

HEINL RADIO BUSINESS LETTER

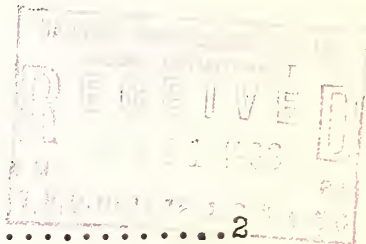
INSURANCE BUILDING

WASHINGTON, D. C.

RECEIVED
JAN 19 1933

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::

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SCHUETTE CONTINUES WAR ON COMPOSERS

In his Copyright Bulletin No. 6, issued on January 17, Oswald F. Schuette, director of copyright activities for the National Association of Broadcasters, writes:

"Information has reached me that E. C. Mills, general manager of the American Society of Composers, Authors and Publishers, has asked certain stations to submit lists of the musical compositions played over their stations.

"This action is in line with the terms of the ASCAP contract. However, it is important for all stations, before complying with such a request, to read carefully the exact wording of their contracts to see just what they are required to do. (Section 6 of the ASCAP contract).

"It is my opinion that a strict interpretation of the provision gives the licensed stations the individual right to exercise the option of submitting only a list of such musical compositions as are actually controlled by the Society. I have, therefore, recommended to broadcasting stations to exercise that option. Manifestly, before a station can comply with the provisions of the requirement imposed upon it under this option, it must have a list of 'all musical compositions heretofore or hereafter during the term hereof copyrighted or composed by members of Society or of which Society shall have the right to license the performing rights hereinbefore granted'. Until such a list has been furnished by Mr. Mills it will be impossible for any station to comply with the requirements of this option. A list of publishers and composers is not enough.

"It is important that stations be careful to exercise this option, particularly inasmuch as the Board of Directors of the American Society of Composers has taken an attitude hostile to broadcasting. It would be particularly dangerous to put into the hands of such an unfriendly organization a list of all the musical compositions performed over any station. In case such a list contained a record of the use of a number which ASCAP might claim to control when as a matter of fact it did not, might entail difficulties for the station. I shall appreciate it if cooperating broadcasting stations would send me copies of any correspondence they may have with Mr. Mills on this question."

Then Mr. Schuette, turning to the phonograph records -for-broadcasting question, writes:

"As I have said in previous Copyright Bulletins, as well as in NAB Bulletins, it is my opinion that the mere printing of such a notice upon a phonograph record has no binding effect upon a bona fide purchaser. He is at liberty

to use it for any legal purpose for which it can be used. The phonograph record companies, in my opinion, cannot assert any control over a record after it has been sold."

Under the heading, "Making ASCAP Restrictions Permanent", Mr. Schuette says:

"A new list of 'restrictions' has just been issued by ASCAP. Most of the numbers so withdrawn from the use of broadcasters, who are paying a license to the Society, are compositions controlled by members of the Board of Directors of ASCAP. This is the Board whom Mr. Mills blames for his inability to negotiate a revision of the present extortionate copyright contract.

"The same letter announcing the new withdrawals, lists compositions which now are 'restored' to use by the broadcasters. In line with previous recommendations, I am again urging that none of the numbers so restored be used by broadcasting stations.

"If advertisers insist upon the use of any of these 'restored' numbers, I would not, of course, ask any station to endanger an advertising contract by declining to comply. But I do believe a station should use this opportunity to indicate to such an advertiser that his insistence upon the use of a particular number helps to increase the power which ASCAP pretends to exert over the make-up of broadcasting programs. Once a number has been restricted by ASCAP, it should be kept permanently off the air.

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RADIO PATENTS RULING BY SUPREME COURT AWAITED

The United States Supreme Court is expected to hand down a decision shortly in a contest involving title to valuable patents enabling the operation of radio receiving sets by ordinary house electric currents, after the case was placed in the hands of that tribunal yesterday.

Solicitor General Thatcher concluded the oral argument to sustain the Government's claim to three patents granted Percival D. Lowell and Francis W. Dunmore and assigned by them to the Dubilier Condenser Corporation.

He insisted the patents were conceived by the inventors while in the employ of the Bureau of Standards and while engaged in research work. The inventions represented a natural development of the work assigned them, he said. He insisted the Government's title to the patents did not require a specific assignment to the employees of research to make the particular inventions.

