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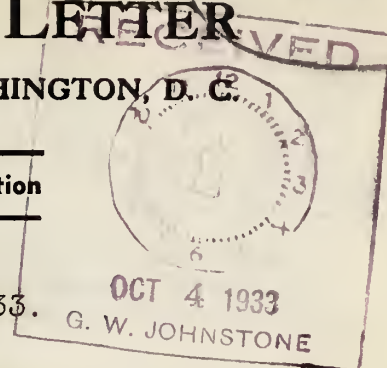
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

OCT 18 1933
NEWS DESK

CONFIDENTIAL—Not for Publication



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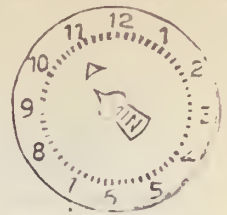
The Washington Evening Star this afternoon (October 3) carried the following in a box on the front page:

"The Star Has Discontinued Publishing the
Program of Station WJSV

"The Columbia Broadcasting Co. (of which WJSV is the local station) has entered the field of gathering and disseminating news in competition with the newspapers and the instrumentalities which collect news for which the newspapers furnish financial support. Adequate news bulletin broadcasting is already provided by The Star and other newspapers throughout the country.

"In the belief that this is an unwarranted invasion of the newspaper field and may well lead to the public's disadvantage, The Star cannot in justice to itself cooperate with any broadcasting system which undertakes such direct competition with newspapers. In conformity with this policy, The Star has discontinued the gratuitous publication of the programs of WJSV and feels that its readers will accept this explanation."

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NEWSPAPER STRIKES BACK AT COLUMBIA NEWS SERVICE 18 1938
NEWS DESK

In retaliation of Columbia establishing its own news service, the Washington Evening Star, whose President, Frank B. Noyes, is likewise President of the Associated Press, has discontinued printing Columbia's programs.

"The Star has cooperated with the broadcasting systems since their inception, and printed everything that related to their broadcasting of any interest", Fleming Newbold, Business Manager of the Star said. "But when the Columbia system secured a charter to conduct a news-gathering system in opposition to the newspapers without any restrictions or control over its activities, it became a direct competitor to our paper, and hereafter its programs will be eliminated entirely.

"Under a boxed caption 'Major Radio Features' we will continue to list these variety, drama, classical or other features, but that is all. I understand that Columbia is entering the news field on a large scale, and there is no reason why we should continue to play up the business of a recognized competitor."

The Star, with a circulation of 115,389, is the largest evening newspaper in Washington. Its Sunday morning edition is 122,220 as compared with 137,640 of the Washington Herald (Hearst) and 70,814 of the Washington Post. The Star's advertising lineage is one of the highest of any newspaper in the United States.

There is no question as to the prestige of the Star in the National Capital, it being Washington's oldest paper. It is a conservative paper which is read by everyone of official importance from the President down. Also in the fight, the Star is not apt to withdraw regardless of any circulation losses which may result in dropping Columbia's tables.

"What has the newspaper business to say to Columbia Broadcasting Co., which sets out to organize a news service to compete directly, on an 18-hour per day basis, with the morning and evening press?" Editor and Publisher, of New York asks editorially.

"The Washington Star this week gave its answer promptly and sharply. It will hereafter deny to Columbia network any program cooperation. This action is based on the common sense and good public policy of the newspaper's management. Radio cannot do the news job because of physical limitations that are obvious. It can only interfere with free, adequate reporting and use its instrumentality to the countless legions of morons. If the American people, by any stretch of the imagination, were to depend upon scraps of information picked up from air reporting, the problems of a workable democracy would be multiplied incalculably.

"But the main fact, as we have pointed out, is that radio is not a free instrument. It is a government licensed medium. It has in the past, and will again, dance to the tunes of the powers in control.

