

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::

M.S.D. - 11
Mar

INDEX TO ISSUE OF OCTOBER 8, 1931.



Government-RCA Case Back On Attorney General's Desk.....	2
Number Of City Stations May Be Reduced.....	2
Half Bay State Families Have Sets.....	3
Philco Makes Big Preparations For Initial Stokowski Broadcast.....	4
Fortune Telling May Cost KTAB License.....	4
Improved Plane Receivers Expected January 1st.....	5
Review Board For Radio Proceeds Despite Protests.....	6
Sponsors Broadcast Of Fire In Own Store.....	6
Producer Sues To Restrain Songs From Air.....	7
WOL Protests CBS Booster.....	8
S.W.P.A. Not Concerned With Performing Rights.....	8
Sees Chain Broadcasters Riding For A Fall.....	9
Sees Daytime Program Improvement.....	9
Applications Received By Federal Radio Commission.....	10

No. 476

SUBSCRIPTION PRICE, \$10. PER MONTH. NO CONTRACT REQUIRED.

GOVERNMENT--RCA CASE BACK ON ATTORNEY GENERAL'S DESK

After all the expectations of the industry that the radio trust suit would be settled at the conferences held in New York last week, the whole matter has again been returned to Attorney General William D. Mitchell. When the group, representing the companies involved, met with Judge Warren K. Olney, Special Department of Justice Assistant, it was a foregone conclusion that the differences to be ironed out were slight.

However, the day the negotiations were to be continued, Owen D. Young, Chairman of the Board of the Radio Corporation, sent word that he would place before the Attorney General a plea that the Government modify its demand, under the anti-trust laws, for reformation of the radio industry. It is believed the patent pool, as practically agreed upon at the first meeting, was still satisfactory to both sides and that the Radio Corporation was willing to drop its exclusive patent agreements. Therefore, Mr. Young's objection was believed to have been to the terms of the stock re-issue which the Government demanded.

The Government now has two courses open. It may press the suit as it stands, or it may substitute for the complaint already filed in the Wilmington, Del., Court a much more far-reaching one. It is believed that Judge Warren Olney and John Lord O'Brien, Assistant to the Attorney General, will urge the latter course. The Attorney General has been devoting his time to the Department budget for the past few days and is not expected to reach this matter until tomorrow (Friday) morning.

The delay in organizing a patent pool is particularly discouraging to the industry just now. It had been expected that it would be in operation by the first of the year. If the case against the so-called trust goes into the courts, it may be months before the matter can again be considered.

The companies involved are Radio Corporation of America, General Electric, General Motors, American Telephone & Telegraph, and Westinghouse Electric and their subsidiaries.

X X X X X

NUMBER OF CITY STATIONS MAY BE REDUCED

It seems inevitable that the number of radio stations in and near cities such as Chicago and New York will have to be reduced, declares Federal Radio Commissioner Harold A. Lafount. With channels crowded as they are in these regions, he does not believe that splitting of time and stabilization of frequencies will eliminate interference.

"In an effort to lessen or altogether eliminate interference in crowded zones", Commissioner Lafount continued, "the

Commission ruled that many of the 615 broadcasting stations now on the air should operate only on part time, especially at night. By this method the total number of stations operating simultaneously at night has been reduced to about 450. Although there is actually a greater number in simultaneous operation, broadcasting time is split on regional and local channels so that the total time of night operation is equal to that of 450 stations broadcasting full time.

"On June 22, 1932, General Order 116 will go into effect and will considerably lessen interference. This order provides that all stations operating between 550 and 1500 kilocycles shall maintain the assigned frequency between the limits of 50 cycles per second above to 50 cycles per second below their assigned frequency. Stations will be required to check their frequency variations, and when any station varies more than 50 cycles above or 50 cycles below their assigned frequency, it will be violating a Commission regulation and will be subject to penalty.

