

HEINL RADIO BUSINESS LETTER

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No. 632

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RADIO PROGRAM FOUNDATION SECURES LICENSE TO BROADCAST RICORDI CATALOGUE

Because of the "copyright war", between the broadcasters and the composers, radio listeners in the United States are at last to hear broadcasts of "Madame Butterfly", "Tosca", "La Boheme", and other Puccini operas more frequently, as well as the masterpieces of other great composers, whose works have been kept off the air by the past refusal of G. Ricordi & Co., of Milan, owners of these copyrights, to grant licenses for broadcasting purposes. According to the announcement made here by Oswald F. Schuette, President of the Radio Program Foundation, a contract for air licenses for this catalogue - totalling more than 123,000 compositions - has been made with the Ricordi firm. The Foundation, which was created a month ago as a non-profit cooperative organization of the members of the National Association of Broadcasters, will issue sub-licenses to the individual stations.

"The announcement that this world famous music is now available for broadcasting marks an epoch in radio and makes the Radio Program Foundation an important factor in the musical world. It is, at the same time, a decisive victory for the broadcasters in their copyright conflict with the American Society of Composers, Authors and Publishers", Mr. Schuette said.

"The Ricordi catalogue has always been regarded as one of the greatest musical catalogues in the world. During the 125 years of its existence, the Ricordi firm has acquired, in the field of opera alone, works of such great operatic composers as Beethoven, Bellini, Bizet, Boito, Casavola, Catalani, Cimarosa, Donaudy, Donizetti, Flotow, Franchetti, Glinka, Gluck, Goldmark, Gomes, Gounod, Halevy, Herold, Malipiero, Marinuzzi, Mascagni, Mascheroni, Massenet, Meyerbeer, Montemezzi, Mozart, Pergolossi, Ponchielli, Puccini, Rossini, Rubinstein, Spontini, Stradella, Verdi, Wagner and Weber.

"In symphonic and chamber music, the catalogue lists, among others, such modern composers as Alaleona, Alfano, Casella, Tedesco, Castelnuovo, De Sabata, Lualdi, Malipiero, Mancinelli, Martucci, Molinari, Montemezzi, Panizza, Perose, Pick-Magiagalli, Pizzetti, Respighi, Santoliquido, Tommasini, Toni, Tosti, Veretti, Vittadini and Zandonai. The catalogue also includes one of the largest selections of band and dance music in the world and thousands of other instrumental and vocal selections compiled from the masters of all countries.

"By the threat of an avalanche of infringement proceedings, the American Society has exacted an arbitrary fee from all American broadcasting stations requiring them to pay a fixed percentage of their gross receipts regardless of the amount or the source of the

music used. This exaction prevented stations from dealing freely with independent copyright owners. Negotiations by the Radio Program Foundation with other composers and publishers are pending."

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ORAL RADIO BEACONS SOON TO GUIDE PLANES

If the radio beacon designed by the Department of Commerce to transmit voice and direction signals simultaneously to planes, which is to be installed and ready for operation within the next few weeks at Elizabeth, N. J., is a success, that type of beacon may be generally used throughout the country.

"The Elizabeth radio station will be equipped to furnish airmen in flight with oral and visual type directional signals either simultaneously or independently and is also able to transmit voice and signals of the visual type in a like manner", it was said at the Aeronautical branch of the Commerce Department.

"This will enable a pilot, if his plane is provided with the instruments to bring in the visual signals, to receive weather reports or other necessary information by voice and at the same time to be guided on his course by means of the visual indications that are registered on the plane's instrument board. As it is necessary to shut down the aural signals while a voice broadcast is being made, a pilot prepared to receive only the aural signals is without directional guidance while voice is being received."

The station at Elizabeth will operate as an oral radio range beacon until a sufficient number of aircraft is equipped to receive the visual signals.