"Columbia draws the issue so that newspapermen can no longer evade it. They have built it up with unlimited publicity, good-will, astonishing cooperation - and now it turns upon them, competitively. This 'news service' is unfair competition, decidedly menacing from the point of public policy, and represents commercialism in the raw. There is no law to stop it, but there is a rule of justice and propriety which can be invoked. Where does the U. S. Radio Commission stand in this matter? How far does the air license go? What of the principle, especially in times like these, of protecting established institutions against attempted assault by greedy individuals who cannot offer comparable service, but can only muddle and destroy? Mr. Justice Brandeis, in a dissenting opinion in the Oklahoma Ice case read from the bench of the U. S. Supreme Court last year, indicated plainly how the Government in the future may view commercial invaders who contribute little to public convenience or necessity, yet 'muscle in' to gain temporary profits.

"The Columbia Broadcasting Co., defying newspapers and toying irresponsibly with public opinion, ought to have a fight on its hands which will keep it busy for years to come. We shall be interested in seeing what newspapers have the courage to follow the Washington Star's intelligent lead."

Columbia's news service, a separate company capitalized at \$100,000, plans to have bureaus operating in principal cities sending in their reports over the chain's teletype system. Thus far it has two commercial sponsors, Philco Radio and General Mills.

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GREAT RADIO BOOM IN AUSTRALIA

Listeners' licenses in Australia increased by nearly 12,000 in July, which is the fourth highest increase ever recorded. The total number of licensed sets in the entire Commonwealth on July 31 was 481,374, with a prospect of more than a half-million by the end of the year. The ratio of sets per 100 population is now 7.32 as compared with 5.77 at the end of July, 1932.

It is planned to build four new radio broadcasting stations, one each to be located in New South Wales, Victoria, Queensland, and Northern Tasmania, with probably four more additional stations to be constructed later.

A line has been completed between Adelaide and Perth, making it possible to transmit programs to Western Australia. Future plans call for an additional channel between Sydney and Melbourne, and eventually a submarine cable between the mainland and Tasmania.

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BILL HARD TO LEAVE NBC

William Hard, news commentator, has resigned from the National Broadcasting Company. It was reported that he, as a Hoover man, had a difficult time with the current administration. Mr. Hard said this was not the reason for his leaving.

"I just felt I wasn't getting anywhere being a half writing man and a half microphone man. Because of the fact I spoke only once a week over the radio, this became a sort of interruption to my journalism. Whereupon, I voluntarily went to the NBC and told them I was going to quit for awhile as I thought I'd get along faster by confining myself to writing."

Mr. Hard has made several trips abroad for the NBC to the London Economic Conference and elsewhere, and is an authority on international affairs.

It is reported that he will be succeeded by George R. Holmes, chief of the Washington bureau of the International News Service. Mr. Holmes, a native of Indiana, received honorable mention in the Pulitzer Prize Award for his account of the burial of the Unknown Soldier, and was a member of President Harding's Alaskan party on the ill-fated trip which resulted in the death of the President.

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COMMISSION HAS ITS FINGERS CROSSED IN RADIO DEBATE

The Federal Radio Commission is very carefully side-stepping taking either side in the radio debate to be participated in this Winter by the High Schools in 33 States and maybe more, on the question, "Resolved the U. S. should adopt the essential features of the British Broadcasting System."

Each year the High Schools debate on some question and by way of starting a little excitement, the National Committee on Education by Radio, headed by Joy Elmer Morgan, suggested that they take up this highly controversial question. The suggestion was promptly adopted, hence the deluge of inquiries received at the Radio Commission for information.

A stock reply sent out by Secretary Pettey, of the Commission, is that the Federal organization "has little material on the subject other than what is contained in Senate Document 137, a Report to the Senate on 'What information is there available on the feasibility of Government ownership and operating of broadcasting facilities?'"

An official debate handbook, however, has been gotten out by the University of Missouri, at Columbia, in which the advantages of the British system are pointed out by Mr. Morgan and the American system by Dr. Herman F. Hettinger of the University of Pennsylvania. The latter was written at the request of the National Association of Broadcasters.

It is believed that as many as 40,000 High Schools may participate in the preliminaries. Afterwards the winners will be sifted out and there will be National finals.

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BROADCASTERS CONTINUE TO SWEAT OVER CODE

Deputy Administrator Rosenblatt, his advisors, and the NAB Code Committee are doing their best to come to a final agreement on the Broadcasters' Code.

