

# HEINL RADIO BUSINESS LETTER

INSURANCE BUILDING

WASHINGTON, D. C.

VICE PRESIDENT AND MANAGER, ATTORNEY

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 :: :: **CONFIDENTIAL—NOT FOR PUBLICATION.** :: ::

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*[Handwritten signatures and initials]*

## RUSSIA TALKS ABOUT 1,000,000 WATT STATIONS

Dr. Louis Cohen, well known radio engineer, himself a Russian, who has just returned to the Capital after visiting Russia upon invitation from the Russian government, told the Washington chapter of the Institute of Radio Engineers that Russia just now is considering the question of whether to erect radio stations of from 500,000 to 1,000,000 watts power or to install "smaller" stations of 100,000 watts. The reference to "smaller" stations of 100,000 watts got quite a laugh from those attending the meeting. Dr. Cohen said that Russia has at present one 500,000 watt station, five 100,000 watt stations, and from 50 to 60 stations from 2,000 to 25,000 watts.

The government provides the transmitting stations and the receiving sets as well. Both are the property of the government. It figures the more powerful the stations are the more cheaply adequate receiving sets may be manufactured or, the other way around, the weaker the station the more expensive the receiver.

With that theory in mind the government is trying to reach a conclusion for the next five year plan as to whether or not it should increase the number of 500,000 watt stations or build 1,000,000 watt transmitters.

Most receiving sets in Russia, Dr. Cohen said, have one stage of radio frequency and two stages of audio frequency, the equivalent of a four or five tube set.

The government provides a receiving center in every small village. In the smallest village there is a clubhouse where people may assemble and listen to programs. In large villages the central station connects with loud speakers around the town. In cities each apartment house has a central receiving system consisting of three sets - giving listeners a choice of three programs.

Dr. Cohen said the programs are surprisingly good. They are made up mostly of educational matter and music. The propaganda, he said, does not exceed ten per cent. He had been lead to believe that propaganda took up a larger percentage of the Russian programs. The government issues several radio program magazines each month which are very

good and very complete, Dr. Cohen said.

At present, the speaker declared, there are about 3,000,000 receiving sets. Within the next five years Russia expects to have 20,000,000. The manufacturing plants can turn out 600,000 sets a year but at the end of the next five years they hope to turn out 1,500,000 sets annually.

There are five radio factories in operation in Russia but at the end of five years the government hopes to have at least twenty factories. Dr. Cohen spoke in high terms of the radio technical laboratories. They are in two divisions, those of the Post Office department and those of the Army and Navy. Dr. Cohen was permitted to inspect the former but the latter are secret and he was not permitted to go near them.

Russia, he observed, is not doing much with television or ultra-high frequencies. At least not in the laboratories he was allowed to visit.

Many radio telegraphic facilities are being developed. Russia is particularly adapted for that type of service because of its great distances.

Much of the technical work is done under the advice of committees. An engineer, Dr. Cohen said, is afraid to recommend anything for fear he may be accused of sabotage if it does not work. Hence the committees because the engineers believe there is safety in numbers.

Dr. Cohen said the thing that struck one entering Russia was the poor clothing everybody wears. After a month or so you forget it. He himself went to the Opera in Leningrad wearing a sweater.

Private automobiles are so rare as to be almost never seen. A professor took him for a ride in a Ford and it was the only automobile trip he had in Russia.

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#### SUPREME COURT DECISION GIVES COMMISSION TREMENDOUS POWER

Senator Dill, of Washington, believes the sweeping decision of the Supreme Court in the case of the Chicago-Gary stations gives the Radio Commission enough power, through the teeth it puts in the Radio Act, to withdraw broadcasting licenses and issue, if the Commission should see fit, television licenses. That is if television should be developed to an extent where it would be con-

sidered more in the public interest to have it used than broadcasting.

"It is a wonderful decision", Senator Dill said. "It establishes the right of the Commission to change station assignments at will and puts upon all stations the necessity of serving the public or getting off the air. Likewise the decision clearly establishes the fact that Congress is supreme in its power to regulate interstate commerce as it relates to radio and can delegate such powers to the licensing authority it has created."

