

# HEINL NEWS SERVICE

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WASHINGTON, D. C.

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## C O N F I D E N T I A L B U L L E T I N .

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## CAPITAL RADIO STATION VALUES RISE

The rental and purchase figures offered to Columbia in their taking over of Station WJSV, in the vicinity of Washington, indicates a sharp rise in the value of radio stations in the National Capital.

It has been learned from authoritative sources that the rental price for WJSV, a 10,000 watt station, is \$20,000 a year for the first five years, and \$40,000 a year for the next ten years.

Station WJSV, it is understood, has been offered for sale outright to Columbia for \$400,000, if purchased within the first five years, and \$600,000 within the next five years, and \$800,000 within the following five years, or 15 years hence.

This is in striking contrast with a value of \$20,000 set upon Station WRC, in Washington, built by the Radio Corporation but now owned by the NBC. Perhaps double that amount was spent at the time remodelling the old ship transmitter which the station still uses.

When the Chesapeake and Potomac Telephone Company in Washington sought a raise in rates about eight years ago, it reported the value of Station WCAP, which was then owned by that company but ceased operations when the Telephone Company went out of the broadcasting business, as \$90,000.

It is known that M. A. Leese, owner of Station WMAL, in Washington, has been offered \$250,000, some say more, for his station which uses only 250 watts power but has a very good wave length.

That being true, if one had sufficient imagination to picture the selling of Station WRC by the NBC, he might easily attribute a value to it of \$300,000 upward, depending upon how badly the purchaser wanted the station. The figure might easily be hiked up to half a million dollars.

When Station WEA, in New York, was sold for \$1,000,000, it was figured that \$200,000 of the money was for equipment and \$800,000 for the wave length and station contracts. That is probably about the right percentage in any radio sale. The Federal Radio Commission, despite all the denials the broadcasters may make, realize it is really the wave lengths which are being bought and sold - the free air which the people are supposed to own - and not the physical equipment.

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## SCHUETTE SUGGESTED AS RADIO DICTATOR

"It wouldn't be at all surprising if the head men of the broadcasting industry were to announce suddenly that they are about to unite under the dictatorship of a czar, as the movies and baseball have done", writes "Aircaster" in the New York Evening Journal.

"Having plodded along for twelve years without an arbiter of this type, the studio chieftains are finding their days and nights fraught with multiplying problems, the bulk of which can only be solved by coordination on a large scale. Not the least of these headaches is their current quarrel with the American Society of Composers, which, as you have read before, is demanding a five per cent cut-in on the gross receipts of the broadcasting companies in return for blanket permission to use music turned out by the Society members. Leadership in radio's fight somehow has fallen to Oswald F. Schuette, who looms as a possible candidate for imperial arbiter.

"Such a parallel for Will Hays or Judge Landis would assume power at the point where the Federal control of radio ends, and would represent the entire industry instead of a mere group of broadcasters. He would relieve the executives of the networks of many onerous tasks and responsibilities and obviate all possible clashes of policy that, under present circumstances, could weaken radio's front defenses in any sort of controversy.

"I am told that the idea of a czar appeals strongly to the radio bosses, and that it may materialize well in advance of the National Association of Broadcasters' convention in St. Louis next October."

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## MRS. DOROTHY HEARST AND WILLIAM S. PALEY WED

Mrs. Dorothy Hart Hearst, divorced wife of John Randolph Hearst, third son of William Randolph Hearst, the publisher, and William S. Paley, of New York, owner of the Columbia Broadcasting System, were married at Kingman, Ariz., last week. They sailed yesterday from San Francisco for Honolulu.

On their return from Hawaii, Mr. and Mrs. Paley will spend a few days in Los Angeles before leaving for New York to make their home.

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## CANADA'S RADIO POLICY

The Canadian change of radio policy brings in its train a restriction of advertising to 5 per cent of the broadcasting period, with perhaps some economic advantage to the sellers of British goods who have been protesting against the toothpaste, clothing and soap "hours", of American chains with Canadian affiliations, according to an editorial in the New York Times. Although many Americans would welcome a similar bridling of the radio salesman, it is difficult to see how Canada can afford to discourage him. The Dominion radio system is to be expanded and maintained with the aid of advertising revenue and license fees alone. According to the Federal Radio Commission, one-third of American broadcasting time in 1929 was devoted to advertising, yet of the 340 average stations that reported their earnings, 172 lost money and 168 realized rather small profits. With only about one-seventh as much time for sale and with not more than \$1,500,000 collectable annually from the licensees of receivers, the Dominion's entry into the radio business is not financially auspicious.