The principal difficulties have been complete inability to get together with labor, which is demanding a 40-hour week for broadcast technicians, including radio operators and transmitters.

The proposal in the broadcasters' code is for a 48 hour week with minimum pay of \$20 a week in the larger stations. Skilled labor classes have objected to both the 48 hour week and to the wage minimum, which, they claim, is lower than that for any skilled labor in the country.

The broadcasters further have requested time to consider the question of not permitting the advertisement on the radio of articles injurious to health where the broadcaster has knowledge that such articles are harmful. Such a resolution was offered at public hearings on the Code by Alice M. Edwards, Executive Secretary of the American Home Economics Association.

It is understood that the broadcasters have not, so far, made any attempt to insert a provision in the Code with respect to actors.

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NEW YORK RADIO SHOW ATTENDED BY 200,000

The New York Radio Show and Electrical Exposition continued to prove phenomenal and closed at the end of 10 days with an attendance of upwards of 200,000 persons. It was estimated that exhibitors did a business exceeding \$1,000,000, some figuring that possibly twice that much trade had been booked.

The show attracted so much public interest and resulted in so many sales that already another exposition has been tentatively scheduled to begin September 19, 1934.

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MUSIC PUBLISHERS' CODE TWO WEEKS HENCE

The public hearings on the Music Publishers' Code will take place at the Chamber of Commerce of the United States Tuesday morning, October 17th, with Sol A. Rosenblatt, Deputy N.R.A. Administrator presiding.

Representatives will be heard from the Music Publishers' Association of the United States claiming to represent approximately 75% of the standard music publishers, the Music Publishers' Protective Association claiming to represent 75% of the popular music publishers, and the National Association of Sheet Music Dealers, claiming the same proportion of representation among the dealers.

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MARCONI RECEIVES GREAT OVATION

The reception accorded to Marconi in this country has amounted to little less than a continued ovation. The great inventor, along with Marchesa Marconi, was accompanied to Chicago by David Sarnoff, President of the Radio Corporation of America, and Mrs. Sarnoff, Maj. James G. Harbord, Albert H. Morton, European representative of the RCA, and Mrs. Morton.

An amusing incident in connection with the broadcast of the dinner tendered to Marconi in Chicago Monday night was that although during the dinner General Harbord and Mr. Sarnoff only took a bow, an announcer later, in summing up the proceedings, referred to the "eloquent speeches" which had been made by these two gentlemen.

Senatore Marconi is the guest of the Radio Corporation of America while in the United States and will return to New York about Wednesday.

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RMA TO ENFORCE CODE AGGRESSIVELY

The Radio Manufacturers' membership meeting in New York, named Arthur T. Murray, of Springfield, Mass., for sets, and Leslie F. Muter, of Chicago, for accessories as Code Supervisors for the radio industry. Another supervisor will be named for tube manufacturers.

The National Electrical Manufacturers' Association, under whose Code the radio people operate, has agreed to these appointments. The New York meeting unanimously adopted a resolution offered by Paul B. Klugh, of Chicago, providing for an immediate and aggressive enforcement of the Code.

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: BUSINESS LETTER NOTES :
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Zenith will go into intensive production on automobile radio sets. The work will be in charge of Ray Erlandson, former Sales Manager for the Automobile Radio Division of the Grigsby-Grunow Company.

In the campaign just started in New York for funds for the Federation for the Support of Jewish Philanthropic Societies, which expects to raise \$4,200,000, the radio and music trades will be asked to contribute \$50,000.

The Associated Oil Company has paid \$75,000 for the broadcasting rights for all the football games of the Pacific Coast Conference. Including network time, the cost to the sponsor will be \$135,000. All NBC and CBS stations on the Pacific Coast will be used.

Station WJSV in Washington is assisting in raising \$25,000 to buy a new heating plant for the Children's Hospital.

"So far the two large broadcasting systems, Columbia and National, have had things pretty much their own way in the radio field", a paragraph in the "National Whirligig", published by the McClure Syndicate in New York reads. "Lately, however, their monopoly is being threatened by the reorganized Federal Broadcasting Company, which controls station WMCA. This station recently went on a full-time schedule and is the most powerful after the NBC and CBS key stations in New York.

