcasting Company recently, is that William Randolph Hearst, endeavoring to secure these stations and having failed in this, is now reported to be seeking a chain in the East. It is further said that Mr. Hearst has definitely decided to go in for broadcasting on a large scale and those well informed believe that it will be only a question of time until he actually begins the acquisition of stations.

Don E. Gilman, Vice-President in charge of Pacific Coast operations of the National Broadcasting Company, on August 2nd purchased 81% of the Northwest Broadcasting Company's stock, the concern which owned the above named three stations.

This stock was purchased from Robert Grass, counsel for Ahira E. Pierce, President of the Northwest Broadcasting Company, who was recently indicted on three counts of forgery and huge shortage of funds which he is alleged to have withdrawn from the Home Savings and Loan Association of Seattle, during the time he was Vice-President of the latter institution. Similar to the Puget Sound Savings and Loan Association, the Home Savings and Loan Association have closed their doors.

In acquiring the new chain, the National Broadcasting Company state that they are merely stabilizing the Northwest Broadcasting System and at the same time are laying the ground-work for an extension of the NBC. The stations purchased will be used to establish a new chain and will not affect the stations presently carrying NBC programs in the Northwest.

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## WTMJ TRIES TO BLOCK WENR-WLS APPEALS

Station WTMJ, operated by the Milwaukee Journal, has petitioned the District of Columbia Court of Appeals for permission to intervene in the appeals of Stations WENR and WLS, of Chicago, which went to court after the Federal Radio Commission issued them only conditional license renewals because the high power issue has not yet been settled.

The Milwaukee station is an applicant for the 870 kilocycle channel used jointly by the Chicago stations. It is also seeking the maximum power.

Station WENR is operated by the National Broadcasting Company, and WLS is operated by the Agricultural Broadcasting Co.

Elisha Hanson, attorney for WTMJ, stated in the briefs that the Commission's decision of July 7th renewing the license of Station WENR on any basis whatsoever, "was erroneous and in conflict with Section 13 of the Radio Act of 1927." In the case of Station WLS, he makes the same contention asserting in addition that the station "is closely related to the National Broadcasting Company, and is virtually controlled by it."

Drawn into the intervention statement also is the so-called "Section 13" case, involving possible cancellation of the more than 1,400 radio station licenses held by subsidiaries of the Radio Corporation of America, of which the National Broadcasting Company is one.

In citing reasons for its interest in the appeal of WENR, Mr. Hanson states that between the time of hearing on its application for the 870-kilocycle channel and the time of argument on the application of the National Broadcasting Company leased, with an option to purchase, Station WENR, "and, without notice to the Journal Company, obtained from the Commission approval of the assignment of the license of Station WENR by the Great Lakes Broadcasting Company to the National Broadcasting Company."

With respect to WLS, the intervening petition states:

"At the time of hearing, which was held in October, 1930, Station WLS was licensed to operate with 5,000 watts power and held a construction permit for the construction of a 50,000 watt transmitter; said construction permit, however, was forfeited by the station on order of the Commission on or about Feb. 6, 1931, by reason of the failure of said station, WLS, to comply with the terms thereof; almost simultaneously with said forfeiture, said station WLS, entered into an agreement with the National Broadcasting Company for the use of the transmitter of WENR with 50,000 watts power; said agreement was entered into without notice to the Journal Company and said increase in power to said station, WLS, was approved by the Federal Radio Commission without notice to the Journal Company; by reason of such agreement for the use of the transmitter of Station WENR, said Station WLS voluntarily reduced its own hours of independent operation and virtually submitted itself to the control of the National Broadcasting Company."

## WESTERN STATIONS RE-ENACT MURDER TRIAL

From time to time, leading broadcasters, seeking to keep peace with the newspapers, deny that they are attempting to invade the spot news field. Their contention has been that they are quite content to dominate the world of entertainment and to leave the immediate news happenings to the newspapers to report.

This, however, is in sharp contrast to the attitude taken by Los Angeles radio stations which attempted to install microphones in the court room where David Clark, former District Attorney is being tried for the sensational slaying of Herbert Spencer.

Judge Murray barred microphones from the court room and based his ruling on the belief that the Judge and jury had first command of the attention of witnesses and that a microphone would undoubtedly prove a distracting influence with the realization that thousands were listening in.

The radio stations are now taking the transcript of the case and with actors are recreating the trial in a dramatized form.

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## WMAQ GOES TO NBC

The Daily News, a pioneer in broadcasting in the Middle West, has formed a partnership with the National Broadcasting Company in the ownership of WMAQ. The management of the station will be under the supervision of the National Broadcasting Company.

Under an agreement reached with Merlin H. Aylesworth, President of the NBC, a portion of the stock in WMAQ, Inc., a subsidiary of the Chicago Daily News, Inc., becomes the property of the National Broadcasting Company.

