

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::

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MITCHELL REPORTS STATUS RCA SUIT TO SENATE JUDICIARY COMMITTEE

The status of the Government's suit against the Radio Corporation of America and associated companies, following a series of negotiations which have been in progress for nearly a year, was made clear when the Senate Judiciary Committee made public a letter from Attorney General William D. Mitchell. The information was made available to the Senate as a result of a resolution passed earlier this session, asking for information as to the present status of the case.

"Recent negotiations", Mr. Mitchell wrote, "have taken the form of a proposal to form an open patent pool so as to open the patents to the general public and independent manufacturers on reasonable terms and thus satisfy the contention that the arrangements between the defendants unlawfully excluded the general public from the field, and this proposal has been with the purpose that if the patent pool could be formed, and that the interlocutory consent decree would be entered providing for it and disposing of controversy between the Government and the defendants with respect to the arrangements restricting competition amongst themselves be presented for decision of the court by trial.

"The defendants", the Attorney General continued, "have urged that if the patent pool should be established, the Government should acquiesce in the other arrangements between the defendants which restrict competition between themselves, their argument being that if full competition were established by opening the patents to public use on reasonable terms, such restriction of competition as existed between the defendants would not be a violation of the law.

"The Department has taken the position that even though the patent pool were established it could not acquiesce in the continuation of the other arrangements between the defendants if in contravention of law."

The Attorney General informed the Committee that "as a result of the institution of this suit and the negotiations which have continued, some progress has already been made by the defendants in correcting the situation complained of by the Government in the following respects:

"1. Some of the foreign exclusive contracts relating to communications have been subjected to changes;

"2. Contracts between certain of the defendants and the United Fruit Company, of which the Government has complained, have been modified;

"3. Rate of royalties on both sets and tubes charged by the defendants for licenses granted to others has been reduced from 7 1/2 per cent to 5 per cent;

"4. A minimum annual royalty required from any licensee, formerly fixed at \$100,000 has been reduced to \$10,000;

"5. The royalty on exported manufactures has been reduced;

"6. Interrelationship by licensee and stock ownership between the General Motors Corporation and the Radio Corporation is in the process of dissolution."

"There has never been any proposal pending involving what would ordinarily be called a settlement", Mr. Mitchell explained. "The so-called settlement would amount to nothing more than that the defendants would consent to the entry of a decree granting part of the relief sought by the government, and that with respect to such contentions of the government as the defendants are not willing to yield to, a trial would take place."

Trial of the case is sought by the Department of Justice "before the Summer vacation".

"It is but fair to say", Mr. Mitchell wrote, in conclusion, "that since the suit was instituted some of the defendants and their officers, while constantly maintaining that they have not transgressed the law, have earnestly striven to bring about such changes in their contracts and arrangements as would meet the legal obligations of the government."

It was indicated, however, that independent manufacturers who have pending legal controversies with the defendants might prove a stumbling block to the reaching of agreements soon, although many other "independent" manufacturers are giving the government their cooperation.

"I am informed", Mr. Mitchell said, "that most of the independent manufacturers who operate under licenses from the defendants and who have been consulted by the Department have approved the suggestion that an open patent pool be established which would insure them the right to operate under the defendants' patents on reasonable terms and uniform conditions."

"Some of these independents, however, who are now prosecuting suits against some of the defendants for damages for alleged violations of the Sherman act, are not so friendly to the proposal to have a consent decree entered, and desire to have the government proceed to trial and obtain a judgment after trial."

The defendants in the suit filed by the Department of Justice are given as the Radio Corporation of America, General Electric Company, American Telephone and Telegraph Company, Westinghouse Electric and Manufacturing Company, Western Electric Company, RCA Photophone, Inc.; RCA Radiotron, Inc.; RCA-Victor Company, Inc., General Motors Radio Corporation, General Motors, National Broadcasting Company, RCA Communications, International General Electric Co., and Westinghouse Electric International Company.

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SIXTY-EIGHT STATIONS INSTALL GENERAL RADIO COMPANY MONITOR

The General Radio Company, of Cambridge, Mass., has already equipped 68 stations with its new frequency monitor which will enable these broadcasters to meet the rigid requirements of General Order No. 116 which goes into effect June, 1932. The General Radio Monitor indicates directly the deviation from channel frequency on a large pointer-type meter in the operating room.

"This equipment is simple and is easily installed and maintained by the station operating personnel. Its guaranteed accuracy, although set at a conservative figure, is well in excess of that demanded by the Commission, and with careful operation an even better accuracy can be obtained", according to H. B. Richmond, of the General Radio Company.

