

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL—Not for Publication

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No. 687

January 9, 1934.

HIGH FREQUENCY PICTURE QUALITY IMPROVES

The prediction made that the very high frequencies would be the final locus for visual broadcasting appears to have been justified, the annual report of the Federal Radio Commission just issued states. A number of licensees have given up their licenses specifying the lower frequencies and others have stated that they were satisfied that the lower frequencies were unsuitable, but desired to continue research in these bands for a short period to complete certain problems in progress.

The quality of pictures, which it has been demonstrated is possible to transmit on the very high frequencies, has steadily increased, and some laboratory productions are capable of holding sustained interest. Pictures need no longer be confined to "close ups", but larger scenes may be transmitted. The art, however, has not as yet progressed to a stage which would justify the adoption of standards by the visual broadcasting industry. Although much progress has been made in the laboratory, visual broadcasting is still in the experimental stage.

So great has been the activity of experimental stations in investigating the possibilities of the very high frequencies for radiocommunication that this development must be considered the most significant and important of the year.

It has been realized for several years that very high frequencies have a very definite place in the radiocommunication field, but only recently has suitable equipment been available. Demands for assignments are being made and the difficulties and problems incident to the commercial allocation of these frequencies can be foreseen. Although the transmission characteristics of the frequency band, for which commercial apparatus had been designed, are sufficiently well known at this time to leave no doubt as to their usefulness in many of the established services, there has not been enough data available to determine the particular frequencies within the entire range most suitable for specific services. These data must be obtained before any plan of allocation could be considered. They were obtainable from no other source than licensees experimenting in this field. A policy was therefore adopted, the purpose of which was to encourage experimental work of this kind to obtain the required data and at the same time to retain absolute control of the frequencies by conserving their experimental status until such time as they could be allocated in such manner as to best meet the needs of all services.

No authority to operate on other than an experimental basis has been granted, and none of the frequencies above 30,000 kilocycles has been authorized for use in the continental United States on a commercial basis.

Judge E. O. Sykes, Chairman of the Commission, reported that there has been a steady increase in the volume of business conducted by the Commission. During the year there were more than 41,000 formal matters requiring Commission action. Secretary Herbert L. Pettey set forth that \$872,000 had been appropriated for the Commission during the past year. Of this amount, \$724,300 was spent on salaries. The next highest items were rents \$17,683, travel expenses \$15,600, and stenographic reporting, \$15,752.

During the past few months illegal operation of radio stations has increased in the southwest section of the United States, particularly in the State of Texas where the State borders are far removed. This illegal operation is based on the claim that the radio transmission is not interstate or does not interfere within the State with an interstate signal. Such claim is not borne out by facts obtained by investigation or by opinion of experts.

In many instances the owners and operators, after being confronted with evidence of their interstate transmission, have voluntarily ceased operation and dismantled their stations. However, there have been some who continued to operate in defiance of the law.

It is believed that the institution of prosecution against a number of violators and their successful termination will have the effect of deterring others who aspire to operate radio stations in violation of the Radio Act.

Fifty-six cities reported 15,604 arrests through the use of police radio; 232,838 emergency calls, and 29 cities reported the amount of property recovered as \$223,689.

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COMMISSION PREPARES NEW CALL LIST

Before the depression, broadcasting station call lists were issued frequently but not so these days. Nevertheless, the Commission is at present engaged in compiling an up-to-date list. It will be mimeographed and available about the middle of January.

Copies may be had upon application to the Federal Radio Commission, 18th and E Streets, N. W., Washington, D. C.

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PALEY OFFERS NETWORK FOR BARRED SPEECH

William S. Paley, President of Columbia, was quick on the trigger in offering the unrestricted facilities of the entire Columbia network to Frederick J. Schlink, President of Consumers' Research, Inc., whose speech was kept off the air by Station WCAU, Columbia outlet in Philadelphia. Presumably Schlink was cut off for criticizing the Roosevelt Administration.