The new arrangement contemplates a continuation of the policies that have made WMAQ not only a favorite among Chicago listeners but one of the leading broadcasting stations in the United States. There will be no curtailment of the special features developed by WMAQ.

"Amos 'n' Andy", The Three Doctors, Dan and Sylvia, together with other programs, old and new, will be brought to listeners by WMAQ in the future as they have in the past. The principal change will be the elimination of programs heretofore supplied by the Columbia Broadcasting System and the addition of outstanding programs from the National Broadcasting Company network. The Columbia programs will continue, however, until November 1st when the change will become effective.



WMAQ will continue to occupy the offices and studios on the top floor of the Daily News Building, 400 West Madison Street.

The new affiliation of the Daily News with the National Broadcasting Company presages several other major shifts among Chicago stations.

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### "WIRED MUSIC" HELD ENTITLED TO TELEPHONE LINES

The Public Service Commission of New York ruled last Friday that the New York Telephone Company could not refuse to lease lines for the transmission of music. The company already has elected to provide such service to radio broadcasting systems, and therefore could not refuse to perform the same service for other companies, the Commission held.

The matter came before the Commission when the company declined, on advice of counsel, to furnish a network of leased lines to "Wired Music", of 351 West Forty-second Street, New York City. The "Wired Music" company plans to transmit music over leased lines to hotels, restaurants, and private residences. The company's answer to the request for the leased lines was that it was not willing "to undertake to furnish a system or network of circuits for such purpose." The company contended that the refusal was within the exercise of its managerial discretion.

Commissioner George R. Van Namee, in a memorandum approved by the Commission, said, in part:

"It is the duty of the company under Section 91 of the Public Service Law to furnish adequate service under just and reasonable charges and to all who apply for the same without unjust discrimination or unreasonable preference. We cannot sustain the contention of the company that the refusal to furnish leased wires to the applicant is an exercise of its managerial discretion and. therefore beyond the power of regulation of the Commission."

The New York Telephone Company had no comment to make on the Commission's order, but it was thought that an appeal would be taken.

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: BUSINESS LETTER BRIEFS :  
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Ernest Kauer, President of the CeCo Manufacturing Co., announces that at the August meeting of the Board of Directors, S. J. Helsper was elected to the office of Vice-President. Mr. Helsper is in charge of sales for the CeCo organization. For more than eight years he has been active in radio merchandising, sales promotion and sales management activities in the radio industry.

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John S. Young, National Broadcasting Company radio announcer, is carrying a gun and has two policemen as guards because of threats over the telephone against his life. The threats are believed to have been made either by gangsters or cranks as a result of the announcer's appearance at the broadcast of the New York anti-gangster rally.

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A visitor to Washington last week was Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association of New York City.

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A sparton Visionola has recently been installed by Capt. William Sparks on the S. S. "Leviathan" and is proving to be a source of entertainment to the passengers.

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The Sparton home-talkie, complete and compact in one cabinet, is a combination talking-picture projector, radio and phonograph. It projects standard 16 millimeter films on a screen to the size of 18 inches by 24 inches. Enlargement to 6 by 8 feet is possible if desired. Voice and sound recordings on 16-inch discs are synchronized with the films which can be easily made to order by firms specializing in this kind of work.

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"Just how many of the network sponsors will actually change to recorded programs is debatable", Don Craig, Jr., writes in the Washington News. "But it is true that Maxwell House is heading a list of firms which will supplement their chain broadcasts with heavy quotas of transcriptions.

"Chevrolet, which has already tried a year of it, has renewed for another 52-week series of records. And Life Savers, one of the biggest potential air advertisers, heretofore unradiolized, is making a full year of six-times-a-week programs.



"One of the best arguments that the public will eventually discard its attitude of skepticism toward record programs was advanced recently by Manager Baker of WMAL, Washington.

"It's mechanical, sure. And the average person would rather hear flesh and blood broadcast, even tho it isn't as perfect as a transcription. But how about the talkies? If anything could be more mechanical in comparison to the stage, I'd like to see it. But what are the talkies doing to legitimate drama?"

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The August 29th issue of the Editor & Publisher, published in the N. Y. Times Building, Times Square, N. Y., gives an interesting facsimile illustration of ideas in "spot-light", or paid advertising for program sponsors on radio pages of newspapers.

It comprises dummies prepared by Newspaper Radio Programs, Inc., New York, for selling advertisers on a new plan of advertising in New York City newspapers which was described in Editor & Publisher, August 22nd, and carried in this letter last week.

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The Gumps are going on the air over the Chicago Tribune's radio station, WGN, beginning August 31st. Andy, Min, Chester and the rest of the characters in Sidney Smith's comic strip will take the air every evening at 6:45, except Sundays, sponsored by McLaughlin's Manor House Coffee. The continuity for this new radio comic feature will be written by Thomas Foy, Jr.

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Pepsodent Company, Chicago, is to return to the newspapers with a national campaign, starting about October 1st, the exact details to be announced later, Harlow P. Roberts, Advertising Manager, has announced, according to Editor & Publisher. Pepsodent advertising has been out of newspapers for more than a year.