"Although the Commission is legally restricted from taking any station off the air unless the station does not abide by Commission regulations, it is apparent that a gradual weeding out has taken place. From 733 stations operating when the Commission was founded, the number has been reduced to 615. Inefficient stations have been ruled off the air, and competently operated ones have been rewarded. The Commission appreciates an efficiently operated small station of 100 watts just as much as it does one with maximum power of 50,000 watts.

"With such a reduction already brought about, it is to be expected that the Commission will further reduce the number of stations, providing the 50-cycle order does not prove effective where stations are closely grouped. This reduction will be felt in crowded zones in large cities, and, as conditions are now, seems inevitable in the progress toward an ideal broadcasting station."

X X X X X X

HALF BAY STATE FAMILIES HAVE SETS

The number of families in the State of Massachusetts on April 1, 1930, was 1,024,527, as compared with 874,798 in 1920. The population per family in 1930 was 4.2, as compared with 4.4 in 1920. The number of families reporting radio sets in 1930 was 590,105, or 57.6 per cent of the total.

X X X X X X

PHILCO MAKES BIG PREPARATIONS FOR INITIAL STOKOWSKI BROADCAST

Philco will spread itself Monday night, October 12th, when Stokowski, conductor of the Philadelphia Orchestra, will be heard in the first of his third series of Philco broadcasts. It will be a regular concert broadcast from the Philadelphia Academy of Music, beginning at 8:15 P.M., E.S.T., will last until 10 o'clock, and will be carried by every Columbia station. The lengthy broadcast will be made possible by five national program sponsors stepping aside for the occasion.

Included in the equipment will be a new type of microphone, the electro-dynamic, new input equipment; volume control apparatus for Stokowski's use; a ton and a half movable control booth in the wings of the stage; and the new B-22 cable for transmission services throughout the greater part of the system.

After the performance, there will be a special reception for Stokowski. Press arrangements for Philco's part in the affair will be in the hands of Samuel D. Fuson, of Erwin, Wasey & Company, New York City.

X X X X X X X X

FORTUNE TELLING MAY COST KTAB LICENSE

In accord with its statement of May 7, 1931, pointing out that radio stations broadcasting fortune telling or games of chance would have their applications for renewal of licenses set for hearing, the Federal Radio Commission on October 6th set for hearing the applications of two stations charged with such violations.

The stations are KTAB, operated by the Associated Broadcasters, Inc., at San Francisco, Cal.; and WCAB, operated by B. Bryan Musselman, at Allentown, Pa.

Station KTAB had its application set for hearing because (1) information being broadcast over KTAB is not in public interest; talks of one "Zoro" during September were not in public interest; (2) the licensee of KTAB permitted use of station to others for their own personal benefit; (3) "Zoro" used station to deliver personal messages to private individuals.

The application of Station WCAB was set for hearing on complaint of certain individuals who charge the station is being operated for personal interest of private individuals; programs are not in public interest; licensee has permitted broadcasting by astrologer with questions and answers not in public interest; licensee permitted false and misleading advertisements to be broadcast.

The policy of the Commission was expressed in a statement made public May 7th. It stated that "upon frequent occasions there has been brought to the attention of the Commission complaints against radio stations broadcasting fortune telling, lotteries, games of chance, gift enterprises, or similar schemes offering prizes dependent wholly or in part upon lot or chance."

In commenting on these complaints, the Commission stated that "there exists a doubt that such broadcasts are in the public interest. Complaints from a substantial number of listeners against any broadcasting station presenting such programs will result in the station's application for renewal of license being set for hearing."

"Copies of this statement were this day ordered by the Commission to be mailed to each broadcasting station licensed by the Commission."

X X X X X X

IMPROVED PLANE RECEIVERS EXPECTED JANUARY 1ST

Considerable progress has been made in the design of a receiving set for use with the simultaneous radiophone and range beacon. The equipment at present available is not suitable for this service primarily because of poor audio-frequency characteristics and low-power output.

