

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::

National Broadcasting Company, Inc.

INDEX TO ISSUE OF DECEMBER 21, 1931.

Don Seitz Lambasts Radio Industry.....	2
Has NBC Cornered Grand Opera?.....	3
Sirovich Proposes Federal Director of Radio.....	4
Bureau of Standards Has New Schedule Of Frequency Tests.....	4
WMAK Ordered Off The Air.....	5
Amateur Radio Rules Adopted.....	5
"Back Home Hour" Pastor Loses Suit.....	6
Foreign Trade Opportunities.....	6
Commission Endorses N.A.B. Code Of Ethics.....	7
No Plans For Moving Radio Division.....	8
Sees Radio Tax Burden On Farmer.....	8
Minister Protests Christmas Commercialization.....	9
Florida Station Given Right To Increase Power.....	9
Clock Tuner Selects Programs For 12 Hours.....	10
Baseball Officials Believed Opposed To Broadcasting Games.....	10
Federal Court Declares Davis Amendment Constitutional.....	11
Complete Inquiry Of Radio Setup Asked.....	12
Another New Weekly Radio Program Bulletin.....	13

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DON SEITZ LAMBASTS RADIO INDUSTRY

The following is a portion of an article which appeared in the Editor & Publisher of December 19th written by Don C. Seitz, former business manager of the New York World:

Each day the presumably intelligent newspapers of America contribute without return, \$500,000 worth of their valuable space to boosting the prosperity of a monopolistic monster equipped to destroy them. This is the Radio Industry, as it calls itself, maintained against competition by so-called regulation of the air by our government, for which and to which it makes no return.

"Free as air" has been turned into a pleasant fiction. While the owner of a radio set pays nothing for what he receives, it is all paid for in a manner that seeps the revenues of the press, coarsely disguised as entertainment. Something for nothing never had any great value to the recipient, and that is true in the present instance, save that the "sucker" crop, hitherto casual, is now being turned to vast account by the far-reaching voices of the atmosphere.

The "industry" started almost casually. Amateurs fooled with radio sets and snarled at each others' efforts. Radio sets became marketable. Broadcasting corporations took the place of the conflicting amateurs, the government was invited to step in and allot the Hertzian waves which carry the words and music through the atmosphere to these various concerns, and did so, thus doing its best to overcome the disadvantages of a 24-hour day.

Radio sets at once enjoyed a prodigious boom. Fifteen million of these manufactured at a high price have been installed. The lower strata is now being captured with a \$30 box, so that the humblest homes are to be reached. This is important. Business has discovered since the world war and the rise in wages and employment that followed it, that the room is at the bottom and not the top.

Here is where the broadcasting concerns pay their way, and something more. Here, also, is where the press gets trimmed. The newsstands of the nation are multi-colored with low priced publications that live off the advertiser. He, too, is the mainstay of the newspaper. Now he has become the prop of the broadcasters, at the expense of printer's ink. To attain results interest in the daily programs must be maintained. The soft-heads in the editorial rooms of the land were worked into believing that to print these meant more circulation. So they took them on. No shirt of Nessus was ever a tighter fit.

In addition to paying for time, the advertiser has to provide an extensive part of the program, and incidentally, to improve the national crop of morons, already magnificent, thanks to the movies. The tooth-paste that supports "Amos and Andy", with their nightly puerilities, is credited with paying the pair \$8,000 per week to lure listeners within earache. The "Goldbergs", "The Stebbins Boys", and like uplifters gain in proportion. Intelligence is at a discount. Marconi's marvellous discovery has been turned into an instrument for mental degradation.

Between the tooth-brush talk and the cigarette chortlings, now and then comes music. And such music! It would appear that here the struggler is fooled into performing for the sake of getting "publicity." Young artists crowd each other for the chance. The announcers are paid, but not much. The big money goes to the chief attractions. A rigid censorship is exercised in order that nothing too intelligent for the mass shall encumber the ambient. Juries listen in at frequent intervals and speakers or artists who rise above the required level are ruthlessly cut out.