\* \* \* \* \*

"We do not doubt that the huge Canadian plan will be successful", the Editor & Publisher comments. "That it will influence the radio set-up in the United States is inevitable. Those who favor private ownership of broadcasting might well bend their efforts to a decent control of advertising."

\* \* \* \* \*

Protest against the granting of additional radio broadcasting facilities to the Canadian government was made last Friday night by Orestes H. Caldwell, formerly member of the Federal Radio Commission and head of the American committee on radio relations with Canada, before the Radio-Television Club of New York.

Mr. Caldwell said:

"Two of the important 'clear radio channels' set up for the service of American farmers will be destroyed for rural listeners under the proposal made this week to hand over to the Canadian government additional broadcasting facilities. Canada, with a population about the size of New York City or the State of California, already has three times the radio facilities per capita that are enjoyed by the United States with its 125,000,000 population.

"Under the amazing proposal consented to by the American government this week, Canada will now be authorized to put 5,000 watt stations on the hitherto 'clear' wave-lengths now occupied by the Hollywood station and by the Atlantic City station WPG, and by WLWL, the station of the Paulist Fathers at New York, thus setting up a destructive heterodyne whistle on these channels throughout the whole area except for a few miles around each station.



"In addition, Canada will continue to use her present six exclusive channels and also the additional exclusive wave-length at 540 kilocycles which has been preempted for use opposite Detroit. This channel is outside the broadcasting band, in the region reserved by international agreement for governmental and airplane use.

"Canada has served notice that she intends to use twenty present American regional channels for similar stations in Canada, thus destroying their availability also for American use near the Canadian border.

"Altogether, under the new set-up, Canadian stations will be using some twenty-nine wave-lengths, or four times as many per capita as will be available to serve American listeners."

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#### EUROPEAN MARKETS FOR RADIO RECEIVING SETS

Exports of radio receiving sets from the United States during March were valued at \$658,429, as compared with \$916,923 for the same month last year. Several European countries offered good outlets for these sets. France, in spite of quota allotment, took 2,826 receiving sets valued at \$78,040, and Switzerland imported to the value of \$64,077. Belgium came next with \$63,953, with Spain purchasing \$62,723 worth.

In the Western Hemisphere, it is noted that Argentina, Brazil, and Mexico were the outstanding markets, shipments to these countries amounting to \$49,608, \$35,527, and \$25,990 respectively. The Union of South Africa purchased a value of \$26,169 of American radio receiving sets, and \$25,880 was exported to New Zealand.

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#### TERRELL'S DAUGHTER TO BE WED

Invitations have been issued by Mr. and Mrs. W. D. Terrell to the wedding of their daughter, Charlotte, to George Nicholas Saegmuller, Jr., May 31st, at St. Mary's Episcopal Church, Livingston Heights, Va.

Mr. Terrell is Chief of the Radio Division of the Department of Commerce, and one of the two original radio inspectors in the United States.

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## SOME RADIO MATHEMATICS

The above is a heading of an editorial in the Editor & Publisher, of May 14th, which reads:

"Strange conclusions the Columbia Broadcasting System draws from its 'Analysis' of the Bureau of Advertising's survey of radio listeners, reported in this journal on March 26th.

"Starting with the Bureau's figures showing that only 34 out of 100 typical homes contain anyone listening to a radio program even during the best hours from 8:30 to 9:30 P.M., the Columbia reply reaches this remarkable conclusion:

"Thus the A.N.P.A. proves that at the peak hours of the evening, a network advertiser who utilizes re-broadcasts to reach the western time zones, or a national advertiser, using individual stations, commands an available audience of 25,000,000 listeners.'

"Elsewhere the Columbia reply states on its own authority that a program, if good enough, 'may attrace an audience as high as 20 to 25 per cent of all homes (an audience of 20,000,000 to 25,000,000 people).'

"Still another statement, indicating a nonchalant indifference to mere millions, to say the least, quotes 'impartial authorities' as putting the maximum of listeners to a single program at 16,000,000. (In all these cases the CBS refers to 'listeners', not families, multiplying the number of radio sets by an arbitrary number.)

