

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL—Not for Publication

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No. 683

December 19, 1933.

EARLY ACCEPTANCE SEEN OF PLAN TO END PRESS-RADIO WAR

It was confidently expected that after the plan recommended by broadcasters and publishers at the New York meeting recently with regard to broadcasting news had been studied carefully it would be accepted by newspapers both large and small and by the independent as well as the chain broadcasters. This the Editor and Publisher reports it has learned after a careful investigation of the situation. The plan will probably be put before the Associated Press at a meeting of the Board on Tuesday, January 9. The next step it is believed will be recommendations with regard to the program situation. As a result of the New York meeting it is understood the newspapers have agreed for the time being at least to go further in the movement which was fast spreading of dropping radio programs from the news columns.

Regardless of any thing further which may come of it if the plan agreed upon by the New York conferees is agreed upon it will go a long way towards ending the so-called press-radio "war", restrict air news reporting to hours not in serious conflict with either morning or evening distribution periods, except for flashes of transcendent importance, confine the reports to brief bulletins which are to be supplied by the press service, dissolve the Columbia News Service corporation and prevent news broadcasting for commercial purposes.

To effect these and other mutually agreed upon objects the plan sets up a co-operative news bureau to be controlled by an editor to be chosen by the newspapers and press associations. He will receive the reports of the three principal press associations, and cull from them bulletins of not more than 30 words to be offered to the broadcasters for air announcement but the two broadcast periods, not to exceed five minutes each, are restricted to not earlier than 9.30 A. M., local station time, or prior to 9 P. M., local station time. Thus evening paper bulletins could not go on the air prior to 9 in the evening and morning newspaper news could not be broadcast before 9.30 on the day of publication. The radio broadcasters agree to pay the expenses of the co-operative bureau, but the news would be supplied gratuitously by the principal news associations as a contribution to public service and harmonious relations between press and radio.

Speaking enthusiastically of the plan the Editor and Publisher says editorially:

"A 10-point plan, remarkable for give and take, is proposed by representatives of the press, radio and press associations and services to end the six-year controversy over news

broadcasting. It deserves the close study of the press in the same spirit in which it is offered by the committee which has formed and adopted it. The object is to bring news broadcasting under control, to eliminate radio competitive methods, and to serve the public interest. To this end, the press makes an offer of its news for air transmission in 5-minute periods, morning and evening, in hours which will not seriously conflict with the distribution periods of the morning and evening newspapers. Bulletins are to be limited to 30 words and are to be selected by an editor, working in a cooperative bureau under newspaper supervision. News flashes of transcendent importance are permitted during the day and night. There is to be no commercial use of news. Commentators are restricted. The striking new plan seems mutually liberal, intelligent and workable and should yield sound benefits to press, radio and public.

The New York conferees included the following: William S. Paley, president of the Columbia Broadcasting System; Edward K. Klauber, first vice-president, Columbia Broadcasting System; M. H. Aylesworth, president of the National Broadcasting Company; Frank E. Mason, vice-president of the National Broadcasting Company; Roy W. Howard, chairman of the Board of the Scripps - Howard Newspapers; Harry M. Bitner, assistant general manager of the Hearst Newspapers; J. D. Gortatowsky, of the International News Service; Karl A. Bickel, president of the United Press; Lloyd Stratton, executive assistant of the Associated Press, representing Kent Cooper, general manager; E. H. Harris, chairman of the Publishers' National Radio Committee, and the following members of the committee: John Cowles, Des Moines Register and Tribune; Edwin S. Friendly, New York Sun; James G. Stahlman, Nashville Banner, and L. B. Palmer, general manager of the American Newspaper Publishers' Association. Alfred J. McCosker, president of the National Association of Broadcasters, was invited to the conference and attended the first day's sessions.

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COMMUNICATIONS RECOMMENDATIONS IN PRESIDENT'S MESSAGE

There is every likelihood that the recommendations of the Interdepartmental communications committee will be submitted as a message to Congress by President Roosevelt early in January. This is expected to be followed by the introduction of Communications Commission bills by chairman Sam Rayburn of the House Interstate and Foreign Commerce Committee and chairman C. C. Dill of the Senate Interstate Commerce Committee. If so hearings will be scheduled. This will be a lengthy procedure and it is not believed there would be a chance of any such legislature being enacted during the forthcoming session.

Assets involving more than \$6,100,000,000 and plant worth in excess of \$5,200,000,000 would be affected by the proposed

legislation to create a Federal Communications Commission with full jurisdiction over all interstate and foreign communications, and embodying features that will permit mergers between domestic telegraph companies handling foreign record communications of every sort.