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ENGINEERS TO GIVE THE FAIR THE ONCE OVER

Final preparations are being made for the convention of the Institute of Radio Engineers to be held in Chicago beginning Monday, June 26th. Although the official sessions of the Institute will be held in the "Loop", the engineers expect to spend considerable time at the Exposition inspecting the radio and electrical features.

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REPRESENTATIVE SEEKING COMMISSION INVESTIGATION
MAKES NUMEROUS CHARGES

A scrutiny of the resolution offered by Representative Ellzey, of Mississippi, asking for a Congressional investigation of the Federal Radio Commission, reveals the fact that there were few irregularities, apparently, with which he did not charge the Commission. The resolution has been referred to the House Rules Committee, of which Representative Pou, of North Carolina, is Chairman, and of course, will not be acted upon one way or another until the next session.

In the course of his resolution, Representative Ellzey charges the Commission with ruling off the air "an independent station with a \$400,000 investment." This refers to Station WIBO, of Chicago, which was ordered off the air by the Radio Commission following an application for its frequency by Station WJKS, of Gary, Ind., owned principally by Ralph Atlass. The Commission's action was sustained by the United States Supreme Court, Chief Justice Hughes personally writing the opinion.

Representative Ellzey's resolution follows in full:

"Whereas on March 4, 1928, Congress amended the Radio Act of 1927 so as to require the Federal Radio Commission to provide equality of radio broadcasting service, both of transmission and reception, for the people of all the zones and so far as possible to make an equal allocation of broadcast facilities to each of the zones and a fair and equitable allocation of broadcast facilities to each of the States within each zone according to population; and

"Whereas supposedly acting pursuant to said amendment the Federal Radio Commission has established an elaborate and complicated system of unit counts for evaluating broadcasting stations of various amounts of power, character, of wave length, hours of operation, and so forth; and

"Whereas in several Great States the Radio Commission has allotted less than four thousand watts of power for use of all of the radio broadcasting stations serving each of those States, while over four hundred thousand watts of power have been allotted by the Commission to radio stations owned or controlled by one of the large chain networks; and

"Whereas it appears from the Radio Commission's own records that since the enactment by Congress of the Davis amendment and the establishment of said quota system by the Commission, the Commission has increased the broadcast facilities enjoyed in ten of the twenty-one States which were already over quota and has added eight more States to the list of over-quota States; and

"Whereas it appears that in enforcing the provisions of the Davis amendment the Commission has taken facilities away from independently owned stations, either putting them entirely out of

existence or impairing or decreasing their privileges, while at the same time adding to the total facilities in the same State and zone and even in the same city by granting additional privileges to other stations; and

"Whereas the Radio Commission recently has entered an order effectually destroying one independent radio station with its \$400,000 investment, thereby throwing scores of persons into the already swollen ranks of the unemployed, while during pendency of that same case the Commission has allotted almost exactly equal additional facilities to another chain-owned station in the same State and city; and

"Whereas the destruction of the independent station, with its owners' investment of \$400,000 and the jobs of sixty persons, appears to have the result of allowing another chain outlet to cover the same city for the same chain network, with numerous other instances of similar rulings appearing in other States; and

"Whereas it further appears that the Commission has frequently violated other regulations which it regularly enforces against independently owned stations, as exceptional favors to stations owned or controlled by the two large networks, such, for example, as the Commission's rule limiting the number of fifty-thousand-watt stations to four per zone; also the Commission's regulations covering the use of clear channels, and the so-called 'mileage and frequency separations' which are supposed to exist between stations in the same and adjacent frequencies; and

"Whereas it further appears that inequalities of the Commission's quota system have almost regularly been to the advantage of stations owned by one or the other of the two large networks or to stations affiliated therewith; and

"Whereas broadcasting licenses to use the strictly limited number of wave lengths or frequencies, available in the ether spectrum for use in the United States, are licenses which carry with them the power to or the opportunity to exercise great influence upon public opinion, it appears that the assessment of a substantial annual license fee - payable by each station owner to the Government - would operate to exercise a salutary control to the greater public benefit and to restrain tendencies toward monopoly while producing ample revenues to replace the large appropriations now required to cover the costly operations of the Federal Radio Commission; and