James H. Hughes, Jr., in urging the court to sustain the decision of the Third Circuit Court of Appeals in denying the Government's claim, contended it would require a new construction of the law to hold that one employed as a research expert was employed to invent. He asserted the Government could claim title to inventions conceived under a specific contract of employment and denied the two Government employees were assigned specifically to perform work requiring inventions.

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SHULER RENEWS FIGHT FOR RADIO STATION

The Rev. Robert P. Shuler of Los Angeles renewed his fight to keep Station KGEF on the air by obtaining from the Supreme Court a delay in handing down the order which last Monday refused to review a lower court decision against him.

The successful motion by Shuler's counsel was presented to permit filing a petition asking the highest court to reverse its order and to hear the case. Such petitions are seldom granted.

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AIR NAVIGATION RADIO APPARATUS IMPROVED

Another important step in providing practicable and accurate aid to air navigation has been taken by the Department of Commerce with the recent development of a new type of transmitting antenna which insures more accurate reception of the signals sent out by the radio range beacons to guide airmen along the Federal Airways System.

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GERMAN RAILWAYS HAVE RADIOTELEPHONE

Radiotelephone service between trains and ferries was recently inaugurated in Germany by the National Railroad Company, enabling passengers on these transportation services to carry on conversations while en route. Express trains operating between Berlin and Hamburg and ferries plying from Warnemuende to Gjedser are now equipped with short-wave radiotelephone apparatus which permits direct telephone connections between the two services.

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Three efforts to make deep slashes in the retired pay of former Army officers, including Generals Pershing and Harbord were decisively defeated in consideration of the House War Department supply bill.

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GRIGSBY'S SUIT AGAINST RCA "AMICABLY" SETTLED

Settlement of the radio patent fight of the Grigsby-Grunow Co., of Chicago, against the Radio Corporation of America and affiliated concerns was announced in Kansas City on Tuesday with the dismissal of a \$30,000,000 anti-trust suit.

B. J. Grigsby, president and chairman of the board of Grigsby-Grunow, said that settlement of the company's suit against the Radio Corporation of America over radio rights represented a "satisfactory conclusion" of the case.

"This action marks the successful conclusion of the Grigsby-Grunow Company's fight to obtain better terms and conditions for the radio industry and its operation under the patents of the Radio Corporation and its associated companies", he said.

Mr. Grigsby said that the Radio Corporation had modified its licenses to provide for opening the field of export, elimination of royalty on cabinets and shipping boxes and reduction by a third of the royalty on radio sets and tubes.

David Sarnoff, president of the Radio Corporation of America, said that the agreement had been made between the Grigsby-Grunow Company and the Radio Corporation, General Electric, Westinghouse companies and others "in order to avoid further economic waste and business disorganization". The "Radio group" companies have been released from all claims involved in the Kansas City litigation and other claims, Mr. Sarnoff said, and the Grigsby-Grunow Company has executed the standard supplemental radio receiving set license. The standard radio tube license has also been issued to the Grigsby-Grunow Company for a period of five years with an option to extend it for an additional five-year period.

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RMA TRAFFIC MANAGERS TO MEET

A conference of traffic managers of the RMA with the Consolidated Classification Committee of the Carriers has been arranged for Monday, January 30, at the Chicago offices of the latter committee. Minimum carload rates and less than carload rates will be considered in the effort of the RMA to secure reductions.

Another meeting in New York on January 27 of the Joint Coordination Committee of the National Electric Light Association, the National Electrical Manufacturers Association and the Radio Manufacturers Association has been called for further work on radio interference problems. Tobe Deutschmann, of Canton, Mass., is chairman of the RCA Interference Committee.

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RADIO LICENSE FEE BILL IS VIGOROUSLY OPPOSED

The hearing before the sub-committee of the Senate Interstate Commerce Committee on the license fee bill (S. 5201) introduced by Senator C. C. Dill, developed into a protest meeting. Witnesses declared that the fees proposed are tantamount to a tax, also that they are high and discriminatory.

The principle of the bill was opposed by John C. Gall, Secretary of the National Association of Manufacturers, who contended that additional costs to radio stations through license fees would not be cared for by the stations but would be passed on to the advertisers. He said that the bill was a revenue measure and should have originated in the House rather than in the Senate.

H. A. Bellows, of the National Association of Broadcasters, told the sub-committee that the fees will result in the broadcasters paying them out of their losses. He called attention to the burdens already imposed on the stations and cited the copyright charges which have been increased from \$1,000,000 to \$3,000,000.