"To keep the record straight, let us say here that the Bureau's report, considering the practicalities of nation-wide broadcasting, expressed a belief that a program on a nation-wide hookup, at the best evening hour, and using outstanding talent, would not reach more than seven homes in each one hundred - a 'circulation' of possibly 2,200,000 families.

"So before any advertiser counts too eagerly on reaching 25,000,000 possible buyers, with a 15-minute program, consider what that would mean:

"It would mean, in the first place, having a network of enough stations to give good reception everywhere in the nation -- which is beyond most advertisers.

"It would mean lining up on the network the most favored station in each locality, whether a Columbia station or a National station, or an independent - which is practically beyond any advertiser.



"It would mean having a program so attractive that hardly anyone anywhere would listen to any other program.

"This last condition, incidentally, would mean that all the advertisers who had second-best programs or worse would broadcast principally for the benefit of announcers and studio orchestras. And this, in turn, would mean, we presume, that the Columbia system would give refunds to these second-best and third-best advertisers who had no audiences.

"Or wouldn't it?"

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#### COMMERCIALIZED RADIO HIT

In an address before the National University Extension Association meeting in Minneapolis, Minn., Joly Elmer Morgan, secretary of the National Education Association, described commercially controlled radio stations as a "threat against free speech in America" and advised establishment of broadcasting stations under State control.

He attacked commercial stations for what he called undesirable advertising and said they limit the activities of stations operated by educational institutions. He asserted a "serious mistake" was made when air channels were not allotted to the States for their exclusive control.

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#### RADIO CHART OF THE WORLD

The Office of Naval Communications is preparing a chart which will show the principal radio telegraph and telephone circuits of the world. The rapidly-growing radio systems and tremendous number of circuits have made this effort extremely difficult, but it is expected the chart will be completed within the next few months.

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## CBS RENEWED CONTRACTS

RENEWAL - B. T. Babbitt, Inc., New York City, advertising placed by Peck Advertising Agency, New York City; "The Babo Bright Spot with the Musical Grocer". Musical program with soloist. Friday 11 to 11:15 A.M., May 20th, 17 stations.

RENEWAL - Wyeth Chemical Co., New York City, Jad Salts, "Aunt Jemima Songs", Tues., Wed., Thurs. 2:00-2:15 P.M. (as before, advertising placed by Blackett-Sample-Hummert, Inc., Chicago, Ill.; new contract goes into effect May 25th, 24 stations.

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## HEARINGS SCHEDULED BY RADIO COMMISSION

May 19 - Charles L. Bennett, Jamaica, N. Y., C.P. 1210 kc., 100 w., share time with WGBB, WCOH, WJBI; others notified: WMRJ, Jamaica, N. Y.; WGBB, Freeport, N. Y., WCOH, Yonkers, N.Y., WJBI, Red Bank, N. J., WBAX, Wilkes-Barre, Pa.; WJBU, Lewisburg, Pa., WRAW, Reading, Pa., WPRO, Providence, N. Y., WINS, New York City, WAAM, Newark, N. J., WODA, Paterson, N. J., WGCP, Newark, N. J., Peter Goelet, New York City.

Peter Goelet, Chester Township, N. Y., C. P., 1210 kc., 50 w, specified hours; Others notified: WBAX, Wilkes-Barre, Pa., WJBU, Lewisburg, Pa., WLCI, Ithaca, N. Y., WMRJ, Jamaica, N. Y., Charles L. Bennett, Jamaica, N. Y.;

WMRJ, Peter J. Prinz, Jamaica, N. Y., renewal of license, 1210 kc., 100 w., shares with WGBB, WJBI and WCOH; others notified: Charles L. Bennett, Jamaica, N. Y., Peter Goelet, New York, N. Y.

WRHM, Minnesota Broadcasting Corp., Minneapolis, Minn., modification of license, 1250 kc., 1 KW, unlimited time; present assignment: 1250 kc., 1 KW, shares time with WLB, KFMX, WCAL; Others notified: WLB-WGMS, Minneapolis, Minn., WCAL, Northfield, Minn., KFMX, Northfield, Minn.

WCAL, St. Olaf College, Northfield, Minn., renewal of license, 1250 kc., 1 KW, shares with WRHM, KFMX, and WLB which stations were notified.

KFMX, Carleton College, Northfield, Minn., renewal of license, 1250 kc., 1 KW, shares with WRHM, WCAL and WLB, which stations were also notified.

WLB-WGMS, University of Minneapolis, Minneapolis, Minn., renewal of license, 1250 kc., 1 KW, shares with WRHM, WCAL, and KFMX; Others notified: KFMX, WCAL, WRHM.