The effects upon the moronic minds appealed to cannot well be estimated. Certainly they must be disastrous. With intelligence at such a discount the consequences are necessarily disastrous. All this the newspapers feed with their free publicity and the monopolies prosper in proportion. That such a condition can exist in this enterprising land is surprising. Amateurs first made the telephone useful with lines from house to barn or from neighbor to neighbor. From this has come the greatest corporation in the world. The American Telephone and Telegraph Company was able to create a monopoly of convenience and has prospered accordingly.

The time limitations of the radio give it an opportunity to reform and do business without "piking" its way as it does now. Were it organized upon the telephonic basis its prospects for permanency would be assured. Instead of sponging upon the press, advertisers and performers, it should establish itself on a paid relationship. The subscribers could then demand decent programs for their money and be pretty sure of getting them. It is incredible that the present output can long command considerable attention of the sort needed to requite advertisers. Indeed complaints already exist that the bored auditors are ceasing to listen in and constant worry is present as to what can be done about it.

The first step toward the reform would be for the journals to tear off the sticky shirt and kill the lavish publicity accorded. The next should be to put the industry on a business basis, to which it would be forced if shut out from the news columns. Just how this could be brought about is the difficulty.

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HAS NBC CORNERED GRAND OPERA?

Columbia has a way of endeavoring to meet every NBC move and vice versa. The question is now asked - how will Columbia meet NBC's latest offering, the Metropolitan Opera broadcasts?

In addition to having the metropolitan tied up for two years, they also have the Chicago Civic Opera Company, having had the latter for several seasons. Looks like NBC has a corner on grand opera!

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SIROVICH PROPOSES FEDERAL DIRECTOR OF RADIO

The functions of the Federal Radio Commission should be transferred to the Radio Division of the Department of Commerce, under a bill (H. R. 6039) introduced by Representative Sirovich (Dem.), of New York City, December 17th.

The measure proposes the appointment of a Director of Radio under the Department of Commerce, and for the creation of a Federal Board of Radio Appeals to hear appeals presented to the Director. The Board would be composed of five members, one from each radio zone.

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BUREAU OF STANDARDS HAS NEW SCHEDULE OF FREQUENCY TESTS

The Bureau of Standards announces a new schedule of radio transmissions of standard frequency. All transmissions are on 5,000 kilocycles. This service may be used by transmitting stations in adjusting their transmitters to exact frequency, and by the public in calibrating frequency standards and transmitting and receiving apparatus. The signals are transmitted from the Bureau's station WWV, in a suburb east of Washington, D. C., every Tuesday afternoon and evening. They can be heard and utilized by stations equipped for continuous-wave reception throughout the United States, although not with certainty in some places. The accuracy of the frequency is at all times better than a part in a million.

The transmissions are by continuous-wave telegraphy at 5,000 kilocycles. They are given continuously from 2 to 4 P.M., and from 8 to 10 P.M., E.S.T., every Tuesday. The dates are January 5, 12, 19, 26; February 2, 9, 16, 23; and March 1, 8, 15, 22 and 29th.

The transmissions consist mainly of continuous, unkeyed carrier frequency, giving a continuous whistle in the phones when received with an oscillatory receiving set. The first five minutes of the transmission consist of the general call (CQ de WWV) and announcement of the frequency. The frequency and the call letters of the Station (WWV) are given every ten minutes thereafter.

Information as to how to receive and utilize the signals may be obtained by addressing a request to the Bureau of Standards, Washington, D. C.

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WMAK ORDERED OFF THE AIR

Station WMAK, Buffalo, N. Y., was ordered off the air December 18th by the Federal Radio Commission. The station, operated by the Buffalo Broadcasting Corporation broadcast on a frequency of 1040 kilocycles with power of 1,000 watts. The station's application for renewal of license was denied.