"The new men behind the guns are a group of prosperous young business men - no more, no less. But under the microscope strong Republican ties are traceable. It is an able outfit.

"The brand new Amalgamated Broadcasting System comprising about ten stations will probably serve for experimental purposes of the American Tel. & Tel. and is no present competitor to the existing chains."

Gen. Charles McK. Saltzman, former Chairman of the Radio Commission, has been appointed by Secretary Roper, Vice-President of the Merchant Fleet Corporation in the new Shipping Board Bureau.

A detailed report by Commercial Attache Rankin at Athens, "The Radio Market in Greece" has been multigraphed by the Bureau of Foreign and Domestic Commerce. Greece has no broadcasting stations but in a few years the number of sets has increased from 1000 to 5000 and still increasing.

Increased rates have been announced by the NBC Trade News Division effective immediately for the following stations: WJR, Detroit (one hour, 6 to 11 P.M.) \$500 (former rate \$340); WEEI, Boston, \$400, and WFAA-WBAP, Dallas-Fort Worth, WSB, Atlanta, and WSM, Nashville, \$300 (former rates were \$190, \$120 and \$74). Daytime rates are half night. WKBF, Indianapolis is available for optional service on either Red or Blue network at \$190 an hour.

Columbia increased rates, according to H. K. Boice, Sales Vice-President, are WABC, New York, \$950 an hour (former rate \$800); WCAU, Philadelphia, \$450 (formerly \$400); WCCO, Minneapolis, \$350 (old rate \$300), and WJSV, Washington, \$200 (old rate \$175).

"A Decade of Radio Advertising" by Dr. Herman S. Hettinger of the University of Pennsylvania is just off the University of Chicago Press. Price \$3.00.

Internal Revenue collections for August, 1933, of the 5 percent tax on radio products and phonograph records was \$125,865, compared to \$76,445 in August 1932.

August 1933 collections on refrigerators were \$587,736 against \$177,090 in August, 1932.

There was a reminder of the late Admiral Bullard, first Chairman of the Radio Commission, when Acting Secretary of the Navy, Henry L. Roosevelt, designated his daughter-in-law, Mrs. Marjory W. Bullard, of Atholton County, Md., as sponsor for the submarine "Cuttlefish" to be launched at Groton, Conn., Nov. 21. Mrs. Bullard is the wife of Lieut. Commander Beirne S. Bullard, son of the late Admiral, who is superintending construction of the "Cuttlefish" at the Electric Boat Co., New London, Conn.

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WMCA CASE TO BE CONSIDERED FRIDAY

It is expected that there will be further consideration by the Federal Radio Commission of the transfer of the license of Station WMCA to the Federal Broadcasting Company, at the Commission's meeting on Friday.

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LAFOUNT OFFERS RESOLUTION RE ACTUAL STATION OWNERSHIP

Commissioner Lafount proposed the following resolution at its meeting today (Oct. 3) which was referred to the Legal and Engineering Divisions for study and report:

"WHEREAS Section 12 of the Radio Act of 1927 as amended provides in part as follows:

'The station license required hereby, the frequencies or wave length or lengths authorized to be used by licensee, and the rights therein granted shall not be transferred, assigned, or in any manner, either voluntarily or involuntarily, disposed of to any person, firm, company, or corporation without the consent in writing of the licensing authority.'

"WHEREAS that portion of the Radio Act quoted above clearly indicates the intent and desire of Congress to require all assignments of licenses to be approved by the licensing authority, and

"WHEREAS many licenses are issued to corporations, and

"WHEREAS the stock of said corporations can be transferred without the knowledge or consent of the Federal Radio Commission, which has the effect of transferring the license from one set of individuals to another without the written consent of the Federal Radio Commission as required by the Act, and, in order that the Commission may have available data which will enable it to differentiate between the name of a corporation and the actual parties in interest,

"BE IT RESOLVED that the Federal Radio Commission mail a questionnaire to each corporation, licensee, propounding the following questions:

1. Name of Corporation?
2. Authorized under the laws of what State?
3. Authorized capital stock, describing different classes of same, number of shares authorized, the par value of each, and the number of shares of each issued?
4. List of stockholders of record as of October 1, 1933, showing the number of shares held by each, the city and State in which each reside?
5. List of officers as of October 1st.
6. If any stockholders or officers are aliens, please so indicate.