An account of it reached the Federal Radio Commission and the circumstances in connection with the speech were: Station WCAU was picking up a session of the American Academy of Political and Social Sciences at which Mr. Schlink was a speaker. However, someone at WCAU did not like the tenor of Schlink's speech and took it upon himself to cut the speaker off. It was said that this was done without any authority from the station officials and was later described by a Columbia official as "an excess of zeal". He added that not only had network facilities been offered to Schlink but that the latter would be allowed to say "any darned thing he pleased."

In explaining that Columbia has neither the right nor the intention to exercise censorship, Paley said that the action of the Philadelphia station was contrary to Columbia's established policy.

Mr. Paley's promptness in offering unhampered facilities to Mr. Schlink was a healthy indication of the broadcasting industry's desire to be free from even being suspected of attempting to censor free-speech. The incident also revealed good team-work between Mr. Paley and his brother-in-law, Dr. Leon Levy, who operates and owns WCAU.

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NAVY STRENGTHENS HAWAIIAN RADIO COMMUNICATIONS

An allotment of \$1,400,000 to the Navy Department, for construction of radio communication facilities at Pearl Harbor, Hawaii, and Summit, Canal Zone, was recently announced by the Public Works Administration.

At both places the projects will include erection of radio towers, construction of a general facilities building, quarters, barracks and messhalls. Pearl Harbor is to receive \$800,000 of the allotment and Summit, \$600,000.

Plans for the improvements have been completed and work will be started at an early date. Navy engineers estimate that more than 4,600 man-months employment will be furnished.

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ROXY'S RESIGNATION COMES AS NO SURPRISE

More than a year ago a broadcaster said that Roxy would never last in Radio City in New York.

"Even John D. Rockefeller, Jr., hasn't enough money to keep him going. Also Roxy will spend too much money doing ordinary things in an extravagant way to make a hit either with Mr. Rockefeller or R.K.O. Roxy has surrounded himself with the same people at Radio City he had about him at the old Roxy Theatre and his Radio City venture will simply be the old Roxy Theatre history repeating itself."

Nevertheless, despite repeated rumors that Roxy was "out" at Radio City, the first starting before his new theatre there even opened, it wasn't until yesterday that reports were confirmed that Roxy had actually resigned, effective February 16th. An official of the Radio-Keith-Orpheum Corporation explained that Roxy's withdrawal was the result of criticism by his superiors. His failure to keep the costs of his stage spectacles within the budget limitations prescribed by the supervisory committee was said to be the most important element in the friction between Mr. Rothafel and the Radio City management. It was felt also that the Roxy stage extravaganzas were too long and that they lacked humor. Roxy's dislike of supervision was considered to be another factor in his withdrawal.

Roxy vigorously denied that he had been extravagant and declared that he had never exceeded his budget allowance.

Roxy opened the Radio City Music Hall in December, 1932, as a house of all-stage entertainment. Immediately thereafter he became ill and spent several months in convalescence. During his absence the policy of the theatre, admittedly a failure, was changed to a balanced program of stage and motion picture entertainment. Mr. Rothafel returned as active manager of the Music Hall under this policy late last April.

The climax of many months of litigation between Radio City and the Seventh Avenue Roxy was reached last month when the Roxy name was withdrawn from the smaller of the two Radio City theatres and it was renamed the Center Theatre. There was a report that Roxy had the backing of a group of financiers who hoped to gain control of the old Roxy and operate it in opposition to the R.K.O.

It was said that even Roxy's broadcasts from Radio City had lost their old-time punch and proved disappointing to the R.K.O. people. One story afloat was that Roxy, in a newspaper interview, had been quoted as saying that the entire Radio City project had been conceived by him "over a bowl of Frankfurters and sauerkraut" while having luncheon with M. H. Aylesworth one day. If that is true", someone remarked, "it was a mighty expensive dish of sauerkraut for whoever had to actually pay for the plan hatched up that day."

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RADIO LIQUOR ADVERTISING POLICY ANNOUNCEMENT PREMATURE

A news-dispatch widely printed to the effect that the Federal Radio Commission's Legal Division had recommended the revocation of licenses of stations broadcasting advertising for hard liquors was denied at the Commission.