The Buffalo area would receive adequate service without Station WMAK, the Commission stated in its decision, and the station, at a hearing held on the application for renewal, could not offer enough evidence to show that its future broadcasts will be in public interest.

The Commission's action sustained the recommendation of Examiner Ralph Walker.

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AMATEUR RADIO RULES ADOPTED

Material reduction of interference now caused by amateur radio operation to the aviation service will be brought about by new regulations for amateur operation, approved December 17th by the Federal Radio Commission. The new rules change and widen frequency bands used by amateurs, and place more stringent qualifications on operators.

The following information was made available at the Commission:

Under the new plan, amateur telephone bands will be changed from 3500-3550 kilocycles, to 3900-4000 kilocycles, and from 14100-14300 to 14150-14250. Amateur radiotelephone operation in these bands will be permitted only when operators hold licenses of the grade approved by the Secretary of Commerce for unlimited amateur radiotelephone operation.

Under the discarded plan, amateurs were permitted to operate in the 3500-3550 kilocycle band without special technical qualifications, and to operate in the 14100-14300 kilocycle band, provided the operator could show, by special qualifications, his right to operate within these limits.

The plan was first submitted to the Commission in May, 1931, by the American Radio Relay League, but was at that time disapproved by Albert Reiss, representing the Amateur Radiophone Association. On December 14th, however, the Commission received a telegram from Mr. Reiss stating that his association now approves the recommendations suggested by the league, and asking that his request for a hearing on the case be withdrawn.

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"BACK HOME HOUR" PASTOR LOSES SUIT

A \$500,000 action brought by Rev. Clinton H. Churchill, of Buffalo, against the Buffalo Broadcasting Corporation and the Columbia Broadcasting System was dismissed yesterday by Supreme Court Justice Alon O. G. Hinkley.

The evangelist sought damages for the elimination of his "back home hour" from the chain programs of the Columbia System, charging the system violated the contract under which his station was taken over by the Buffalo Broadcasting Corporation and made a part of the Columbia network.

Justice Hinkley ruled that letters exchanged by Mr. Churchill and William S. Paley, President of the Columbia System, did not constitute a contract and that no contract existed between the evangelist and the broadcasting system.

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FOREIGN TRADE OPPORTUNITIES

The following foreign trade opportunities may be followed up by writing to the Bureau of Foreign and Domestic Commerce, Washington, D. C.:

Radio crystal sets, inexpensive, small	*55336	Luxemburg	Agency
Radio Accessories	†55395	San Juan, P. R.	Agency
Radio Sets, 1, 2, and 3 tubes; and loud speakers	*55340	Lisbon, Portugal	Agency
Radio sets, 2, 3, 4, and 5 tubes, electric only	*55450	Zittau, Germany	Purchase
Radio sets and parts, amplifiers, pick-ups, radio lamps, and radio-phonograph combinations	*55335	Biel, Switzerland	Sole Agency
Radio Sets and replacement parts	†55448	Rio de Janeiro, Brazil	Agency
Radios, including midget sets	†55449	Auckland, New Zealand	Agency

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COMMISSION ENDORSES N.A.B. CODE OF ETHICS

In a statement issued by the Federal Radio Commission concerning the use of radio broadcasting stations for advertising purposes, the Commission endorsed the code of ethics of the National Association of Broadcasters. The Commission believes the code to be fair and just to the broadcaster and to the listener and that it is an avenue by which the industry may regulate itself.

"The good will of the listener is the station's only asset, and, therefore, this problem first should rest with the licensees of stations", the statement continues. "The problem should not be taken out of their hands until they have had full opportunity to make the necessary corrections. If they decline the opportunity, or seizing it, fail, the matter should be treated with proper legislation. As an aid and a guide in the matter, the Commission commends to the licensee of each radio broadcasting station for his most serious consideration the following code of ethics which has been adopted by the National Association of Broadcasters. The Commission believes this code to be fair and just to the broadcaster and to the listener, and that it is an avenue by which the industry can regulate itself."