Senator Dill said a most important part of the decision was that it established the fact that stations possess no property rights in their channels and exist only by sufferance of Congress from license-renewal to license-renewal so long as they serve the public interest. The Senator said the Supreme Court applied the same rule to radio as to the authority of the Congress to control commerce on navigable streams. If any structures over such streams interfere with commerce, Congress has a right to have them removed without being obliged to compensate those required to take such action.

Another Senator who has a smile on his face as a result of the decision is Wallace White, Jr., of Maine, co-author of the Radio Act. Senator White was most anxious that the acid test be made by the Supreme Court so that Congress might know whether the Davis amendment, which was enacted for the purpose of equalizing the country's radio facilities "was to be respected or whether the Congressional purpose has come to naught".

Following the reversal of the Commission by the Court of Appeals, Senator White, from the floor of the Senate, urged a Supreme Court review of the case.

"The Court of Appeals decision", Senator White declared at that time, "if followed, would render futile the effort of Congress, through the Davis amendment, to break down the excessive concentration of stations in limited areas and to bring about an equitable distribution of radio services throughout the country".

Senator White said a point he was most anxious to have assured was that the government would not be liable for damages for stations ordered off the air.

The Supreme Court decision was printed in full in the Congressional Record of May 8.

What the decision means was summed up as follows by Sol Taishoff in Broadcasting Magazine:

"1. That the Radio Commission can exercise a free hand in reducing facilities in over-quota states and in assigning them to under-quota areas within certain broad limitations.

"2. That stations possess no property rights in their channels and exist only by sufferance of Congress from license-renewal to license-renewal under powers delegated to the Commission.

"3. That there need not to be an exact mathematical distribution of broadcasting facilities among the states, although all people are entitled to equality of transmission and reception.

"4. That the Court of Appeals of the District of Columbia does not sit as a "super Radio Commission", but is a judicial body and can only review decisions of the Commission on question of law.

"5. That the Supreme Court does have the jurisdiction of review, on writs of certiorari, appeals from decisions of the Court of Appeals of the District of Columbia reversing the Commission, which indicates that other cases involving novel questions and different issues may be carried to the highest tribunal.

"6. That Congress is supreme in its power to regulate interstate commerce as it relates to radio and can delegate such powers to the licensing authority it has created.

"7. That the Commission's quota system is valid as an act of administrative judgment in compliance with the law.

"8. That the Commission is in no wise bound to adopt the recommendations of its examiners, but rather is required to reach its own conclusions upon the evidence.

"9. That there undoubtedly will be a flood of applications filed with the Commission from stations or applicants in under-quota states for facilities in over-quota states, which the Commission must consider on the basis of the broad powers vested in it under the decision."

Congratulations are being received by Ralph Atlass, principal owner of WJKS, at Gary, victor in the case, and the broadcaster most responsible for fighting it through to the Supreme Court. Atlass, as he usually does, spoke softly but he carried a big stick.

A report around Washington was to the effect that if the Supreme Court decision had gone the other way it would have caused President Roosevelt to act definitely to abolish the Radio Commission but now that the Commission had been strengthened, he would perpetuate it.

Commenting upon this Senator Dill said though he had not talked with the President, he believed the Commission was slated to go.

"Whether the Commission remains or whether its duties are transferred to the Commerce Department or elsewhere", the Senator said, "the law remains the same and can be carried out by one administrative body as well as another."

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#### A.B.S. PRESS STATEMENT AGITATES AGENCIES CONVENTION

Ed Wynn, who in addition to his other accomplishments promises to be the "bad boy" in radio, evidently decided to have a joke at the expense of the American Association of Advertising Agencies convention last week in Washington. At any rate whether intentional or not, he succeeded in "getting their goats".

It came about through a press release issued on the stationery of the Amalgamated Broadcasting System which read, in part, as follows:

"Members of the A.A.A.A. meeting in Washington had before them a revolutionary radio advertising policy advanced by the officials of the Amalgamated Broadcasting System, the new national radio chain of which Ed Wynn is president.

"Mr. Wynn, who was invited to address the delegates at Thursday night's annual dinner at the Hotel Mayflower, was unable to attend, but other officials of this third nation's radio networks cooperated with convention delegates in setting forth the plan.

"Hailed by advertising men, editors and Federal officials as the genesis of 'the new deal' in radio's public relations the plan of the A.B.S. is a three-point one.