May 19 - (Continued)

WCAL, St. Olaf College, Northfield, Minn., modification of license, 1250 kc., 1 KW, share with KFMX and WLB and stations so notified.

WLB-WGMS, University of Minnesota, Minneapolis, Minn., 1250 kc., 1 KW, share with WCAL & KFMX, and stations so notified.

KFMX, Carleton College, Northfield, Minn., modification of license, 1250 kc., 1 KW, share with WCAL & WLB and stations so notified.

WRHM, Minnesota Broadcasting Corp., Minneapolis, Minn., renewal of license, 1250 kc., 1 KW, shares with WCAL, KFMX and WLB, and stations so notified.

May 20 - KTAB, Associated Broadcasters, Inc., renewal, San Francisco, Calif., 560 kc. 1 KW, renewal, unlimited time.

Universal Broadcasting Corp., Kearney, N. J., C. P. 2000-2100 kc., 1 KW, unlimited time. Others notified: Jenkins Television Corp., Washington, D. C., DeForest Radio Co., Passaic, N. J.

Ray-O-Vision Corp. of America, Ltd., Los Angeles, Calif., C. P. 2800 kc., 500 w.; Others Notified: Chicago Federation of Labor, Chicago, Ill., Philadelphia Storage Battery Co., Philadelphia, Pa.; Purdue University, W. Lafayette, Ind.; Atlantic Broadcasting Corp., New York City.

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#### APPLICATIONS RECEIVED BY FEDERAL RADIO COMMISSION

May 12 - Roberto Mendez, San Juan, Porto Rico, C. P. resubmitted for new station to use 1370 kc., 100 watts, unlimited; KABC, Alamo Broadcasting Co., Inc., San Antonio, Texas., and WFBM, Indianapolis Power & Light Co., Indianapolis, Ind., install automatic frequency controls; KRE, First Congregational Church, of Berkeley, Calif., modification of license to change specified hours of operation; KORO, Ltd., Eureka, Calif., C.P. for a new station to use 1500 kc., 100 watts, unlimited time.

May 13 - WOR, Bamberger Broadcasting Service, Inc., Newark, N. J., extend commencement and completion of C.P. for 50 KW to 9/16/32 and 11/16/32 respectively; WABC-WBOQ, Atlantic Broadcasting Corp., New York, N. Y., install automatic frequency control; South Carolina Broadcasting Co., Inc., Greenville, S.C. C.P. for a new station to use 1310 kc., 100 watts, unlimited time, facilities of WROL, Knoxville, Tenn; Claude Raymond Brand, Deadwood, S. D., C. P. amended to request 3 hours daily instead of 4 hours daily on 1200 kc.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

### Applications Granted (May 13, 1932)

WHA, University of Wisconsin, Madison, Wis., C.P. to move transmitter from North Charter St., Madison, to a new location in Madison, and make changes in equipment; WWL, Loyola University, New Orleans, La., modification of C.P. to move transmitter from Kenner, La., to a different location near Kenner, and extend completion date from May 15th to August 1, 1932; WSMB, WSMB, Inc., New Orleans, La., license covering local move of transmitter, 1320 kc., 500 watts, unlimited time; WFLA-WSUN, Clearwater Chamber of Commerce & St. Petersburg Chamber of Commerce, Clearwater, Fla., permission to extend program test period for 30 days; WJAR, The Outlet Co., Providence, R. I., permission to broadcast test program for period of 2 weeks, from May 12th, between hours 1 to 5 A.M., providing no interference results to Canadian stations;

Also, WLTH, The voice of Brooklyn, Inc., Brooklyn, N.Y., authority to use transmitter of WHBC for period of 10 days from May 5th (action taken May 5th); KGU, Marion A. Mulroony & Advertiser Publishing Co., Honolulu, T. H., authority to extend equipment test for 6 days (action taken May 11th); WORC-WEPS, Alfred Frank Klein-dienst, Worcester, Mass., authority to take depositions filed on behalf of WORC-WEPS in re application for C.P. and modification of license; hearing set for May 23rd (action taken May 7).

The following stations were granted renewal of licenses for the regular period: WFAM, South Bend, Ind., WNBH, New Bedford, Mass., WTJS, Jackson, Tenn., KFXM, San Bernardino, Cal., KGHI, Little Rock, Ark., and KMED, Medford, Ore.