The telephone companies have \$5,400,000,000 of total assets and \$4,700,000,000 of plant and equipment, with the Bell System alone including \$4,900,000,000 assets and \$4,285,000,000 plant and equipment.

The telegraph, cable and radio companies have assets of more than \$700,000,000 including plant worth above \$500,000,000. Year-end figures for 1932 place Western Union cable and telegraph assets at \$374,000,000 and plant at \$334,000,000; All-America Cables, \$39,000,000 and \$33,000,000 respectively; Postal Telegraph and Cable, including Mackay Radio, \$130,000,000 and \$108,000,000, and RCA Communications \$100,000,000 and \$42,000,000.

The principal mergers will likely be between Western Union and Postal Telegraph land lines, to which will be added all domestic allied services; and between Western Union, Commercial and All-America Cables and RCA Communications and Mackay Radio and Telegraph.

"The Radio Corporation of America thereafter probably would confine its operations purely to the entertainment field, while the International Telephone and Telegraph Corporation would have its principal interests in telephone manufacturing and operating business in foreign countries", a writer in the New York Times observes. "Both companies would be expected to have holdings in the new concern as a result of their contributions under the proposed scheme."

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AGAINST WEVD POWER INCREASE

A recommendation has been made to the Federal Radio Commission by George H. Hill, Examiner, that Station WEVD, in New York City, memorial station dedicated to the late Eugene V. Debs, Socialist leader, be denied an increase of power from 500 to 1000 watts.

The Examiner's adverse report was based upon the following conclusions:

"The applicant is financially and technically qualified to operate the station with the power proposed. The present service of WEVD is limited by interference and its proposed operation would permit the extension of its service over an area and to a population in excess of that now served. However, the city of New York is now served by more than thirty radio stations.

"Programs of a high type are available to and have been broadcast by the applicant.

"The granting of the application would result in interference between Station WEVD and Stations WCAP, WTNJ and WCAM. A sufficient showing of need for the service requested has not been made by the applicant.

"The granting of the application would result in an increase in the broadcast facilities of an already over-quota State and the granting of the application would not serve public interest, convenience and/or necessity."

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GOVERNMENT CONTROL OF RADIO IN NEW ZEALAND INDICATED

That the Government of New Zealand intends to assume complete control over radio broadcasting in the Dominion is indicated in a report from Vice Consul W. W. Orebaugh, Wellington.

Until January 1, 1932, the report shows, broadcasting in New Zealand was largely in the hands of private interests, functioning under the supervision of the Post and Telegraph Department. On that date, the control of broadcasting became vested in the Broadcasting Board, a Government body whose functions and powers resemble those of the British Broadcasting Company.

Until very recently the Board maintained four class "A" stations, located in the four chief centers of the country - Wellington, Auckland, Christchurch and Dunedin. It was announced recently that the Government proposed to purchase three of the smaller Class "B" stations.

One item of the Government Board's program was the elimination of incompetent amateur broadcasting. In doing this it has employed an increasing number of graphophone records and has acquired a library of some 37,000 records.

The "B" or smaller stations under private control have been adversely affected by recent developments, the report shows, and it is probable that under existing conditions they will not be able to continue to operate. Like the Government "A" stations, they make wide use of gramophone records, upon each of which a royalty must be paid. Furthermore, restrictions on radio advertising have served to increase their financial difficulties.

While the majority of the "B" stations in New Zealand are relatively unimportant, the two stations recently taken over by the Government had built up a wide popularity as a result of their original programs. At the present time there is a considerable amount of public dissatisfaction with the Government for its action in assuming control of these popular stations.

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12/19/33

N. Y. POLICE BAN TAXI RADIOS AS NUISANCE AND HAZARD

Police Commissioner Bolan has put a ban on radio-equipped taxicabs in New York City.

The Commissioner's order gave the operators of the 2,000 cabs that already have been equipped with radios until midnight, December 20, to remove them or make them inoperative. Violation of the order will result in revocation of license, operators were warned.

When taxicab operators learned of the order, which represented a reversal of Commissioner Bolan's previous stand, they refused to accept it as final. Spokesmen said they would seek a conference with the Commissioner at which they would attempt to persuade him to change his mind. If their plea fails, some of the operators may seek an injunction, it was indicated. The investment in taxicab radio equipment already installed or ordered was estimated to approximate \$260,000, with 2,000 cabs already equipped and radios ordered for 4,500 more.