"First, elimination of offensive and lengthy trade announcements in radio advertising programs or, as Mr. Wynn puts it, 'blahless radio'.

"Second, inclusive national schedules for newspaper-radio advertisers, whereby each form of advertising shall be 'geared in' with the other.

"Third, cooperation, rather than hostility, between the radio and the Nation's daily and periodical press."

"In connection with the first point, delegates heard the results of a survey made by one of their members, Frank A. Arnold, former executive of the National Broadcasting Company and now vice president of a large advertising agency", the A.B.S. press release continued, "Mr. Arnold's survey showed that radio listeners-in are showing cumulative offense at long-drawn-out, intrusive and irrelevant ballyhoos in the midst of radio entertainment.

"Why does the advertiser", asked Mr. Arnold, 'tell his story so well in newspaper print in 200 words and yet require 600 words when he tells it on the air?' Continuing, Mr. Arnold, who was director of development for NBC for six years, told of a personal study of a large guest audience which was forced to listen to 725 words of commercial ballyhoo. 'After the first 200 words all interest was lost', he said.

However, when the newspapermen asked Sam Fuson, press representative of the Advertising Agencies Association, what action they had taken on Ed Wynn's plan he said the proposition had not even been presented to the convention. He said all the delegates knew about it was what they saw in the press release.

"The matter did not come before the convention", Mr. Fuson declared, "and the agency represented by Mr. Arnold is not a member of our association."

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#### COMMISSION PERSONNEL IN FOR SALARY CUT

At a minimum the personnel of the Federal Radio Commission is doomed to have its salary cut at least \$20,000 before July 1. The Independent Office Supply bill, which has passed the House and is now pending in the Senate, carries an appropriation of \$640,000 for the Commission for the next fiscal year, beginning July 1st.

The appropriation for this year was \$856,000, of which roughly \$574,000 is for the payroll of personnel in Washington and in the field.

During the next fiscal year, of the \$640,000 roughly \$543,000 is for salaries of personnel in Washington and the field.

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## AMALGAMATED BROADCASTING SYSTEM ANNOUNCES NEW STAFF

The following press statement has been received from the Amalgamated Broadcasting System, of which Ed Wynn is president:

"More than 75 separate continuity productions are set for the new Ed Wynn Amalgamated radio network, due to open soon. They are in hand under George M. King, director of the Amalgamated Artists' Bureau and his associate, Irvin Z. Grayson.

"Director George M. King of Amalgamated Artists' Bureau is known to the world of the theater through 20 years' activity on Broadway and in the field. Starting in the pre-Albee days with the team of Shayne & King, he was successively a representative of various headliners in variety, associated with Jean Bedini, general manager of the Bert Levy circuit, and operator of an independent circuit of theaters...

"Associate Director Grayson comes to Amalgamated from WTIC, Hartford, where he was in charge of manifold duties as supervisor of artists, production and programs. He previously was with NBC for seven years in the sales and promotion departments, and also was on the West Coast as associate director of M-G-M cinema productions.....

"Ray Perkins, "the old topper", late acquisition of Amalgamated, is responsible for the scripts for the Rosamund Johnson Negro choir of 30 voices, which will soon take its place as one of the major features of the air. The jubilee singers start on Amalgamated with "Big-Meetin'-Time", a rousing new-day feature. Perkins also is working, with Gus Edwards, on the scripts of the radio adaptation of the famous "School Days", with many of the original cast appearing before the microphone....

"A millionaire died and instead of leaving his riches to a young pair who were his presumptive heirs, the estate went to a foundation for discovering the seven best musicians of the nation. At least, so Peter Dixon writes in his initial production for the new Amalgamated network.

"Another of Dixon's current major works is a new radio investiture for the Russian Cathedral Choir, directed by Nikolas Vasilieff.

"Phillip Barrison of the Amalgamated production staff, appointed casting director of its productions by President Ed Wynn, formerly directed the Collier's Hour over the NBC air waves. He is putting into modernistic

form a hitherto-unconceived version of the Arabian Nights, with incidental music by Rimsky-Korsakov, Tchaikovsky, and Russian and Oriental modernists, with an ensemble background of musical motifs which Mr. Barrison himself has collected from a study of the native music of Bagdad and other centers of the near East....