"The essential element in the new monitor is a highly stable piezo-electric frequency standard which operates at a frequency differing from the assigned channel by exactly 1000 cycles per second (usually on the high-frequency side). Voltages from this standard and from the unmodulated master oscillator of the transmitter are supplied to a new type of audio-frequency meter which indicates directly and continuously the deviation of the resulting audio-frequency beat tone from 1000 cycles per second.

"For example, if the transmitter is off-channel by 40 cycles per second on the high side, the beat-tone frequency is 960 cycles per second; if off-channel 40 cycles per second on the low side, the beat-tone frequency is 1040 cycles per second. Actually, the large meter dial is marked in Cycles per second so that it reads '40 cycles high' or '40 cycles low', as the case may be. No calculations are required; the device is direct reading.

"The crystal oscillator utilizes an entirely new circuit which minimizes the effect of temperature variations on the quartz plate and makes the resulting frequency more nearly independent of the circuit constants than has heretofore been possible. The result is a system of very great stability in which the checking of calibrations is made considerably easier. For instance, crystals may be recalibrated at the end of the one-year guarantee period, or, in case of accidental damage to the plate, a new one may be ordered without returning the oscillator.

"Our development work on the frequency deviation meter has been in progress for several years. Experience has proved conclusively that an indicator type of instrument which shows the direction as well as the magnitude of a frequency drift is the only satisfactory scheme.

"Listening to the direct beat between the standard monitor and the transmitter is not dependable for beat frequencies of less than 50 cycles per second as required by General Order No. 116. Neither does this method show whether the frequency drift is higher or lower than the assigned frequency. Considerable work was done with the so-called 'double-heterodyne' method of indicating beats, but it proved unsatisfactory because of the possibility of erroneous indications, and the inability of even an experienced operator to tell with certainty whether the frequency was off by 15 cycles per second or 60 cycles per second.

"With the General Radio frequency deviation meter, on the other hand, the magnitude and direction of the frequency drift is shown continuously on a large dial placed in full view of the station operator. He has before him at all times a reliable frequency check which operates without attention on his part"

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HATFIELD LABOR BILL WORRIES COMMISSION AND BROADCASTERS

The evident intent of Congress to enact legislation providing a clear channel in the broadcast band for the exclusive use of Labor has created much uneasiness among broadcasters. They fear that this action will be followed by persistent demands for similar preferential treatment by other organized groups. If Congress yields to one such group, it is argued, there is a possibility the other groups, with a precedent established, will also be placated, so that the time would soon arrive when Congress would in fact become a Super-Radio Commission. In that event, the present Radio Commission would become a mere rubber stamp, and there would be little excuse for its existence.

The Radio Commission is openly opposed to the Labor bill, which is sponsored by Senator Hatfield, of West Virginia. If that bill is enacted into law, the Commission will face a real problem in finding a clear channel to comply with the order of Congress.

Unless there is a new allocation involving much delay, confusion and expense, the Commission must necessarily "kill off" some powerful station now on a clear channel or else convert some regional channel, on which now operate two or three medium sized stations, into a cleared channel. This would mean, of course, the deletion of several stations which were sharing the regional channel.

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NEW APPARATUS SENDS MESSAGES AUTOMATICALLY

An automatic radio, immensely simplifying the process of sending messages, was demonstrated in Paris recently by its inventor, Jacques Detruiseux, before representatives of the Ministries of War, Posts and Telegraphs, Merchant Marine and Public Works.

The apparatus can be operated by any one knowing how to read, obviating the necessity of a trained wireless operator. It works by means of knobs, which are turned like the knobs on a radio receiving set. The letters of the alphabet and various signals are printed on a dial turned by a knob, messages thus being spelled out.

The apparatus is small and light enough to be carried anywhere, permitting its use on airplanes, submarines and fishing smacks and at meteorological stations and army posts. Provision is made in the case of submarines to carry a buoy equipped with the new apparatus, and in case of accident the buoy is released and continues to send out S O S calls for as long as twenty-five hours. In case of any sort of wreck the device permits sending calls for help without the necessity of the operator sticking to his post.

The machine is constructed somewhat like extension book-shelves. For short messages a small apparatus with six knobs will suffice. Its scope may be increased by placing as many of these six-knob boxes, one on top of another, as the length of the message necessitates. There is also a provision to feed power, if necessary, by turning a handle.

The Minister of Public Works is having a study made of the utilization of the apparatus for signaling from one railway train to another.