Experimental work has shown that an undistorted power output of 400 milliwatts is desirable to insure satisfactory service during conditions of severe atmospheric disturbances. Likewise, it is essential that the receiving set have a uniform response for frequencies from 50 to 3,000 cycles.

A series of conferences has been held with several manufacturers of aircraft radio equipment and tentative specifications have been drawn up for a receiving set which will meet present day requirements. Two companies are building sample receivers to meet these specifications. When these are completed, they will be given a series of tests by the Aeronautics Research Division to determine if they are satisfactory.

After these tests, final specifications will be written and future equipment held to conform with them. It is expected that by the end of the year, the receiving sets will be available for the use of the operating companies.

X X X X X X X X

REVIEW BOARD FOR RADIO PROCEEDS DESPITE PROTESTS

The following has been received from the National Radio Board of Review:

"Despite protestations from various of the broadcasting stations and officially from the National Association of Broadcasters, the National Radio Board of Review, sponsored by George Perryman who, as a tube manufacturer, has been associated with the radio industry since its commercial inception, is going forward with its plans. The protests which have been made in general are based upon the fact that the broadcasters and their association regard the Board of Review as censorship. This, Mr. Perryman emphatically denies.

"In his letter to the National Association of Broadcasters, concerning their stand, of which he has only read in the newspapers, since the Association has not seen fit to address him personally, Mr. Perryman stated in part, 'I believe that my proposed National Board of Review may possibly avoid censorship. Of course, it may be contended by the broadcasters whom you represent that fan mail presents a cross-section of broadcasting public opinion, yet all the figures available indicate that only one per cent of the broadcast audience ever takes its pen in hand. The intelligent majority apparently either enjoys or tolerates its programs in silence.'

"Mr. Perryman reports that of the 250 organizations addressed, more than 50% have made plans to cooperate with the planned Radio Board of Review and others are placing the aims and plans of the Board before their membership at their annual meetings. Among the latter is the National Federation of Music Clubs, whose interest in radio is more than that of the average women's club."

X X X X X X

SPONSORS BROADCAST OF FIRE IN OWN STORE

W. L. Katz, Marquette, Michigan, merchant, claims credit for sponsoring the most unique commercial radio program ever put on the air. He sponsored a radio description of a fire which recently damaged his dry goods store.

"Late one evening just as WBEO, of Marquette, was about to sign off, the city fire bells rang out summoning the volunteer firemen to a blaze near the station's studios", Broadcast Advertising relates. "Bob Kaufman, station director, and an ex-newspaper man, grabbed a portable amplifier and rushed to the scene. Station engineers strung wires from the transmitter to the amplifier and Bob went on the air describing the fire fighting.

"Al Loomis, WEBO advertising manager, following the microphone, spotted Mr. Katz in the crowd. Al suggested that the merchant sponsor the broadcast and tell the listeners about the inevitable fire sale which would follow. Mr. Katz assented and now reports excellent business at his fire sale."

X X X X X

PRODUCER SUES TO RESTRAIN SONGS FROM AIR

An order to show cause why they should not be restrained from using any of George White's "Scandals'" songs has been served against NBC, CBS and WOR in injunction proceedings started by the producer against the three broadcasters to enjoin them from using any of the "Scandals'" music, according to Variety. White is also asking for damages, to be fixed later. Order to show cause was signed by Judge Albert Cohn, New York Supreme Court.

White is contesting the claim of right of a publisher or songwriter to transfer the broadcasting rights to songs to the American Society of Composers, Authors & Publishers, if those songs are show tunes for which the producer is paying a royalty.

On Sept. 23, 1931, White sent out a notice to all broadcasting stations requesting them to discontinue using the "Scandals'" score or songs.

White received but one answer from the stations in regard to his notification. This, he says, was from WOR, which replied:

"Station WOR pays the American Society of Composers, Authors & Publishers a fee for the use of all numbers in its repertoire and such numbers as may be restricted may be used upon asking special permission. We understand the numbers from "Scandals" are in the repertoire of the American Society and so can't see how anyone but the American Society has jurisdiction over same. The American Society advised us that if they gave their permission, no other party has a say in the matter."