"Whereas it appears that a reasonable tax or license fee for the use of each one thousand watts or fraction of one thousand watts allotted to and used by each broadcasting station (excepting those wholly owned by and used for religious institutions, educational institutions, and governmental bodies) could produce from \$2,000,000 to \$13,000,000 in annual revenues for the Treasury of the United States; and

"Whereas it further appears that the most desirable broadcast facilities of this country are being allowed by the Commission to be absorbed in increasing fashion by the two large networks; Therefore be it

"RESOLVED, That a committee composed of ten Members of the House of Representatives be appointed by the Speaker, two from each radio zone, to conduct a complete and thorough investigation of -

"(a) the manner in which the Federal Radio Commission is carrying out the provisions of the Davis amendment; and the reasons for any inequalities, injustices, or lack of consistency that might develop from such investigation;

"(b) the extent to which the two large chain networks have been favored by the activities, regulations, and decisions of the Commission against independently owned and operated radio stations;

"(c) the extent to which broadcasting stations in the United States are under the control of either of the two large networks by ownership, lease, stock control, or other devices;

"(d) the extent to which annual license fees properly may be assessed for the privileges of using licenses issued by the Government authorizing the operation of radio broadcasting stations; and

"(e) and such other matters pertaining to the business of radio broadcasting stations and chains or networks or other broadcasting companies or systems as the committee may in its discretion determine to be necessary or advisable under the circumstances.

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

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

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SPRINGFIELD STATION RECOMMENDED FOR DAYTIME INCREASE

A daytime increase of power to 250 watts has been recommended for Station WMAS, at Springfield, Mass., by Ellis A. Yost, Chief Examiner of the Federal Radio Commission. The conclusions reached by Examiner Yost in making the recommendation were:

"Station WMAS is financially and otherwise qualified to operate Station WMAS with the power increase proposed in the public interest; No objectionable interference would result from the granting of this application, and the people residing within the service area of Station WMAS are entitled to the improved radio service which the granting of this application would provide.

"Also that Massachusetts is due 11.84 units of radio broadcasting facilities and is assigned 10.46 units. The granting of this application would increase the present under-quota status of Massachusetts by .1 of a unit, and the granting of this application would serve public interest, convenience and necessity."

John M. Littlepage and Paul D. Spearman, of Washington, appeared for Station WMAS and H. Newman for the Radio Commission. It developed from the testimony in the case that A. S. Moffat, President of WMAS is the principal stockholder of the corporation, owning 498 of the 500 shares issued, the two remaining shares outstanding being held by the two additional stockholders as qualifying shares. The company is incorporated at \$50,000, of which amount a little less than \$30,000 has been spent for equipment and other improvements to the station and studio.

Mr. Moffat testified that his own personal worth was in the neighborhood of \$75,000, which assets are available to the corporation for any expenses incurred in improving or carrying on the work of the station. In addition to radio, Mr. Moffat is interested in several lines of business, including manufacturing and mining, which businesses have no connection with the company(WMAS

The transmitter of the station is of 100-watts, the power assigned to the station for nighttime broadcasting. Arrangements have been made whereby it can be exchanged and replaced with a 250-watt transmitter, paying a difference of approximately \$1,500 in the event this application is granted.

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Testimony developed the fact that/Station WMAS were to operate with 250 watts during daytime, it would give the people within its daytime service area a better and more acceptable signal. WBZA is the only other station around Springfield serving the valley. Stations WCAC and WBZA give some daytime service in the territory south of Springfield. WBZA, on-half mile from Station WMAS' transmitter is the only other station serving the territory north of Springfield. WTIC when it is on the air (three days a week) puts a signal into Springfield comparable to Station WMAS. Numerous listening tests made by Mr. Foss disclosed that no objectionable interference would result to any of the stations now licensed to operate

on channels adjacent to that assigned to WMAS if WMAS operated during daytime hours with 250 watts power instead of with 100 watts power as at present.