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NAVY PUTS FOOT DOWN ON INACCURATE TIME

The turn has been called by Capt. S. C. Hooper, Director of Naval Communications, on stations throughout the country giving radio listeners "any old time" at any interval it best fits into an advertising period and calling it "Naval Observatory" time.

This came in the following letter which Captain Hooper addressed to the Federal Radio Commission:

"It has come to the attention of the Navy Department that a number of broadcasting stations are transmitting time signals which they receive over a Western Union wire, and they announce them as originating from the Naval Observatory, Washington, D. C.

"The Navy Department has, in the past, upon application from a broadcasting station, authorized the rebroadcasting of time signals if the station intercepted the direct transmission of the signal from Washington.

"The rebroadcasting of Naval Observatory time signals which are transmitted over a land wire is objectionable because of the inherent time lag in the system which creates an appreciable error in the signal.

"Accordingly, it is requested that suitable instructions be incorporated in the Federal Radio Commission's Rules and Regulations for the guidance of broadcasting stations."

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RADIO SERVICE FUNDS CUT BY CANADIAN GOVERNMENT

The main estimates of the Dominion Government for the fiscal year ending March 31, 1933, tabled in the House of Commons at Ottawa February 15th, include substantial reductions in the proposed expenditures for radio service according to a report from Commercial Attache Lynn W. Meekins, Ottawa, Canada.

The amount allotted for the construction and maintenance of radio ship-to-shore stations and the general administration of the Radio Act is \$716,000, as compared with \$841,000 for the fiscal year 1932; \$180,000 is included to provide for the general improvement of reception conditions to licensed broadcast listeners as compared with \$225,000 for the present fiscal period; and the estimate for the maintenance and operation of the Northwest Territories radio system is \$167,000 against \$218,000 for 1932.

The above appropriations do not include the salaries of the administrative personnel at Ottawa.

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ENGINEERS TELL COMMITTEE SENATE BROADCASTING PRACTICABLE

Radio engineers and representatives of broadcasting companies told the Senate Committee on Rules this week that it is entirely practicable to broadcast proceedings on the Senate floor throughout the United States.

Senator Dill (Dem.), of Washington, declared he believed public interest would eventually demand such broadcasts from both Houses of Congress, and before many years would also require that pictures of congressional proceedings be televised into every home.

The hearing was based on the bill (S. Res. 71) introduced by Senator Dill, providing for equipment of the Senate chamber for broadcasting proceedings; and the bill (S. Res. 28) introduced by Senator Howell (Rep.), of Nebraska, authorizing appointment of a committee to investigate the practicability of broadcasting Senate proceedings.

Representatives of the National Broadcasting Company and the Columbia Broadcasting System presented tests conducted in the Senate chamber by radio engineers. Any of the five methods, they said, would be practicable.

C. B. Chamberlain, Chief Engineer of the New York office of the Columbia Broadcasting System offered five plans worked out by Columbia in cooperation with large electrical companies. The plans follow:

The first plan suggests installation of several electrodynamic microphones near Senators' desks. These would be portable, and could be installed in a short time when an important debate was about to take place. They would not be permanent.

The second plan suggests that each Senator wear a small microphone on his lapel. Each microphone would have 30 feet of cord attached to it, so Senators wishing to walk about during an address might have a walking area in the shape of a circle 60 feet in diameter. The microphones would be small enough so as not to interfere with gestures, and would be connected to a central switchboard.

Not less than 13 microphones would be suspended from the ceiling, if the third plan was adopted. A similar number of microphones near central desks would be employed in the fourth plan.

The fifth plan proposes that a system of directional microphones be installed in the walls, concealed from view. These would catch any talk in the chamber, regardless of the Senator from whom it emanated. Weak voices would be brought out as clearly as strong ones.

A sixth plan would involve any combination of the five proposed systems.

F. M. Russell, Vice-President of the National Broadcasting Company, said NBC engineers had made tests in the chambers which proved conclusively that broadcasts might be made without difficulty. He explained that his company believed a system of microphones hidden in the walls was best.

Harry C. Butcher, director of Columbia's Washington, D.C. office, said his company would "be happy to broadcast any proceedings suggested by the Rules Committee." The public, however, would not be interested in hearing all that transpired on the

Senate floor, he said, and suggested that certain debates and speeches be selected for broadcasting.

O. B. Hanson, representing NBC testified that to install equipment including concealed microphones with alterations of the chamber to eliminate echoes and reduce the noise caused by the ventilating system would cost approximately \$30,000.