Referring to the action of the New York Police Commissioner, the New York Times in an editorial said:

"Commissioner Bolan is justified in placing a ban on radio-equipped taxicabs, though he would have been on surer ground had he refused to permit them in the first place. Then the Companies would have been spared the expense of installing the radios, only to remove them again. They are "not maintained in the interest of the public or the industry." They tend to distract the attention of the drivers, who often reach back with one hand to twist the knobs while trying to steer the car with the other, and are sometimes unable to hear the passenger's instructions. The presence of the radio is certain to increase the accident rate. The driver has enough to worry about now, without adding jazz to his troubles.

"The public has supported a campaign led by the Health Commissioner to muffle the noise of city streets and places where people work or try to sleep. Only the other day Dr. Wynne sent to the Board of Aldermen an amendment designed to curbe loud-speakers installed in cruising automobiles for advertising purposes. Why deliberately add to the existing din? And why deliberately add to the costs of local transportation? It seems odd that an industry which has been loudly protesting against increased taxes and reduced fares should invite the attention of the regulatory authorities - whoever they may be - by investing \$260,000 in a luxury like the radio."

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COMMISSION ALLOCATES 3 FREQUENCIES IN ONE BAND EXPERIMENTALLY

The Federal Radio Commission today (Dec. 19) allocated three frequencies in the band 1500-1600 kc. for assignment to experimental broadcast stations, such frequencies to be separated by 20 kc. viz., 1530, 1550 and 1570 kc., and to issue licenses if the applicant makes a showing in his application that he can meet the following conditions:

- (1) That the operation will be under the direct supervision of a qualified research engineer with an adequate staff of qualified engineers to carry on a program of research;
- (2) That the program of research includes study of antenna design, field intensity surveys, and plans for an analysis of response of listeners;
- (3) That the transmitter and all studios will be equipped so as to be capable of at least 10 kc. audio frequency transmission.

The program of research shall be acceptable to the Commission and experiments desired by the Commission shall be incorporated upon request. Changes in the program of research shall be subject to approval.

The licensee should be authorized to use variable power not to exceed 1 KW and to carry sponsored programs; however, the sponsorship should not interfere with the program of research, and the conduct of experiments should not depend only upon sponsors as a means of defraying the cost of the experiments.

The licensee should be required to report to the Federal Radio Commission at least each six months as to the development of his program and the results obtained. More frequent reports should be called for in the early stages of the experiment.

In order to put this policy into effect the following changes and/or additions in the Rules and Regulations should be made:

- (1) Add the following to Rule 27:

"f. The licenses for Experimental Broadcast stations will be issued for a normal license period of six months from the date of expiration of the old license, or the date of granting a new license."

- (2) Add new rule as follows:

"3062. The term "Experimental Broadcast Station" means a station carrying on the experimental transmission of broadcast programs on frequencies specifically designated for use by such stations."

- (3) Change the title of Rule 313 C to read as follows:

"C. Experimental Visual Broadcast Stations and Experimental Broadcast Stations."

(4) Add the following as Rule 319:

"319. The following frequencies are allocated for use by experimental broadcast stations: 1530, 1550, 1570 kc."

(5) Add the following new rules after Rule 324:

"Rule 324a. Each applicant for experimental broadcast station construction permit will be required to show that he has a program of development which promises to lead to improvement in the broadcast art and has the finances and facilities to carry out the proposed program. In addition he shall be required to show -

- (1) That the operation will be under the direct supervision of a qualified engineer with an adequate staff of qualified engineers to carry on the program of research;
- (2) That the program of research includes study of antenna design field intensity surveys and plans for an analysis of response of listeners;
- (3) That the transmitter and all studios will be equipped so as to be capable of at least 10 kc. audio frequency transmission;
- (4) That if sponsored programs are transmitted such sponsorship will not interfere with the program of research, and that the conduct of experiments will not depend only upon the sponsors as a means of defraying the cost of the experiments."

Add the following as Rule 324b:

"Rule 324b. The Commission will not authorize an operating power to exceed 1 kilowatt for stations in the experimental broadcast service. In the determination of power the rules governing broadcast stations shall apply."

(Note: Commissioner Lafount moved that Section 4 be stricken from the new rule 324a, but his motion was lost.)