The code of ethics follows:

1. Recognizing that the radio audience includes persons of all ages and all types of political, social and religious belief, every broadcaster will endeavor to prevent the broadcasting of any matter which would commonly be regarded as offensive.
2. When the facilities of a broadcaster are used by others than the owner, the broadcaster shall ascertain the financial responsibility and character of such client, that no dishonest, fraudulent or dangerous person, firm or organization may gain access to the radio audience.
3. Matter which is barred from the mails as fraudulent, deceptive or obscene shall not be broadcast.
4. Every broadcaster shall exercise great caution in accepting any advertising matter regarding products or services which may be injurious to health.
5. No broadcaster shall permit the broadcasting of advertising statements or claims which he knows or believes to be false, deceptive or grossly exaggerated.
6. Every broadcaster shall strictly follow the provisions of the Radio Act of 1927 regarding the clear identification of sponsored or paid-for material.
7. Care shall be taken to prevent the broadcasting of statements derogatory to other stations, to individuals, or to com-

peting products or services, except where the law specifically provides that the station has no right of censorship.

8. Where charges of violation of any article of the Code of Ethics of The National Association of Broadcasters are filed in writing with the Managing Director, the Board of Directors shall investigate such charges and notify the station of its findings.

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NO PLANS FOR MOVING RADIO DIVISION

Notwithstanding the bill introduced by Representative Sirovich, of New York, which provides for the Commerce Department taking over the Radio Commission, handwriting on the wall indicates that there are still likely to be quite a few rivers to be crossed before this occurs, if at all. Evidently the Radio Division, although under the Department of Commerce, has an idea that in the last analysis, it will be merged with the Federal Radio Commission.

At any rate, though all the Commerce Department bureaus are scheduled for removal into the new Commerce Building, there are no plans as yet to remove the Radio Division from its present location to the new building.

This Radio Division, which is under W. D. Terrell, is now quartered in the Press Building, along with the Radio Commission, and evidently it is likely to stay there for sometime at least.

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SEES RADIO TAX BURDEN ON FARMER

Commenting on the proposed tax on radio sets, O. H. Caldwell, addressing the Washington Section of the Institute of Radio Engineers, observed:

"If three million radios are sold in 1932 at an average price of \$70, a total net tax of only \$10,000,000 will be collectible. Since the major part of recent sales of radio has been made to the working classes where radio becomes the poor man's only entertainment, and since the farm population is still largely without radio sets, it follows that any future tax burden imposed on radio set purchasers will be borne chiefly by the laboring man and farmer."

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MINISTER PROTESTS CHRISTMAS COMMERCIALIZATION

The Rev. Dr. Albert Joseph McCartney prefaced his Christmas sermon on Sunday morning last at the Covenant First Presbyterian Church, Washington, D. C., with a vigorous protest against what he declared to be a flagrant attempt of a certain organization to commercialize Christmas in radio advertising.

He announced that he would make a formal complaint to the Federal Radio Commission against the character of a Christmas program broadcast from a local station Saturday evening. In a carefully worded statement which he read to a capacity congregation, he said:

"I wish to take this occasion to voice a public protest on behalf of all Christian people in Washington and elsewhere against the growing tendency to commercialize our Christmas hymns and Christian beliefs by using them as a vehicle of advertisement over the radio at the Christmas season. I make specific reference to a certain group of commercial firms in Washington, which last night appealed for public patronage of their particular products, using as a background some of our most sacred Christmas hymns and our sacred faith that was born in Bethlehem. If this abominable traffic over the cradle of our Savior is not checked vigorously at the start, we shall be confronted with a public nuisance. It is perfectly outrageous people should be permitted to immolate our sacred songs of Christmas faith and hope upon the altar of commercial greed and go unrebuked.

"I, therefore, publicly denounce all commercial enterprises, or individuals that pursue this sacrilegious method of advertising and file my complaint against them with the Radio Commission.

"I shall forward copies of this protest to the public press for what it may be worth, believing that it will find a most earnest, immediate and vocal response in the hearts of millions of Christian believers."