Also granted - KGUB, Aeronautical Radio, Inc., Houston, Tex., modification of C.P. extending completion date to July 25, 1932; Goodyear Tire & Rubber Co., Inc., NC-15-A, "RESOLUTE", aircraft license, 3105 and \*5520 kc., 15 watts (\*for communication with ships and coastal stations when in flight over seas); American Airways, Inc., 9 new aircraft licenses, frequencies 3105, 3232.5, 3242.5, 3257.5, 3447.5, 3457.5, 3467.5, 3485, 5602.5, 5612.5, 5632.5 kc., unlimited, 3222.5 and 4917.5 kc., day only, 50 watts; KSJ, Superior Portland Cement, Inc., Dell Island, Alaska, renewal of public coastal telg. license, effective Feb. 1, frequency 500 kc., calling and 425 kc. working, 200 watts; also granted renewal of fixed public point-to-point telg. license, effective February 1, 178 kc., 200 watts; W9XAO, Western Television Corp., Chicago, Ill., renewal of experimental visual broadcasting license, 2000-2100 kc., 500 watts; W8BPI, Gaylord Monroe Maines, State Park, Lake Alma, near Wellston, Ohio, authority to operate station at opening of State Park at Lake Alma which is located near Wells-ville, event to occur on June 14, 15, 16, 17 and 18; W9XAO, Western-Television Corp., Chicago, Ill., consent to voluntary assignment of license to Western Television Research Co.



Also, Westinghouse Electric & Manufacturing Co., portable initial location SS "St. John", Boston, Mass., C.P. for broadcast pickup, 1566 and 2390 kc., 15 watts, also granted license to cover same; KDJR, Radiomarine Corp. of America, aboard "Onandago", temp. authority not to exceed 60 days pending receipt of formal application, authorizing operation of 500 w., transmitter, frequencies 157, 375, 410, 425, 500 kc., (action May 9th); KDCR, Tropical Radio Telg. Co., aboard vessel "Quirigua", temporary authority, not to exceed 60 days, to operate transmitter aboard vessel "Quirigua", (action taken May 9th); KDOQ, John A. Merritt & Co., Pensacola, Fla. authority not to exceed 60 days, to operate aboard Tug "Richmond"; frequencies 375, 425, 410, 454 and 500 kc. (action taken May 9th); WQCT, Mackay Radio & Telg. Co., aboard "Frieda", 60 day authority to operate pending receipt of formal application 357, 400, 425, 468, and 500 kc., 50 watts (action taken May 10th).

#### Applications Dismissed

The following applications were dismissed at request of applicants: WCSC, Lewis Burk, Charleston, S. C., modification of license 1360 kc., 1 KW, unlimited time; WLBW, Radio-Wire Program Corp., Oil City, Pa., C. P. 1020 kc., 5 KW, unlimited time.

#### Action On Examiners' Reports

Division of Water Resources, Dept. of Public Works, State of California, denied application for C.P. portable station to operate on general experimental frequencies with 10 watts power, unlimited time, sustaining Examiner Elmer W. Pratt; WHBC, Radio Station WHBC, Canton, Ohio, granted renewal of license to operate on 1200 kc., 10 watts, during the following hours: 6 to 9 A.M.; 12 M to 3 P.M.; 6 to 9 P.M. daily, sustaining Chief Examiner Ellis A. Yost; WNBO, John Brownlee Spriggs, Silver Haven, Pa., denied renewal of license to operate on 1200 kc. with 100 watts, to share with WHBC on Sundays, sustaining Examiner Yost; granted C.P. for new transmitter to operate on 1200 kc., 100 watts, during following hours: 9 A.M. to 12 M., 3 to 6 P.M., 9 P.M. to 12 P.M. daily.

(Action affecting stations WHBC and WNBO effective 20 days from May 13th).

#### Set For Hearing

Merle K. Berger, Upper Tyrone Twp. Pa., requests C.P. for new station, 1420 kc., 100 watts, 8 to 6 P.M.; Peoples Broadcasting Corp., Jacksonville, Fla., requests C.P. 1200 kc., 100 watts, unlimited time (facilities of WMBR); WSBT, The South Bend Tribune, South Bend, Ind., requests modification of license to increase hours of operation from specified hours (day only) to continuous daytime operation to 5:30 P.M.; WHDL, Tupper Lake Broadcasting Co., Inc., Tupper Lake, N. Y., renewal of license set for hearing.

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