"Beverly Bayne, once the heart-throbber for millions in earlier cinema days is to be featured in a Barrison series of Amalgamated air productions titled "Super-Women of History". These figures, with authentic production environment, will range from Cleopatra to Amelia Earhart. The scripts are being prepared by Bessie Beatty, formerly of the editorial staff of McCall's and other women's periodicals."

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#### NBC NEW AND RENEWAL ACCOUNTS

Renewal, Tide Water Oil Sales Corp., Agency: Lennen & Mitchell, Starts May 24th. Time: Mon. Wed. Fri. 7:30-7:45 p.m. Stations: 11 basic, 5 supplemental. Listing: Dolph Martin and his Travelers Quartet.

Renewal, Liggett & Myers Tobacco Co. Agency Newell Emmett. Starts June 2nd. Time: Friday 10:00-10:30 p.m. Stations: Basic, Don Lee, Florida plus 27 stations. Listing: "Lou Holtz and Lennie Hayton's Orchestra".

New, Lionel Corp. (Lionel Electric Trains), 14 East 26th St., NYC. Agency: Fuller Smith & Ross, 301 Euclid Avenue, Cleveland, Ohio. Starts Nov. 5, 1933 for 13 programs. Wednesday does not start until Nov. 15. Time: Sunday, 4:45-5:00 p.m., Wednesday, 5:00-5:15 p.m. Network: WEAJ WEEI WTIC WJAR WTAG WOSH WFI WLIT WFBR WRC WGY WBEN WCAE WTAM WWJ WSAI WMAQ KSD WHO WOC WOW WDAF WTMJ WIBA KSTP WEBC WDAY KFJR WRVA WPTF WWNC WIS WJAX WFLA WSUN WIOD WSM WMC WSB WAPI WJDX WSMB KVOO WKY WFAA WBAP KPRC WOAI KTBS KTHS (KOA KDYL KGIR KGHK KGO KPO KFI KGW KOMO KHQ SUNDAY ONLY) Program: Dramatization of railroad events.

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#### RADIO UNION SEEKS PROPAGANDA CHECK

The International Broadcasting Union of which Vice Admiral Sir Charles Carpendale, controller of the British Broadcasting Corporation, was elected president for the ninth successive year, has concluded its annual Summer meetings with several important decisions.

A resolution of the union concerns the practice being followed in some countries, but prohibited in others, including Great Britain, of broadcasting programs intended expressly for listeners in foreign countries. Some of such broadcasts have commercial purposes in view, others political purposes.

The union, keeping in mind the fact that the recent International Telegraph Communications Conference at Madrid laid down the principle that broadcasting should be regarded as primarily a national service, has expressed the view that broadcasts addressed especially to listeners in foreign countries, which give rise to protests by those countries, are not only an inadmissible activity, but as such may compromise the good relations between nations.

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#### TO TELL THE WORLD?

In the "National Whirligig", published by the McClure Newspaper Syndicate, Paul Mallon writes:

"The WLW, Cincinnati, radio people claim their 500,000 watt radio station will reach any "good receiving set in a good receiving location anywhere in the world".

"The normal radius of the station is placed at 5,000 miles. That makes the possibilities international instead of national. Government authorities continue to insist their interest in it is purely scientific, not political.

"Nobody denies Mr. Roosevelt could use it to talk to the world if he should ever want to."

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#### INTERNATIONAL CONFERENCE DATE STILL UNCERTAIN

It now looks as if the middle of June would be the earliest time the International Radio Conference in Mexico City could be held. The fact that Mexico has not officially issued invitations or set the date is attributed to the political situation in that country.

Assistant Secretary of State Castle has been mentioned as an additional delegate.