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FLORIDA STATION GIVEN RIGHT TO INCREASE POWER

Application of Station WFLA-WSUN, Clearwater, Fla., for a construction permit to build a station with increased power and new equipment to overcome interference caused by WTMJ, Milwaukee, Wis., was granted last Saturday by the Federal Radio Commission.

It is ordered that the above application be granted and that on completion of the construction, the Commission will prescribe rules for various tests of power to be made varying from 250 watts to 1 KW, at night, and from 500 watts to 2,500 watts day power. After these tests have been made, the Commission will then license the station to use the power which, in its judgment, will not unduly interfere with Station WTMJ, of Milwaukee, Wis.

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CLOCK TUNER SELECTS PROGRAMS FOR 12 HOURS

Radio reception is made automatic by a new device which a listener can adjust to pre-select programs for twelve hours, according to the New York Times. It turns the set on and off at the proper time and regulates the volume. The unit will pre-select the programs from six different local transmitters. The inventor is Samuel G. Frantz, of Princeton, N. J.

The tuner is a drum-like affair, the face of which revolves through an opening in the panel in much the same way as an ordinary tuning drum dial. The mechanism is compact, occupying a space about six inches square inside the cabinet. It is actuated by a clock which turns the drum in accordance with the time of day. Forty-eight slots are cut in the circular side of the drum. Each slot corresponds to a quarter-hour period of twelve hours of the day. For example, the slots are labeled "12", "12:15", "12:30", "12:45", "1", and so on to "11:45." In each slot is a sliding button. On a card at the side of the drum are written the call letters of six favorite broadcasting stations. If the button in slot "12:15", for instance, is moved opposite WEAf, the receiver will tune in the next WEAf program on the air at that time, either at noon or midnight.

The automatic pre-selector, however, does more than merely turn the set's dial to the position where the station will come in, then turn on the current. It adjusts the volume to a predetermined value.

If the receiver is to be entirely disconnected from the clock when a certain program ends, the next button is moved to "Stop." Then the mechanism must be started manually when the next day's favorite programs are set up on the drum. The device can be set to start at any time of the day, and will continue in operation for twelve consecutive hours unless interrupted by hand or the pre-selector. It also will skip programs not desired.

Mr. Frantz said it is possible to construct the instrument large enough to pre-select the programs of as many as fifteen or twenty stations.

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BASEBALL OFFICIALS BELIEVED OPPOSED TO BROADCASTING GAMES

Broadcasting of baseball games came in for discussion at the annual joint meeting of the American and National league presidents in Chicago last week.

Although nothing will be done until next year, a poll of clubs in both leagues shows the majority in the "against" column. Results, as reported in the Chicago Herald and Examiner, follow:

National League: Against - Pittsburgh, New York, Brooklyn, Cincinnati, Philadelphia. For - Chicago, St. Louis, Boston.

American League: Against - Philadelphia, New York, Boston, Cleveland, Detroit, Washington. For - Chicago, St. Louis.

The Baseball Writers' Association voted to conduct a survey among the newspapers of the 11 major league cities to determine the attitude of the publishers on the matter of baseball broadcasting.

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FEDERAL COURT DECLARES DAVIS AMENDMENT CONSTITUTIONAL

The Court of Appeals of the District of Columbia upheld the constitutionality of the radio zone plan, as set forth in the Davis Amendment of the Radio Act of 1927, in decisions handed down on Monday. The two General Orders of the Commission, Nos. 92 and 102, carrying out this Act, were likewise sustained.

With respect to the contention that the Davis Amendment is unconstitutional, the court declared:

"We do not think so. Congress has the power under the commerce clause of the Federal Constitution to regulate all forms of interstate and foreign commerce, and radio broadcasting is a species of such commerce. Regulation of it must necessarily have regard to the number, location, construction and operation of such stations, including the power employed by them in transmitting radio signals."