This allocation by the Commission followed recommendations by Dr. C. B. Jolliffe, Chief Engineer, and George B. Porter, Acting General Counsel, who submitted the following memorandum in connection therewith:

"Under the recommendations of the Mexico City Conference, the frequency band 1500-1600 kc was left unassigned, pending a decision in regard to allocation of frequencies to broadcasting in North and Central America. Following that conference the Commission made changes in its Rules and Regulations which will transfer all services allocated to frequencies between 1500 and 1600 kc, to other parts of the frequency spectrum. The frequencies between 1500-1600 kc were designated for general communication service:

"The General Regulations attached to the International Radio Conference of Washington, Article 5, paragraph 1, read as follows:

'The Administration of the contracting countries may assign any frequency and any type of wave to any type of radio station within their jurisdiction upon the sole condition that no interference to any service with another country will result therefrom.'

Thus, frequencies in the band 1500 to 1600 kc. are available for any type of assignment provided they do not interfere with the service of any other country. The International allocation of frequencies in this band is specified as 'mobile service'. There will be no mobile services in North America assigned to the band provided all nations adopt the recommendations of the Mexico City Conference.

"At the Mexico City Conference the United States proposed that this band be used for broadcasting in North America, in order to effect a settlement of the broadcasting problems. This was not acceptable and it was left as designated above.

"Opinions of competent technical men vary as to the usefulness of frequencies in this range for broadcasting. Some contend that these frequencies are of very little use and base their opinions on the operation of stations at present assigned frequencies just below 1500 kc.; others contend that if properly engineered they are capable of giving satisfactory service.

"There should be little difference in the transmission characteristics between the frequency bands 1500-1600 kc. and 1400-1500 kc. Some stations immediately below 1500 kc. have paid particular attention to antenna design and obtained results comparable to the transmission characteristics of other frequencies. Other stations have paid no attention to antenna design and have obtained very poor service. All possibilities of antenna design have not been exhausted.

"It is extremely difficult for a commercial station which is operating solely for profit to make experiments on antenna structure or to vary power, transmitters, etc., or to alter materially the service area of a station. It is likewise unfair to an established audience to be making such changes. It is our belief, however, that frequencies between 1500 and 1600 kc. can be useful if the stations using them are properly engineered. Experiments to determine this cannot be carried on below 1500 kc.

"In order to determine the usefulness of these frequencies, it is necessary to experiment with the antenna design to determine the maximum power which can be put into the ground wave with the minimum signal in the sky wave, and to determine the proper power to be used either for serving many small primary areas or a single small primary area with a larger secondary area. To determine these, it will also be necessary to make a study of the fading characteristics of these frequencies.

(Continued on bottom of next page)

FOUR NEW STATIONS FOR AUSTRALIA

That Australia is essentially "radio-minded" is revealed in a report to the Commerce Department from Assistant Trade Commissioner Wilson C. Flake, Sydney. .

Since the beginning of the present year, the report shows, the number of radio sets in the Commonwealth increased by 20 per cent. The total number reported at the end of September was 500,341, one set for every 13 persons. This figure would indicate that Australia now ranks sixth among the countries of the world in the number of radio listeners.

This increase in the number of receiving sets has added a substantial amount to the revenue collected as license fees by the Government, a part of which will be returned to listeners in the form of increased and improved broadcasting facilities.

The Government has just awarded a contract for the erection of four new broadcasting stations, and at the same time announced plans for three additional stations. This will bring the total number of Class A stations to 19, and will provide dependable service to sections of the country, which are now reported experiencing some difficulty in receiving programs from the existing stations.

Owing to the high tariff on radio sets and parts, Mr. Flake points out, Australia manufacturers are now supplying practically all the increased requirements for receiving sets, imports being confined largely to tubes and fixed condensers. In the fiscal year 1931-32, imports of radio sets and parts into the Commonwealth were valued at £300,931, of which complete sets accounted for £1,671; tubes, £236,161; and other radio parts, £63,008.

It is estimated that total domestic production of receiving sets in 1932 amounted to 115,000 units.

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"While not directly related to this problem, the question of audio quality of transmission should be studied. It is impossible to determine the gain produced in the entertainment value of programs by increasing the range of audio frequencies from the radio broadcasting stations as now allocated, due to the fact that 10 kilocycle separation between carriers is not sufficient to permit receivers to be used which will accept high quality modulation without receiving interference from adjacent channels."

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: BUSINESS LETTER NOTES :

Extension of its libel laws to include the radio is being planned in Wisconsin, and it is expected that some definite steps along this line will be taken at the next regular session of the legislature.

Strengthening of the State's libel statutes, to apply to radio utterances, is being given support by Gov. Albert G. Schmedeman. It was pointed out that there are libel provisions in the State statutes to reach the publishers of a scandalous and untrue statement, but liability may be escaped by a broadcaster.