"Every added burden means less money on programs, less on equipment and talent", he said.

The bill, Mr. Bellows continued, makes the radio stations pay the cost of radio regulation. He declared that railroads were not assessed in a similar manner to defray the cost of regulation through the Interstate Commerce Commission.

"Broadcasting already pays full taxes and this bill imposes another payment", he asserted. Mr. Bellows expressed the opinion that licensing fees will deprive the Radio Commission of its freedom in renewing applications for licenses.

W. A. Winterbottom, vice president and general manager of the Radio Corporation of America, and traffic superintendent of radio communications, declared that the fees add an additional burden to the young industry and are unfair. He said that the fees imposed represent "unfair discrimination" against this form of communication. He cited the existence of 29 cables connecting the United States with foreign countries which carry 80 per cent of the communications yet have no such license burdens imposed upon them.

The cost to RCA, he asserted, will amount to between \$12,000 and \$15,000 annually. He said RCA does not object to fees but does to discrimination. Radio communications, he explained, are in competition with cables and the

charge is burdensome and unequal.

He suggested a modification of the license fee from \$75 to \$25 with a limitation on three frequencies. The fee as a tax should be levied on all forms of communication rather than on radio alone, he concluded.

Edwin H. Duff, of the American Steamship Owners Association said that he regarded the proposed fee as a "hardship" on the steamships, since they are required by law to carry radio equipment. He protested also against the fees which must be paid for all inspections. These inspections are required by law.

The radio, like the newspaper, is a means of disseminating public information, S. Howard Evans of the Ventura (Calif.) Free Press, declared, and they are in competition. The fees on the broadcasting station are an "inequality" and indicate a control by Congress of conditions under which communication takes place, he added, pointing out that it costs no more to get a license for a 50,000 watt station than a 50 watt one.

To impose the fee on the radio station, Mr. Evans insisted, is unfair, and cannot be confined to the radio but will eventually go to the newspapers. He called attention to the fact that there are over 100 radio stations associated with or affiliated with newspapers. Mr. Evans said he thought there should be a Federal investigation to work out the whole matter. Fees affect the small stations' expansion programs and as a result many stations will lose money under the present system, he said.

E. J. Coltrane, representing the National Committee on Education by Radio, said the bill is "unsound in principle" in that it "taxes" educational stations. If the Federal Government levies a charge here, he pointed out, it logically follows that it would levy a tax on universities and colleges maintained by the State governments. Senator Dill replied that it was not a tax but a fee for the privilege or service. Mr. Coltrane declared that the educational stations render a distinctive public service both in teaching and in diffusing information. He suggested that the bill exempt them from the license fees.

Charles F. Dolle, representing Catholic educational stations, said he agreed with Mr. Coltrane and believed that educational stations should be exempt from the charges.

James W. Baldwin, secretary, and D. M. Patrick, general counsel, Federal Radio Commission, called attention to certain technical aspects of the bill affecting administration. They called for amendments authorizing the Commission to make such rules and regulations as would be necessary and questioned whether the bill should authorize rebates.

The Dill bill would require all radio stations to pay an annual license fee, the amount of the fee being governed by the power of the station and the number of stations using the same frequency. The fees run from \$120 yearly for a 100 watt station to \$5,000 for a 50,000 watt station on a cleared channel.

In addition, there are filing fees for all applications for construction permits for new stations, or for a frequency, or the time allocated to an existing station, or for change of frequency, etc.

It has been estimated that, if the bill passes, the amount raised would be more than half enough to defray the cost of the Federal Radio Commission's administration of the Radio Act.

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COMMISSION CENSORSHIP UPHELD

Although the Federal Radio Commission is chary about admitting that it possesses the power of censorship- and insofar as the Radio Act is concerned it has none - nevertheless the Supreme Court's refusal to review the Shuler case, thus upholding the decision of the District of Columbia Court of Appeals, establishes censorship without a shadow of a doubt.

The Rev. Robert P. Shuler, a California clergyman, who operated a church station, KGEF, in Los Angeles, was alleged to have attacked Catholics, those of other religions and various notables in public life. Complaints reached the Radio Commission which, after a hearing, in effect closed the station by refusing to grant a license renewal.

Shuler and the church contended the Commission's order was an illegal restriction of constitutional rights of free speech and constituted a censorship. The District of Columbia Court of Appeals sustained the Commission's action.