Mr. Barron, Commission engineer, testified that the State of Massachusetts is due 11.84 units of radio broadcasting facilities, and is assigned 10.46 units. The First Zone is due 80.00 units, and is assigned 76.06 units. If this application is granted it would increase the quota of State and zone by .1 of a unit.

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RADIO INDUSTRY PREPARES TO MEET REQUIREMENTS OF INDUSTRIAL CONTROL BILL

There was a preliminary meeting in Washington of the Committee appointed by the Radio Manufacturers' Association to work with the Government in administering the "Industry Control" Act recently passed by Congress. W. Roy McCanne, of the Stromberg-Carlson Company, Rochester, is the Chairman of the Committee, and its members are Paul B. Klugh, of the Zenith Radio Corporation of Chicago, Arthur T. Murray of the United American Bosch Corporation, of Springfield, Mass., and S. W. Muldowny, of the National Union Radio Corporation, of New York.

It appears that the procedure to be followed by the broadcasting industry, once the law takes effect, will involve, first, the holding of a meeting of leaders of radio under the auspices of the National Association of Broadcasters", Broadcasting Magazine explains, setting forth the probable action of the broadcasters. "The meeting must agree on a 'code of fair competition', which could be patterned partially after the NAB code of ethics and its standards of commercial practices. These would be voluntary actions and would be filed with the Trade Commission.

"Following this voluntary meeting, there would be a further meeting with the Trade Commission, or one of its members, respecting eradication of unfair competition within the industry and control in a manner that would serve public interest. The crux of the matter, so far as its probable application to broadcasting is concerned, undoubtedly would be the maintenance of rates by stations, based on costs of operation, with rate-cutting or rate discriminations rendered illegal and punishable under the penal provisions of the new law.

"Since elimination of price-cutting is a fundamental objective, stations would have to agree to maintain standard rate structures. 'Per inquiry' or commission advertising accounts might thereby be barred. Service could not be sold to one party at a given price and to another at a different price.

"To build up such a rate structure the industry would have to develop a uniform method of cost accounting. Presumably there would be no reference to prices charged for time, although that would be the ultimate basis for the assessment of costs. The industry likewise would have to agree on minimum wages for operators, announcers, stenographers, continuity writers, salesmen, etc., and also as to maximum hours of operation.

"The trade association itself would be responsible to the President, through the Trade Commission and General Johnson. Failure of the industry to govern itself would mean the enforced regulation of that industry by the administrative agencies under orders bearing the President's approval and having the full force of law.

"If a station violates the codes adopted by an industry and complaint is made with the NAB, as the governing trade association, it shall have the power to arbitrate, perhaps through a committee. Should the recalcitrant broadcaster then fail to mend his ways, recourse would be taken through complaint to the government agency. Opinion within the industry is somewhat divided as to whether the measure will be beneficial, but its proponents believe that it will make for cleaner competition."

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SPEAKER RAINEY BRUSHES ASIDE MICROPHONE

When Speaker Rainey, of the U. S. House of Representatives, delivered the Commencement address at Amherst, his Alma Mater, the first thing he did was to brush aside the microphone.

"Having that device in front of me", Speaker Rainey said laughingly, "is like trying to make love to a pretty girl over a prickly fence."

It so happens that the microphone was simply for the amplifying system in the Amherst "Page" where Mr. Rainey spoke. Notwithstanding the fact that it was a huge hall, his powerful voice was heard, without the aid of mechanical devices, by everyone present.

Following the Commencement an honor was conferred upon the radio industry in the reelection as a Trustee of Amherst of Louis G. Caldwell, of Washington, formerly General Counsel of the Federal Radio Commission. Mr. Caldwell represents Station WGN, of Chicago, at the Capital.