White contends that the broadcasting of the songs may endanger his by shortening its New York run and by affecting its road value.

White's suit against the broadcasting stations is the first of its kind. The custom, according to the contracts between publishers and songwriters is to transfer the radio rights to their music to the American Society, which licenses the radio stations to use same and splits the fees between writer and publisher. Production songs, or any other songs, have always been restricted from the air by the American Society at the request of the publisher, who takes this action at the producer's request.

X X X X X X

WOL PROTESTS CBS BOOSTER

WOL, owned and operated by the American Broadcasting Company, of Washington, has filed a protest with the Federal Radio Commission against the granting of a license to the Columbia Broadcasting System for the erection of a 250-watt "booster" station in Washington, D. C.

The objection to the increasing of wattage in the District is based on the fact that a frequency has not been found for the 250-watt operation of WOL, which increase in power was granted by the Commission, May 20, 1929.

According to the protest, WOL applied April 6, 1929, to be replaced on 1270 kilocycles from which they were removed November 11, 1928, and for 250 watts power.

The application was granted and the Commission's department was instructed to locate a frequency other than 1270 and report its findings. In two and one-half years, the engineers have failed to make a report. The Commission denied WOL 1240 kc., a frequency suggested as an alternative for 1270 kc., in a subsequent petition.

Said application was set for hearing on November 14, 1929. A petition was filed with the Commission October 22, 1929, thereby placing the hearing subject to call on the calendar. This hearing has not yet been held.

WOL was removed from 1270 kilocycles, in order to place WFBR, of Baltimore, thereon.

X X X X X X

S.W.P.A. NOT CONCERNED WITH PERFORMING RIGHTS

The following letter has been received from J. C. Rosenthal, General Manager of the American Society of Composers, New York City:

"Sometime ago your news contained an article under the heading 'Koenigsberg To Direct New Song Writers' Association', wherein you stated that 'evidently the association is to work along the line, and perhaps try to enter the field of the American Society of Composers'.

"Let me assure you that the inference is incorrect as the Song Writers' Protective Association has nothing whatsoever to do with performing rights."

X X X X X X

SEES CHAIN BROADCASTERS RIDING FOR A FALL

If network broadcasters care what one member of their audience has to say about them, they may read the following letter recently received from an irate listener:

"I feel more strongly than ever that sooner or later something revolutionary will have to be done to put the whole gigantic business on a fairer basis to the public at large", he writes. "Whether the English system of taxing each set owner and refusing to permit advertising is ideal, I would not be bold enough to say. But in my humble opinion, it is a long step nearer to the idea than present conditions in this country.

"I can't regard Mr. (here the head of one of the major networks is named) as anything more than a high pressure salesman. I don't think he has any artistic ideals. If he has, he has certainly chloroformed them. He is simply out for the money, first, last and all the time. And what is the result? Contracts at which he should gag according to the most rudimentary standards of art and real public interest, he accepts readily. Witness the terrible performances of the (here is named a well known dance organization) orchestra, which takes a solid hour out of the heart of three evenings a week. Why should any one advertiser be permitted to monopolize the air with such a tawdry and blatant program to the exclusion of a lot of better stuff?

"The ratio of selling talk to the rest of the programs continues to increase, thus keeping step with the rapidly ascending advertising income of the NBC which I understand is now up to \$25,000,000 per annum. The chain broadcasting system has gotten to a point where, as far as I am concerned, there are only four sources to which I can go for anything I could hope to find of first-class quality, viz: The WEA chain, the WJZ chain, the Columbia chain and the WOR chain. Because of this, I am frequently compelled to shut off my set when I am eager to hear something worth hearing.

"Unless the American public is even more moronic than anything H. L. Mencken claims, this sort of thing cannot go much farther without a grand bust-up."

X X X X X X

SEES DAYTIME PROGRAM IMPROVEMENT

In the early days of radio, the good programs were confined to the evening hours. But not so today, observes Frank M. Russell, NBC Vice-President in Washington.