"It is a fact that the Legal Division, which has been studying the situation for sometime has reported to the Commission. However, there is no truth in the assertion that it has made definite recommendations", said Commissioner Harold A. Lafount. "An interview to that effect was given out by an employee of the Commission who hadn't even seen the Legal Division's report."

In the course of the interview the employee had been quoted as saying:

"Commission authorities, drafting an opinion on the lawfulness of such advertising which reaches into dry territory, said in an interview they were confronted with 'a difficult question of law.'"

"In general their opinion is, however, that stations are licensed under the specific admonition to operate 'in the public interest', and that since hard liquor advertising from wet States is being received in dry States where such advertising is forbidden by law might be considered 'objectionable', such advertising should be forbidden."

Commissioner Lafount discounted this saying:

"The report of the Legal Division on the liquor question is 22 typewritten pages legal size, single-spaced and I doubt if the Commissioners have all read it yet, much less formed an opinion on it."

Another official of the Radio Commission said he believed it might be several weeks before the Commission definitely decided the question of policy in the broadcasting of hard liquor advertising."

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: BUSINESS LETTER NOTES :
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Directors of the Radio Manufacturers' Association will meet in New York City, Thursday, January 11th.

"With radio news service regulated by adoption of the 10-point code, peace and sound constructive building should be the program for 1934 in that department of public interest", says the Editor and Publisher.

Petitions of bankruptcy, filed in the United States District Court at Chicago, against the Grigsby-Grunow Company have been dismissed by the presiding Judge.

The adjudication of the Court was that insolvency was not shown by the petitioners and the Court accordingly dismissed the suit. Majestic will continue to operate under equity receivership through Le Roi J. Williams and Thomas L. Marshall.

The verdict rendered in the Municipal Court in Chicago in favor of Jos. H. Tigerman against Grigsby-Grunow Company for \$26,250 was set aside and a new trial ordered by Judge Justin F. McCarthy.

Tigerman's claim is for royalties alleged to be owing under a contract relating to an alleged invention for battery eliminators. No patent was ever granted to him, however, and the company claims that the contract was terminated in accordance with its terms. Judge McCarthy stated he was firmly convinced that the verdict should have been for the defendant, and not for the plaintiff.

U. S. Internal Revenue Bureau collections of the 5 per cent tax on radio and phonograph apparatus during the month of November, 1933, were \$246,526.75 compared with \$298,577.86 in November, 1932.

The excise tax collections on mechanical refrigerators during November, 1933, totaled \$172,541.85 as against \$113,963.78 in November 1932.

A tube development of the year is the new quick-acting Arcturus 25Z5 rectifier which operates in 17 seconds. Many of this year's sets, particularly the a.c.-d.c. models, use the 25Z5 as well as the 43, both indirectly heated tubes which have required 60 seconds or longer to operate.

The new Arcturus 25Z5, as well as the Arcturus 43, which also is a quick-heater, enables these sets to operate in 17 seconds or 1/3 the time formerly required.

Fog was believed responsible for the crash of the Imperial Airways London-bound plane Apollo, which fell with 10 dead, after colliding with a 742 foot wireless tower near Ruysselede, 14 miles from Bruges in Belgium.

A record for low-powered, long-distance voice transmission by radio was made Thursday night, January 4, during a radio conversation from Station KJTY, of the Byrd Expedition to New York, according to Edwin K. Cohan, of Columbia.

Signals were broadcast from KJTY aboard the S.S. "Jacob Ruppert" below the Antarctic Circle with a power of only 120 watts, where the station normally uses 1,000 watts; and the signals were transmitted a distance of 8,500 miles via both Honolulu and Buenos Aires and received clearly in New York.

Harry C. Butcher, manager of WJSV, Columbia's Washington outlet, acquired two titles last week. Governor Ruby Laffoon, of Kentucky, made him a Kentucky Colonel, and Elder Solomon Lightfoot Michaux, the colored evangelist, made him an honorary deacon in the Church of God. Elder Michaux was all for making Harry a regular deacon until he found he smoked. This was not quite in keeping with the rules of the Elder's church. He solved the problem by modifying the title to "honorary".