Temporary cessation of newspaper copy helped the company form an opinion of the value of radio advertising, Mr. Roberts stated. Pepsodent has, however, never considered forsaking newspapers, entirely. Commenting upon this check-up, Mr. Roberts said:

"We have found radio to be a very effective medium for advertising. I would not say that it is more effective than newspaper or magazine advertising because it would be altogether too broad and unwarranted a statement. We happen to be very fortunate in having a very unusual program that is different from anything else on the air. We feel that the best results can only be obtained by having everything carefully coordinated. As far as checking results are concerned, we depend strictly upon our sales sheets to determine whether or not an advertising campaign is beneficial."

Lord & Thomas and Logan, Chicago agency, is in charge of preparations for Pepsodent's contemplated campaign.

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## RADIO COMMISSION RECONVENES TUESDAY

With a heavy docket of radio cases and several highly important policy decisions facing it, the Radio Commission will reconvene Tuesday morning (September 1st) after a recess since June 26th. Hearings before Examiners will also be resumed, nine applications being scheduled for this week.

All decisions rendered by one or two Commissioners during the Summer recess must be approved under a provision adopted by the regulatory body prior to its adjournment. Applications awaiting to be acted on include all phase of radio communication.

The first major problem expected to be considered by the Commission will be that of high power allocations, in which two dozen stations are seeking the eight vacant assignments for the maximum power of 50,000 watts. This case is scheduled for consideration beginning October 1st, and has been before the Commission for about one year.

Another question involves distribution of broadcasting facilities among the States and zones according to population, as is prescribed by the Davis Amendment to the Radio Act of 1927. Difficulties have arisen as a result of the Commission's enactment of two regulations (General Orders 92 and 102) having to do with the manner in which this equalization would be brought about, and several cases are pending in which these direct points are raised.

The Commission will shortly consider recommendations of its Examiners to refuse license renewals to several stations which have been on the air for several years. This is expected to be but the first step in a general thinning out of stations which have failed to keep abreast of technical developments and program improvements.

While the broadcasting industry has unanimously held out for 50,000 watts power, the maximum now allowable, for all stations on cleared channels, the Radio Commission has just as stubbornly insisted that only half of the 40 cleared channels be designated for high power.

After having his first report, which favored the broadcasters' demands, rejected, Chief Examiner Ellis A. Yost submitted a secondary report last Spring in which he designated eight stations for 50,000 watt assignments and recommended that all other applicants be permitted to use 25,000 watts.

The eight additional stations proposed for the maximum power are: WJZ, of New York; WCAU, of Philadelphia; WSB, of Atlanta; WGN, of Chicago, WCCO, of Minneapolis; KPO, of San Francisco; KOA, of Denver, and WHO-WOC, of Des Moines.



In fields other than radio there are many problems before the Commission. A redistribution of continental short wave facilities for point-to-point communication, of which there are approximately 88 available, on a two-tenths per cent separation basis, must be considered in connection with the creation of radio-telegraph networks to serve the public in the same manner as do the established wire telegraph companies.

This situation was brought about by the failure, last year, of the Universal Wireless Communications Co., Inc., which in 1928 had been awarded the bulk of the available frequencies for the setting up of a nation-wide radiotelegraph network linking up more than 100 cities.

RCA Communications, Inc., and the Mackay Radio Telegraph Company are parties to this case, which went into the Court of Appeals of the District of Columbia, and which now is before the Commission, subject however, to the approval of the court, which kept jurisdiction.

Also before the Commission Engineering Division is the matter of reduction in the separation between communication channels from two-tenths to one-tenth per cent, which will have the effect virtually of doubling the number of available channels for communication purposes. This is in line with the recommendation made by the International Technical Consulting Committee meetings held at The Hague in 1929.

Considerable discussion as to television is expected during the new session. Twenty-two stations already have been authorized to operate experimentally, most of which now are on the air. Another score of applications for authority to build new television stations has accumulated, however.

It is expected also that renewed efforts will be made by television experimenters to have the experimental restriction on television lifted, so that the visual art can go on a commercial operating basis in the same manner as aural broadcasting. The Commission holds television to be "highly experimental" and several months ago declined to grant requests that the restriction be lifted.

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#### WMBC REPORT AWAITS COMMISSION ACTION

Action by the Federal Radio Commission is expected shortly in the case of Station WMBC, of Detroit, the murder of whose announcer, Gerald E. Buckley, created a national sensation more than a year ago. Chief Examiner Ellis A. Yost has recommended that the license be renewed.

Charges had been made at the hearings that Buckley was closely associated with certain vice activities of the underworld, such as traffics in narcotics, from which he received large sums of money. Counsel for the station, however, contended that no complaints had been made since the announcer's death and added that the station is maintaining a campaign against crime and lawlessness in Detroit and Wayne County.

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