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MEXICAN CONFERENCE PERSONNEL CONSIDERED BY THE PRESIDENT

The three additional names placed before President Roosevelt by the State Department with the recommendation that they be appointed technical advisors at the North American Radio Conference at Mexico City, July 10th, are understood to be Gerald Gross, short wave expert of the Federal Radio Commission, Andrew Ring, broadcasting engineer of the Commission, and Lieut. E. K. Jett, U.S.N., retired, short wave expert also at the Radio Commission.

There are to be five technical advisors in the delegation and those previously understood to have been recommended to the President are Dr. Irvin Stewart, of the State Department, and Dr. C. B. Jolliffe, Chief Engineer of the Commission.

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INDUSTRY PLANS PUBLIC RELATIONS CAMPAIGN

President Alfred J. McCosker of the National Association of Broadcasters, has named William S. Hedges, KDKA, Pittsburgh, Pa., Leo Fitzpatrick, WJR, Detroit, Mich., and Henry A. Bellows, Vice-President of the Columbia Broadcasting System, as a committee to cooperate with committees of the Radio Manufacturers' Association and the Institute of Radio Service Men in the development of a public relations campaign for the radio industry.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted (June 20, 1933)

WHN, Marcus Loew Booking Agency, New York City, C.P. to move transmitter from New York City to Astoria, L. I., and install new equipment, maximum rated power of 250 watts; WEW, St. Louis University, St. Louis, Mo., authority to discontinue operation from June 15 to Sept. 1, 1933, except to broadcast all government reports; KGy, KGy, Inc., Olympia, Wash., authority to change specified hours of operation on Mondays, Wednesdays and Fridays, until daylight savings time is abandoned in the Fall, from 6 to 12 P.M., PST, to 5 to 11 P.M. PST; WSVS, Seneca Vocational High School, Buffalo, N. Y., authority to suspend operation from June 26 to Sept. 11, 1933; KGKB, East Tyler Broadcasting Co., Tyler, Texas, authority to July 1st to continue operating unlimited time pending completion of WACO transmitter; WBAX, John H. Stenger, Jr., Wilkes Barre, Pa., special temporary authority to operate from

8 P.M. to 12 midnight, EST., June 23, if station WJBU remains silent; WJKS, Johnson-Kennedy Radio Corp., Gary, Ind., authority to conduct tests in Gary, Ind., to determine relative values of locations.

Also, V. L. Smith, Goodyear Tire & Rubber Co., Los Angeles, Cal., authority to use itinerant aircraft transmitter on Airship "Volunteer" as broadcast pickup station in connection with Regatta at Long Beach July 8, also authority to test transmitter on June 23rd; City of Bay City, Mich., a Municipal Corp., C.P. for emergency police service, 2442 kc., 50 watts; Donald Bruce Whittemore, portable-mobile, general experimental C.P., frequencies 34600, 41000, 51400, 60000-400000, 401000 kc., and above .5 watts; City of Englewood, N. J., Police Dept., general experimental C.P., frequencies 34600 kc., 15 watts; Atlantic Refining Co., Philadelphia, Pa., general experimental frequencies: 30200, 35800, 41800, 42200, 47800, 48200, 53800, 54200 and 60200 kc., 2 watts; Iowa Broadcasting Co., portable, near Des Moines, general experimental C.P., frequency 51400 kc., 5 watts;