"The schedule of WRC, in Washington, is rapidly becoming filled with programs of unusual merit, comparing favorably with the nighttime features", Mr. Russell continued. "The improvement

in daytime programs was very gradual at first, but in the past few months, there has been a decided change. Every sort of program, featuring many of radio's outstanding stars, is now being heard in the daytime hours. As a result, there has been a marked increase in the day time audience."

X X X X X X

APPLICATIONS RECEIVED BY FEDERAL RADIO COMMISSION

October 3 - WNBO, John Brownlee Spriggs, Silver Haven, Pa., install automatic frequency control; WEEU, Raymond A. Gaul, Harold O. Landis, and H. S. Craumer, d/b as Berks Broadcasting Co., Reading, Pa., modify C. P. granted 6/12/31 for a new station, as to equipment, and to move transmitter slightly, also extend completion date of C.P.; KOIL, Mona Motor Oil Co., Council Bluffs, Iowa, direct measurement of antenna input.

October 5 - WJR, WJR, The Goodwill Station, Inc., Detroit, Mich., C. P. to make changes in equipment, and increase power from 5 KW to 10 KW; O. H. Stephens, tr. as The Voice of Montgomery, Montgomery, Ala., C. P. to erect a new station to use 1500 kc., 100 watts, daytime, share with KGKB; WFDV, Dolies Goings, Rome, Ga., modification of license to change frequency from 1210 kc., to 1500 kc., and hours of operation from daytime to unlimited.

Also, WHBF, Beardsley Specialty Co., Radio Station WHBF, Rock Island, Ill., C. P. to move station locally; KMPC, R. S. MacMillan, Beverly Hills, Calif., modification of C. P. granted 6/17/31, change equipment authorized and extend commencement and completion dates; KGEW, City of Fort Morgan, Fort Morgan, Colo., C. P. to make changes in equipment.

October 6 - Tupper Lake Broadcasting Co., Inc., Tupper Lake, N. Y., WHDL, C. P. amended to request authority to move station locally instead of Lake Placid, N. Y., also amended as to equipment (original application requested change in frequency to 1220 kc); KFLX, Geo. Roy Clough, Galveston, Texas, license to cover C. P. granted 6/17/31 for changes in equipment; WRBJ, W. E. Barclift, F. E. Barclift, P. L. Barclift & J. H. Harbour, d/b as Hattiesburg Broadcasting Co., Hattiesburg, Miss., J. H. Harbour requests authority to assign his interest in WRBJ's license to W. E., F. E., and P. L. Barclift, d/b as Hattiesburg Broadcasting Company.

Also, KGU, Marion A. Mulrony & Advertiser Publishing Co., Ltd., Honolulu, Hawaii, modification of license requesting 750 kc., 2 KW, full time experimentally; also, C. P. requesting 750 kc., 2 KW, full time experimentally, also changes in equipment.

Applications Other Than Broadcasting

October 5 - W2XA, American Telephone & Telegraph Co., Rocky Point, N. Y., renewal of special experimental license for 45 to 75 kc., 190 KW; W3XP, Bell Telephone Laboratories, Inc., Whippany, N. J., renewal of special experimental license for 650, 1100, 1480 kc., 1 KW; W10XAW, Standard Shipping Co., on Ship "STANDARD", renewal of special experimental license for 516 kc., 2 watts; Aeronautical Radio, Inc., Chicago, Ill., new C. P. for 278 kc., 15 watts, aeronautical service; Press Wireless, Inc., San Francisco, Calif., special license for 11640, 19340 kc., 1500 watts, to use transmitter of KOQ, point to point service.

Also, Atlantic Broadcasting Corp.: W2XDX, W2XDW, W2XDY, W2XDZ, portables in New York City, licenses covering C. P.s for 1544, 2476 kc., 1 watt (2 licenses) and 50 watts (2 licenses), special pickup service.

X X X X X X X