"There is sound logic in the contention of those who feel our laws should reach the person who might make damaging and false statements over the air", said Governor Schmedeman. "At least that is my reaction to the suggestion that we bolster our State laws to reach such persons.

"I will certainly lend my support to the proposition at the earliest opportunity."

Representative James M. Beck (R.) of Pennsylvania, addressing the Pennsylvania Society in New York, said:

"General Johnson said everyone should do his own thinking. I agree with him but to enable the American people to think it is just as well that an opportunity should be given them to hear the other side of the controversy and yet for six months channels of the air have been denied to the opponents of these policies. The press has continued under the threat that they too would be regimented."

All the cable and radio companies have announced several adjustments in rates and regulations relating to messages sent from this country, effective on Jan. 1, under amendments to the International Telegraph and Radio regulations adopted by the Madrid conference several months ago.

The principal adjustments involve a reduction in the present ten-letter code word to five letters in length, abolish the "preferred message" service extensively used by brokers and bankers in foreign messages and reduce the "urgent" rate from triple the ordinary rate to double.

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12/19/33

DECISIONS OF THE FEDERAL RADIO COMMISSION DEC. 19

Applications Granted

WBNX, The Standard Cahill Co., Inc., New York, N. Y., C.P. to move studio locally, and make changes in equipment; WEBC, R. B. Broyles Furniture Co., Birmingham, Ala., C.P. to make changes in equipment and increase day power from 100 watts to 250 watts; KPJM, Scott & Sturm, Prescott, Ariz., C.P. to move transmitter locally in Prescott, and make changes in equipment; WHN, Marcus Loew Booking Agency, New York, N. Y., license covering move of transmitter and installation of new equipment, 1010 kc., 250 watts, shares WRNY and WQAC-WPAP; KFOR, Cornbelt Broadcasting Corp. Lincoln, Neb., license covering changes in equipment 1210 kc., 100 watts night, 250 watts day, unlimited time; KIEM, Harold H. Hanseth, Eureka, Cal., authority to operate night of Dec. 19 in order to broadcast election returns.

Also, WFJB, Marshall Electric Co., Inc., Marshalltown, Ia., special temporary authority to operate from 9 P.M. to 12 Midnight, CST, Jan. 5, 6, 11, 12, 16, 18, 19, 20, 23, 26, 28 and 31, 1934; and from 9 A.M. to 12 Noon and 3 to 6 P.M. CST, January 18, 19, and 20, 1934; KGFL, KGFL, Inc., Roswell, N. Mexico, authority to operate simultaneously with KICA from 7:30 to 9 P.M. Dec. 20th, in order to broadcast special Christmas program; KTHS, Hot Springs Chamber of Commerce, Hot Springs National Park, Ark., authority to operate on 970 kc., from 11:30 A.M. CST, until the end of Rose Bowl Game, approximately 6:30 P.M. CST, Jan. 1, 1934, in order to broadcast football games; KWLC, Luther College, Decorah, Ia., modification special temporary Authority to remain silent from Dec. 20, 1933, to Jan. 2, 1934, inc., except from 2 to 4 P.M. CST, Dec. 24, 1933, in order to broadcast church concert.

Also, WPDJ, Detroit Police Dept., Detroit, Mich., C.P. for additional transmitter, also granted license covering same; City of Little Rock, Little Rock, Ark., C.P. for police service, frequency 2430 kc., power 100 watts; Chas. L. Jaren, Portable & Mobile, C.P. for general experimental service, 31100, 27600, 34600 and 40600 kc., 50 watts; also, Portable, temporary broadcast pick-up C.P. 1622, 2150 kc., 50 watts; Aeronautical Radio, Inc.: WSBM, Albany, N. Y., WSDI, Cincinnati, Ohio, WAEI, Detroit, Mich., WSDJ, Boston, Mass., C.P., frequencies (a) 2612, 2636, 3467.5, 4740 kc.; (b) 6540, 6550, 6560, 8015 kc., 250 watts; unlimited time on frequencies (a); and day only on frequencies designated under (b); KGUR, Glendale, Cal., and KGTF, C.P. for new transmitters; WSDJ, Elkins, W. Va., license, frequencies 3127.5, 3232.5, 3242.5, 3257.5, 3447.5, 3457.5, 3467.5, 3485, 4917.5, 5602.5, 5612.5, 5632.5 kc., unlimited, 3222.5 kc. day only, 50 watts.

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