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FATHER COUGHLIN CALLS ON ROOSEVELT

The Rev. Charles E. Coughlin of Detroit, known as the "radio priest", called on President-elect Roosevelt at his New York residence on Tuesday. Father Coughlin described it as "just a friendly visit" and said he would call again on February 15.

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Carlos K. McClatchy, publisher of the Fresno Bee-Republican and prominent in the setting up of a chain of radio stations owned by the McClatchy organization, in Sacramento, Fresno, Bakersfield, Stockton, Calif., and Reno, Nev., died in San Mateo, Calif., on January 17.

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NBC NEW AND RENEWAL ACCOUNTS

New, Great Atlantic and Pacific Tea Co., New York City. Agency: Paris and Peart, NYC. Starts Jan. 9 for 52 weeks. Daily exc. Sat. and Sun. 6:00-6:15 p.m. EST. Network: WJZ WBZ WBZA WBAL KDKA WGAR WMAQ KWK KOIL WREN. Program: "Maud and Cousin Bill" - dramatic sketch by Booth Tarkington.

New, Westinghouse Elec. & Mfg. Co., East Pittsburgh, Pa. Agency: Fuller, Smith and Ross, Inc., Cleveland, Ohio. Starts Feb. 14 for 18 weeks. Tuesdays, Thursdays and Saturdays, 7:45-8:00 p.m. and 11:15-11:30 p.m. EST. 7:45 p.m. Basic Blue network. 11:15 p.m. NW SW SC KOA KDYL GOLD Program: "Octavus Roy Cohen Murder Mystery" - dramatized detective stories by Octavus Roy Cohen.

New, Real Silk Hosiery Mills, Indianapolis, Ind. Agency: Erwin, Wasey & Co., 230 N. Mich. Ave., Chicago Starts Feb. 5, 1933 for 13 weeks. Sundays, 10:15-10:45 p.m. EST. Basic Blue network, exc. KWCR KSO KSTP WTMJ WIBA WSM WSB WJDX WSMB SW(exc. KVOO KTBS) KOA KDYL Orange Program: Vincent Lopez orchestra and short domestic skit

Change, WEAf General Electric Sunday Circle Concert - change length of contract from 40 weeks to 52 weeks Expiration date will be Dec. 17, 1933.

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LIGHT BEAM CARRIES COLUMBIA RADIO PROGRAM

will be

A new method of sound transmission / introduced by the Columbia Broadcasting System tonight (Thursday) at 8:30 o'clock when a light beam will be substituted for a wire line in sending a complete program from a remote point to the network's master control board.

A stream of light will carry the sound of Vaughn de Leath's voice and the music of Fred Berren's orchestra from the Chrysler tower on 42nd Street and Lexington Avenue to the Columbia headquarters at Madison Avenue and 52nd Street, New York City, a distance of approximately half a mile. With the use of the high-intensity light beam the wire circuit which heretofore served as the means of transmitting remote broadcasts will be eliminated.

"This innovation", reads the press notice, "has been made possible by a new type of mercury quartz induction lamp invented by Elman B. Myers. Columbia's broadcast is the result of many months of experimenting by Mr. Myers and Edwin K. Cohan, technical director of the network.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted

WROL, Stuart Broadcasting Corp., Knoxville, Tenn., granted mod. of CP, extending completion date from Dec. 28, 1932 to Feb. 1, 1933; KXL Broadcasters, Portland, Oregon, granted license, 1420 kc., 100 w., emergency purposes only; also granted mod. of license to use transmitter as main instead of auxiliary transmitter; WHDH, Matheson Radio Co., Inc., Boston, Mass., granted auth. to determine operating power of station by direct antenna measurement; KFJM, University of North Dakota, Grand Forks, N. Dak., granted ext. of Rule 145 to Feb. 28, 1933; KGFJ-KERN, Ben.S. McGlashan, Los Angeles, The Bee Bakersfield Broadcasting Co., Bakersfield, Calif., station KGFJ advised to remain silent from 2 to 2:15 a.m. Jan. 25, 1933, in order that operating frequency of station KERN may be checked;