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SURVEY SHOWS CONTINUED COLUMBIA GAINS

The Third Price, Waterhouse Study of Network popularity conducted for the Columbia Broadcasting System includes the mailing of 213,000 government postcards into 72 station cities. This report, like its predecessors, ranks the Columbia Network against the Blue and Red Networks in each of the 72 cities and records the actual percentage of votes received by each of the three networks and independent stations in each city. These percentages indicate the regular listening audience of each station.

"This third study reveals continued gains for practically every station on the Columbia Network", according to John J. Karol, Director of Market Research of Columbia. "Perhaps the most significant of these gains is the leadership of Station WABC in New York City. Since these circularization audits have been inaugurated, no station has ever led in New York by the margin of leadership which Station WABC now has.

"These audits conducted by Price, Waterhouse and Company are generally recognized now as the official barometer of station network popularity. To date over 1,000,000 homes have been asked the question, 'What station do you listen to most?' and well over a half million have been asked the second question, 'What other station or stations do you listen to regularly?' The objective of these studies has been to measure and analyze qualitatively and quantitatively the trend in the popularity of radio networks."

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APPLICATIONS RECEIVED BY THE FEDERAL RADIO COMMISSION

March 21 - WHAT, Independence Broadcasting Co., Philadelphia, Pa., C.P. to move transmitter locally and install new equipment; Troy Broadcasting Co., Troy, Alabama, C.P. to erect a new station to use 1210 kc., 100 watts, daytime; WMC, Memphis Commercial Appeal, Inc., Memphis, Tenn., C.P. for auxiliary transmitter to operate with 500 w.; WCCO, Northwestern Broadcasting, Inc., Minneapolis, Minn., modification of C.P. for 50 KW; requests approval of proposed transmitter; WCAT, South Dakota State School of Mines, Rapid City, S.D., C.P. to install new transmitter;

KELW, Magnolia Park, Ltd., Burbank, Calif., modification of license to change from sharing with KTM to unlimited; KFXD, Frank E. Hurt, Nampa, Idaho, modification of license to change from 1420 kc. to 1200 kc.; WORK, York Broadcasting Co., York, Pa., license to cover C.P. granted 11/27/31 for a new station on 1000 kc. (CORRECTION - KGDA, Mitchell Broadcasting Corp., Mitchell, S. D., application requested a change from 1370 kc., to 1420 kc., as well as authority to move station to Aberdeen, S. D.).

Applications Other Than Broadcasting

Mar. 21-KGIS, Pacific American Fisheries, Excursion Inlet, Alaska, C.P. for new equipment on 212, 246, 425, 460, 500 kc., 200 watts, coastal and point-to-point service; W6XN, Mackay Radio & Telegraph Co., San Francisco, Calif., license covering C.P. for 23100, 25700, 26000, 27100, 34600, 41000, 51400, 60000 kc., 50 watts, experimental;; W3XK, Jenkins Laboratories, Inc., between Silver Spring & Wheaton, Md., renewal of visual broadcasting license for 2000 to 2100 kc., 5 KW; W3XJ, Same Co., C.P. for new transmitter on 1550 kc., 50 watts, sound track for experimental visual broadcasting service.

Also, KOU, Southern California Telephone Co., near San Pedro, Cal., license covering C.P. for 2530 kc., 400 watts, public coastal service; WPDN, City of Auburn, Police Dept., Auburn, N.Y. renewal of police license for 2458 kc., 50 watts; American Sales Co., New York, N. Y., C.P. for 1594, 3492.5, 6425 kc., 50 watts, general experimental service; KFD, Superior Packing Company, Tanakee, Alaska, renewal of license for 500, 460, 246, 3172 kc., 50 watts, coastal and point-to-point service.

March 22 - Western Air Express, Inc.: NC-122-M, NC-121-M, NC-99-K, NC-123-M, NC-126-M, NC-8011, NC-9724, NC-7989, new licenses for aircraft on 2906, 3072.5, 3082.5, 3105, 3088, 5510, 5540, 5672.5, 5692.5, kc., 10 watts; Aeronautical Radio, Inc., Las Vegas, Nev., C.P. for new station 2906, 3072.5, 3082.5, 3088, 5510, 5540, 5672.5, 5692.5 kc., 5 watts, aeronautical service; The Sparks-Withington Co.: new C.P. for a band in 2750-2850, 2000-2100, 2100-2200 kc., and a band in 43000-46000, 48500-50300, 60000-80000 kc., 100 watts, sound transmission in connection with visual broadcasting; Same Co., both at Jackson, Mich., same as above for experimental visual broadcasting service.

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