"BE IT FURTHER RESOLVED that the Commission require that the above set of questions be answered under oath or affirmation and returned to the Commission, and thereafter that the Commission require applicant corporations to report all transfers of stock during the past license period at the time and in connection with their application for renewal of license, which, under the law must be sworn to."

Discussing the resolution, Commissioner Lafount said:
"In my opinion, the law requires the Commission to keep itself informed as to the actual ownership of stations, and, for the purpose of helping to produce this result, I move the adoption of the resolution."

DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted (October 3, 1933)

KRLD, KRLD Radio Corp., Dallas, Tex., authority to operate on 970 kc. during World Series games (normally licensed on 1040 kc., 10 KW, sharing with KTHS); KTHS, Hot Springs Chamber of Commerce, Hot Springs, Nat'l Park, Ark., authority to use time assigned to KRLD on 1040 kc. while that station is using 970 kc., during Series games; WAPI, WAPI Broadcasting Corp., Birmingham, Ala., authority to operate simultaneously with 1 KW power, Oct. 4, from 8:30 to 9:30 P.M. CST; WHDF, The Upper Mich. Broadcasting Co., Calumet, Mich., special temp. authority to broadcast World Series Games, and to operate from 1:30 P.M. to 5:30 P.M. CST Oct. 7, 14, 21, 28 and Nov. 4, 11, 18, 25, 1933; WSUI, State University of Iowa, Iowa City, Ia., special temporary authority to operate 10 P.M. to 12 Midnight, CST. Oct. 6.

City of Elizabeth, Police Dept., Elizabeth, N. J.: New, C.P. for Gen. Exp. Service, frequencies 34600, 41000, 51400, 60000-400000 kc., 25 watts; New - Same - Mobile, except 4.5 watts; New, Carnegie Inst. of Washington, Dept. of Research in Terrestrial Magnetism, Kensington, Md., gen. exp. C.P., frequencies 1594, 2398, 3492, 4797, 6425, 8655, 12862, 17310, 23100, 27100 and 41000 kc., 500 watts; WGAL, WGAL, Inc., Lancaster, Pa., gen. exp. C.P. 41000, 51400, 60000-100000 kc., 5 watts; Village of River Forest, Ill., Police Dept., C.P. for Gen. Exp. service, 41000 kc., 15 watts; City of Phoenix, Ariz., Police Dept., Gen. Exp. C.P., frequencies 51400 and 60000-400000 kc., 5 watts; City of Portsmouth, Portsmouth, Ohio, C.P. for Police service, frequency 2430 kc., 50 watts; W2XI, Borough of Kenilworth, N. J., Police Dept., Gen. Exp. license, 60000-400000, 61500 kc., 15 watts; W1XR, Alexander Anderson McKensie, Mt. Washington, N. H., Gen. Exp. license, 41000, 51400, 60000-400000 kc., 500 watts; W4XG, City of Miami Beach, Fla., Collins Island, Fla., Gen. Exp. license, frequency 34600 kc., 15 watts.