WHDF, Upper Michigan Brdstg. Co., Calumet, Mich., granted authority to discontinue operation for the period Feb. 1 to May 1, 1933; WKBH, Inc., La Crosse, Wis., granted auth. to operate from 9 to 9:15 p.m. Fri. Jan. 27, in order to broadcast a chain program; WGN-WLIB, WGN, Inc., granted renewal of license for the regular period for auxiliary transmitter; WAMC, Raymond C. Hammett, Anniston, Ala., granted renewal of license for the regular period; KIEV, Cannon System, Ltd., Los Angeles, Calif., equipment test period extended for period of 10 days from Feb. 14; City of Tacoma, Washington, granted CP for police service, 2414 kc., 100 w.; W2XAR, Radio Pictures, Inc., Long Island City, N.Y., granted mod. of gen. exp. lic. to add an additional transmitter;

WKDX, City of New York, granted renewal of private coastal-coastal harbor license, 2738 kc., 200 w.; W8XAR, Westinghouse Elec. & Mfg. Co., near Saxonburg, Pa., granted ren. of spec. exp. license, 980 kc., 50 to 400 kw.; hours of operation 1 to 6 a.m. daily; W1XAK, Chicopee Falls, Mass., granted ren. of special experimental license, 990 kc., 50 kw., unlt'd. time; WKER, Radiomarine Corp. of America, New York City, granted 60-day auth. to operate pending receipt of formal application; 375 to 17,150 kc., 50 w., 375 to 500 kc., aboard vessel "Santa Lucia"; KFZS, granted 30-day auth to operate station aboard vessel "Mascotte", pending action on formal application; frequency range, 3,200 to 17,100 kc., 150 w.; WKES, Mackay Radio Telegraph Co., New York, granted 30-day auth. to operate station aboard vessel "Trimount", pending action on formal application; 375 to 500 kc., 100 w.

Set For Hearing

KSCJ, Perkins Bros. Co., Sioux City, Iowa, mod. of lic. to change hours of operation from sharing with WTAQ to simultaneous daytime and sharing with WTAQ at night; KVOA, Robert M. Riculfi, Tucson, Ariz., consent to vol. assign. of lic. to Arizona Brdstg. Co., Inc.

Action On Examiners' Report

Maurice L. Barrett, E. St. Louis, Mo.; Samuel E. Yaste and Burrell Barash, Galesburg, Ill. and Permil N. Nelson, denied construction permit for new station to operate on 1500 kc., 100 w., unlt'd. time, reversing Chief Examiner Ellis A. Yost; denied as in default the application for new station to operate on 1310 kc., 100 w., sustaining Examiner Yost.

WKBS, Permil N. Nelson, Galesburg, Ill., denied renewal of license as in case of default, and terminated existing temporary license, effective immediately (Station operated on 1310 kc., 100 w., unlt'd. time). Examiner Yost sustained.

Applications - Other Than Broadcasting

Bergen County Police, Hackensack, N.J. CP for new municipal police station; WBEN, Inc., Buffalo, N.Y. CP for new Visual Broadcasting station, 43,000, 48,500-50,300; 60,000-80,000 kc., 20 w.; KGN, Coos Bay Wireless Teleg. Co., North Bend, Oreg., renewal of coastal telegraph license; Vernon Wright, Mauston, Wis., CP for a new general experimental station, 1594-8660 kc., 50 w.

WPFC, City of Muskegon, Mich., license to cover CP for municipal police station, 2424 kc., 50 w.; WAEI, Aeronautical Radio Inc., Detroit, Mich., CP to construct new Western Electric 9-A transmitter. To take the place of RCA ET 3,666 transmitter. Aeronautical and pt.-to-pt. aeronautical stations; W3XAU, Universal Broadcasting Co., Newtown Square, Pa., changing corporate name to WCAU Broadcasting Co. Modification of license for a relay broadcasting station;

KGZB, City of Houston, Tex., CP for a new transmitter covering municipal police station, 1712 kc., 200 w.; WPY, City of New York, ren. of private coastal license, 438,500 kc., 200 w.; W2XAU, Lawrence C.F. Horle, Newark, N.J., license to cover CP for gen. Exp. station, 51,400 and 60,000-200,000 kc., 2 w.; Bell Telephone Laboratories, renewal spec. exp. license; WLC, Central Radio Telegraph Co., Rogers City, Mich., renewal of marine relay license, 143, 165, 410, 425, 454 kc., 1 kw.

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CBS NETWORK TO BE LINKED WITH BAHAMAS

The first radio program originating in Nassau, on the Island of New Providence, The Bahama Islands, will be sent out over the Columbia Broadcasting System at 1 o'clock Sunday afternoon. William S. Paley, president of the company, who is vacationing there, will introduce the Hon. Bede E. H. Clifford, Governor of the Bahama Islands.

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