The ruling was made in affirming the decision of the Commission, which denied increases in power to Station WPTF, located at Raleigh, N. C., and owned and operated by the Durham Life Insurance Company, and to Station KECA, located at Los Angeles, Calif., and owned and operated by the Pacific Development Radio Company.

The court also upheld the Commission in revoking the license of Station KFQU, located at Holy City, Calif., and owned and operated by W. E. Riker, on the ground that it had deviated from its assigned frequency. The Commission was upheld in providing in its General Order No. 7 that a maximum of one-half kilocycle is fixed as the extreme deviation from the authorized frequency of any station and that a violation of the order will be deemed cause for revocation of the station's license.

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COMPLETE INQUIRY OF RADIO SETUP ASKED

Another member of the Congressional delegation representing the State of Washington, Rep. Horr (Rep.) of Seattle, is interesting himself in radio. Senator Dill has long been a factor in radio legislation.

An inquiry into the entire radio setup was proposed in a resolution (H. R. 80), which he introduced Monday, December 21st. The full text follows:

That the Speaker of the House of Representatives is authorized and directed to appoint a committee of five members of the House of Representatives to investigate the Federal Radio Commission, the records, documents and decisions thereof; and each of the personnel thereof, but only with reference to their relations with agents, officers or representatives and counsel of any corporation, individual, partnership or group engaged in any branch of the radio business, or/and their personal dealings and connections with such radio business; to further investigate the degree, nature and amount of time of radio broadcasting facilities allotted, to whom allotted, how apportioned, with special reference to tendency toward creating monopoly, and in this connection with special attention to monopoly on the part of the National Broadcasting Company in the Pacific Northwest; and to further investigate all entities, corporations, groups or individuals who are alleged to be seeking radio broadcasting monopoly.

"The committee shall report to the House the results of its investigation, including such recommendations for legislation as it deems advisable.

"For such purposes the committee, or any subcommittee thereof, is authorized to sit and act at such times and places in the District of Columbia or elsewhere, whether or not the House is in session, to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary."

Mr. Horr prepared a written statement, as follows:

My resolution is for a complete investigation of the Commission and a sweeping inquiry into all radio broadcasting companies with special attention to monopoly on the part of the National Broadcasting Company in the Pacific Northwest.

The National Broadcasting Company now has about two-thirds of the facilities allotted in the State of Washington. In addition to its regular chain output. NBC has recently purchased Station KJR, in Seattle, a 5-kilowatt cleared channel station; KGA, of Spokane, a 5-kilowatt station, and KEX, of Portland, also a 5-kilowatt station. These are the only 5-kilowatt stations in that vicinity.

About the time of acquiring the above stations, NBC bought KYA, of San Francisco, thus establishing a strong nucleus for a second broadcasting chain.

NBC control in the Pacific Northwest may be but the beginning of that company's domination throughout the country.

Further implications of this attempted control came out of the hearing of Station KVI, Tacoma, Wash., on its application for additional hours of operation. KVI wanted to change from limited time on 760 kilocycles to unlimited time in 570 kilocycles. This was protested by WJZ, New York, one of the key stations of NBC, because of the fact that 760 kilocycles is a clear channel for WJZ.

Mr. Horr believes the NBC protest was rather to stifle competition than to make a legitimate claim against interference, especially as WJZ is scarcely ever heard on the Pacific Coast.

We have too many chains now. Food chains, hairdressers' chains and now radio broadcasting chains. The individual hasn't a chance. We may as well incorporate the country into one big trust. Radio is one trust we want to know all about.

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ANOTHER NEW WEEKLY RADIO PROGRAM BULLETIN

The "Southern Radio News", weekly, has appeared in Birmingham, Ala., as the answer of the radio stations to the action of the newspapers in curtailing radio programs and news. The new paper sells for five cents a copy or \$1 a year. It not only carries the programs a week in advance of local stations but also of the broadcasting systems and some of the leading national stations. The first issue carried considerable advertising from department stores, radio dealers and other concerns.

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