Also, Aeronautical Radio, Inc.: New, Suffield, Ohio, Aviation-Aero. C.P., frequencies 2930, 6615 kc., 400 watts, unlimited time; WUCG, Chicago, C.P. for additional transmitter; New, Aviation Aero. C.P., 2930 and 6615 kc., unlimited time, 400 watts; WNAM, Kylertown, Pa., Aviation-Aero. license, frequencies 3147.5, 3162.5, 3172.5, 3182.5, 3322.5, 5122.5, 5572.5, 5582.5, 5592.5, 5662.5 kc., unlimited, 400 watts power; WMEM, Aviation-Airport license, 278 kc., 15 watts; W9XT, Portable and Mobile, renewal of gen. exp. license W4XH, Virgil V. Evans, d/b as The Voice of South Carolina, Portable & Mobile, Spartanburg, S. C., Gen. Exp. License, 60000-400000 kc., 15 watts power; W9XV, Gillette Rubber Co., Portable and Mobile, Eau Claire, Wis., Gen. Exp. license, 60000-400000 kc., .25 watts power; WPF, United States-Liberia Radio Corp., Akron, Ohio; license 19780 kc., 750 watts; WPGS, County of Nassau, Police Dept., Mineola, N.Y. police license, 1712 kc., 50 watts; WPFA, City of Newton, Mass., Police Dept., police license 1712 kc., 50 watts; WPGD, City of Rockford, Ill., Police Dept. police license 2458 kc., 50 watts; WPEB, City of Grand Rapids, Mich., Police Dept., C.P. to install amplifier to increase power.

Also, RCA Communications, Inc.: WHR, Rocky Point, N. Y., license covering change in equipment; WQO, Rocky Point, N. Y., license covering changes in equipment; WQJ, Rocky Point, N. Y., modification of license covering changes in transmitters; KEC, Bolinas, Cal., modification of license to change normal transmitter in use in order to allow the employment of higher power on circuit; KQR, Bolinas, Cal., modification of license to use additional transmitter already licensed under fixed service at this location; Gulf Research & Development Corp.; KIZL, KIZJ, KIZK, KIZI, portable mostly SW United States, geophysical licenses, 1602, 1628, 1652, 1676, 1700 kc., 10 watts; and 50 watts power; Pan American Airways, Inc.: W10XL, W10XK, Portable and mobile, modification of C.P. to extend commencement date to Oct. 1, and completion date to Nov. 1, 1933; WAN, Tropical Radio Telg. Co., Hialeah, Fla., modification of license to authorize change in normal transmitter in use; Goodyear Tire & Rubber Co., Inc.: KHIDW, NC-12-A, KHILO KHNFU KHIWD KHNDW, modification of licenses to include all chain frequencies as well as frequencies 2390 and 6615; Walter H. Grosselfinger, NC-7032, Gen. Exp. license, frequency 64000 kc., 10 watts.

The following stations were granted renewal of General Experimental Licenses; W10XB, Jos. Lyman, NC-508#; W2XAU, Lawrence C. F. Horle, Newark, N. J.; W1XAC, John P. Moses, Portable and Mobile in Mass.; W8XAJ and W8XAK, Howard A. Seyse, Portable & Mobile in Erie Co., N. Y.; W1XAJ, Harvard University, Cruft Lab., Portable in 1st Radio Dist.; W9XAU, Mich. College of Mining & Technology, Houghton, Mich.; W9XI, Chicago Federation of Labor, Portable & Mobile; W9XAD, Echophone Radio Mfg. Co., Ltd., Portable and Mobile, Waukegan, Ill.

The following stations were granted renewal of special experimental licenses; W2XBR, Radio Pictures, Inc., Long Island City, N. Y.; W2XAI, Bell Tel. Labs, Inc., Portable & Mobile, and W1XH, New England Tel. & Tel. Co., Boston, Mass.

Ratifications

Action taken Sept. 29: KFI, Earl C. Anthony, Inc., Los Angeles, granted authority to take depositions of certain witnesses at Los Angeles, on Oct. 4, 1933; Northern Commercial Co., and McGrath, Alaska, Circle, Fort Yukon, Hot Springs, Eagle, Alaska, granted C.P.s 2994 and 3190 kc., 50 watts, pt. to pt. service with other Alaska stations; Action taken Sept. 30: City of Englewood, Engle wood, N. J. W2XES, granted renewal of license, 34600 kc., 15 watts

Applications Reconsidered

The Commission reconsidered its action of Sept. 19 and cancelled the authorizations set forth below at the request of applicants: WNAD, University of Oklahoma, Norman, Okla., special temporary authority to operate from 2:30 to 5:30 P.M. CST, Sept. 30th provided KGGF remained silent; also special temporary authority to operate from 2:30 to 5:30 CST, Oct. 21, Nov. 4 and Nov. 30, provided KGGF remained silent.

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