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

### Applications Granted

New, Knickerbocker Brdstg. Co., Inc., New York (portable), granted gen. exp. CP. freqs: 60000-80000 kc., 1 w.; New, City of Yonkers, N.Y., granted CP for police service, freq. 2414 kc., 100 w.; KGUE, Aeronautical Radio, Inc., Brownsville, Tex., granted CP; freqs: 2316, 2356, 3467.5, 2740 kc., unlt'd.; 6540, 6550, 6560 and 8015 kc., day only; 150 w.; KICV, R.R. Farish, Steamboat Bay, Noyes Island, Alaska, granted CP for fixed public pt. to pt. telg. service; freqs. 274, 268, 256 kc., 200 w.; pts. of communication: 274 with Ketchikan; 268 kc. with Craig; 256 kc. with other points in same vicinity; KUU, same, granted CP for public coastal telg. serv. 500, 425 kc., 200 w.;

WLXS, Trustees of Tufts College, portable in Mass., granted ren. of spec. exp. license; 530, 2050, 4095 kc., 1 kw; KPV, Port Walter Herring & Packing Co., Big Port Walter, Alaska, granted ren. of public coastal telg. license, 500, 425 kc., 200 w.; KIDY, same, granted ren. of fixed public pt. to pt. telg. license; freqs. 178, 227, 268, 3190, 100 w. on 3190; 200 w. on others.

### Set For Hearing

KGER, Consolidated Brdstg. Corp., Ltd., Long Beach, Calif., mod. of lic. to change studio location from 435 Pine Ave., Long Beach, to 605 So. Broadway, Los Angeles.

### Miscellaneous

The following application, heretofore set for hearing, was dismissed at request of applicant:

WJBK, James F. Hopkins, Inc., Detroit, Mich., mod. of lic. 1370 kc., 100 w., 50 w. LS.

In the following case a CP was issued; 30 days has elapsed since the required completion of construction, and permittee has advised the Commission that no application for license will be filed; application is therefore to closed file: KGTI, Aeronautical Radio, Inc., Salt Lake City, airport license; KGER, Cons. Brdstg. Corp., Ltd., Long Beach, Cal., granted permission to take depositions of two witnesses at Los Angeles on May 24; KTM, Pickwick Brdstg. Corp., Ltd., Los Angeles, Calif., granted permission to take certain depositions in Los Angeles on May 29, in re appl. for renewal of license and vol. assign. of license; WIL, Missouri Brdstg. Corp., St. Louis, Mo., granted permission to intervene in the appl. of the Ill. Brdstg. Corp. station WTAD, for permission to move to E. St. Louis, Ill.

Pursuant to the mandate of the Court of Appeals of the District of Columbia affirming the decision of the Commission of May 6, 1933, the following grants were made:

WMCA, Knickerbocker Brdstg. Co., New York, granted mod. of lic. for the use of 570 kc. with 500 w., sharing time with WPCH, effective for regular license period, beginning June 5, 1933; WPCH, Eastern Broadcasters, Inc., New York, granted modified license for the use of 570 kc., with 500 w., sharing time with WMCA, effective for the regular license period beginning June 5, 1933; WNYC, Dept. of Plant & Structures, City of New York, granted modified license for use of 810 kc. with 500 w. and daytime hours until sunset at Minneapolis, effective for regular license period.

For the purpose of allowing the City of New York, Dept. of Plant & Structures (Station WNYC) an opportunity to install its crystal control equipment on 810 kc., the Commission granted the following special temporary authorizations:

"To the City of New York, Dept. of Plant and Structures (Station WNYC) until 3 AM, EST, June 5, 1933, for the use of 570 kc. with 500 watts power, sharing time with Station WMCA.

"To the Knickerbocker Brdstg. Co. (Station WMCA) until 3 AM, EST, June 5, 1933, for the use of 570 kc. with 500 watts power, sharing time with Station WNYC.

"To Eastern Broadcasters, Inc. (Station WPCH), until 3 AM, EST, June 5, 1933, for the use of 810 kc. with 500 w. power and day time hours until sunset at Minneapolis."

W2ETL, Robert Matthews, Lawrence, N.Y., adopted preliminary order of revocation of amateur license which expires December 20, 1933, because it is alleged this amateur permitted one Joseph Rizzo to use his station contrary to law.

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#### NEW COMMISSIONER OF PATENTS

Conway P. Coe, local patent attorney, yesterday was chosen patent commissioner by President Roosevelt. Mr. Coe, who lives at 115 Oxford Street, Chevy Chase, Md., was educated in the Washington, D.C. public schools, Central High School, George Washington University Law School and Randolph-Macon College. He has practiced patent law here for the past ten years. He is 37 years old.

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