Also, Aeronautical Radio, Inc.: KGTH, Salt Lake City, C.P., point-to-point aviation aero. service, frequencies 2720, 2732, 4110 kc., unlimited, 6510, 6520, 6530, 8015 kc., day only, 150 watts; WSDF, Louisville, Ky., aviation Aero. license; frequencies 3127.5, 3232.5, 3242.5, 3257.5, 3447.5, 3457.5, 3467.5, 3485, 5602.5, 5612.5, 5632.5 kc., unlimited, 3222.5, 4917.5 kc., day only, limited 50 watts; City of Bayonne, N. J., Police Dept.: W2XEA, W2XEC, W2XED, W2XEE, W2XEF, W2XEG, W2XEH, W2KGG, W2XEB, W2XCJ, modification of C.P. to extend completion date to 6/15/33; The Atlantic Refining Co., on Vessel Day Dyke No. 4, license for general experimental service, frequencies 30200, 35800, 41800, 42200, 47800, 48200, 53800, 54200 and 60200 kc., 2 watts; W9XAR, Wallace & Tierman Products, Inc., Portable-Mobile, general experimental license 34600, 41000, 51400, 60000-90000 kc., 5 watts.

Also, W6XP, Press Wireless, Inc., Portable & Mobile, San Francisco, general experimental license frequencies 23100, 25700, 26000, 27100, 34600, 41000, 41000, 51400, 60000-400000 kc., 100 watts; KEA, Adam Wm. Lipke, Saldovia, Alaska, renewal of public coastal telg. license, 425 and 500 kc., 100 watts. KIEJ, W. N. Growden, Poorman, Alaska, renewal of fixed public point-to-point tel. license, 2994 kc., 50 watts; Edmund D. Miller, Elmira Radio Amateur Association, Elmira, N. Y., license for portable station to operate on frequency 28,000 to 28500 kc., for period July 1 to Aug. 1, 1933.

Renewal of Licenses

The following stations were granted renewal of licenses for the regular period: WMNC, Americus, Ga.; WIBM, Jackson, Mich.; WOPI, Bristol, Tenn.; WTSO, Cumberland, Md.; WFBL, Everett, Wash.; KGFF, Shawnee, Okla.; KGFL, Roswell, N. Mex.; KGGO, San Francisco; KICA, Clovis, N. Mex. and KVL, Seattle. (WHBD, Mt. Orab, Ohio, and KGIX, Las Vegas, Nev., on temporary basis subject to such action as the Commission may take on their pending applications for renewal)

Set For Hearing

WGES, Oak Leaves Broadcasting Station, Inc., Chicago, Ill., modification of license to change from 3/7ths time sharing with WJKS, to specified hours; WSYR-WMAC, Central New York Broadcasting Corp., Syracuse, N. Y., C.P. to move transmitter locally and make changes in equipment, increasing maximum rated power to 500 watts, and increase operating power to 500 watts; John L. Hopkins, Hammond, Ind., C.P. 1360 kc., 1 KW, share WHES, facilities hours formerly used by WJKS; WCAJ, Nebraska Wesleyan University, Lincoln, Neb., modification of license to increase power from 500 watts to 1 KW.

Miscellaneous

WGES, Oak Leaves Broadcasting Station, Inc., Chicago, Ill., denied authority to operate unlimited time on frequency 1360 kc., pending disposition of unused 4/7 time on frequency 1360, formerly assigned to WJKS; KJR, Fisher's Blend Station, Inc., Seattle, Wash., C.P. to move station locally and install new transmitter heretofore granted, was retired to closed file for want of prosecution.

Ratifications

KEFX, Radiomarine Corp. of America, Washington, D. C., granted temporary authority (60 days) to operate station aboard vessel "West Harshaw" pending receipt of formal application; WKBF, Indianapolis Broadcasting Co., Indianapolis, Ind., extended special authority for 30 days to operate transmitter at new location pending decision on applications; KOCW, J. T. Griffin, Chickasha, Okla., modification of C.P. to move transmitter from Chickasha to Tulsa, and change studio location, heretofore granted, was suspended and set for hearing because of protest by KVOO - Action on the above taken June 16; Action taken June 17 - WLEX, National Broadcasting Co., Washington, D. C., authority to operate broadcast pickup station extended to June 25th.

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National Union Radio Corporation and Subsidiaries -
Year ended April 30; Net loss after taxes, interest, depreciation and other charges, \$217,960, compared with \$11,970 loss in preceding fiscal year.

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