Although official orders apparently have not been issued to ban radio advertising in Germany, the newspaper Voelkischer Beobachter in Berlin said the advertising council of the German Economic Federation proposes to eliminate in the future purely private advertising.

The scope of the Los Angeles Times radio activities was enlarged recently when arrangements were completed with Station KMTR for the broadcasting of outstanding sporting events and other outdoor features. The Times now broadcasts locally over two stations, the new arrangement coming in addition to two news broadcasts over KHJ.

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PRICE-FIXING AND 30-HOUR WEEK ASKED IN ELECTRIC CODE

The proposal to amend the Electrical Code, under which the radio manufacturers are governed, as well as the electrical industry, to provide price-fixing was challenged by General Johnson who declared that, in the last analysis, the proposed section meant "arbitrary price-fixing on the products of an individual manufacturer by a jury of his competitors" and that there was nothing to prevent the supervisory agency from "considering the whole universe" in determining what was a fair price.

Representatives of the electrical and radio unions joined in vigorous demands for a 30-hour week and a minimum wage of 66-2/3¢ per hour, but the National Labor Advisory Board proposed revision of the electrical code to provide a 35-hour week and increase of the minimum wage to 45¢ per hour.

Another hearing on the Electrical Code will be held Monday, January 29th. In the meantime there will be a hearing Wednesday, January 10th on a supplemental code proposed by the Electrical Wholesale Industry.

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BROADCASTING RISES AGAIN IN NOVEMBER

Broadcast advertising over the networks of the two big companies in November reached its highest levels of the year, both in actual time charges and in percentage comparisons.

Sales of time by the two companies totaled \$3,404,854 for the month, not including any talent charges. This is \$345,000 ahead of November, 1932, and only \$100,000 below November, 1931, at the beginning of a season when radio was to reach its all-time peak.

Comparing the broadcasting charges this year with the four-year averages for 1929-32, we find that November stood at 123.2 per cent of the average November. The October percentage was 118.9. From April to August the percentage was below 100, dropping to 84.8 in July.

National Broadcasting Company, selling \$2,154,108 of time in November, was 10.2 per cent ahead of November, 1932. Columbia Broadcasting System, selling \$1,250,746 of time, was 13.1 per cent ahead of November, 1932. The NBC percentage was its highest of the year, but Columbid did fractionally better in October.

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N. Y. TAXI-RADIOS UP TO NEW POLICE COMMISSIONER

Following a hearing in New York, the question as to whether or not taxis there will be allowed to have radios, has been put up to General O'Ryan, the Police Commissioner.

Former Commissioner Bolan ordered radios out of all cabs last Fall, but rescinded his order before it went into effect. At the invitation of the Commissioner about one hundred representatives of taxicab companies and civic associations attended the hearing. Sixteen of them spoke. Eleven spoke against the use of radios in cabs and five favored their retention.

Among those in opposition was Acting Lieutenant Andrews of the Vehicular Homicide Squad who declared that the radio sets distracted the attention of drivers and were a potential cause of accident.

Among those favoring the use of radio were Bond Geddes, of the Radio Manufacturers' Association, David Sher, General Motors Truck Company, and several radio equipment company representatives.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted
(Jan. 5, 1934)

WLAP, American Broadcasting Corp. of Ky., Louisville, Ky., C.P. to move transmitter to Lexington, Ky., and change frequency from 1200 to 1420 kc., also granted authority to discontinue operation until April 15; WOV, International Broadcasting Corp., New York City, authority to install automatic frequency control; also granted renewal of license, 1130 kc., 1 KW daytime; WPTF, WPTF Radio Co., Raleigh, N. C., special experimental authority to operate simultaneously with Station KPO until 8 P.M. PST, until Jan. 31, 1934 (normally licensed ltd. time); WARD, United States Broadcasting Corp., N. Y. City, extension of authority to operate with reduced power from Jan. 1 to Jan. 6; WHET, Troy Broadcasting Co., Troy, Ala., authority to operate Jan. 5 from 7 to 9 P.M. CST in order to broadcast NRA speech; KGHI, Loyd Judd Co., Little Rock, Ark., C.P. to move transmitter locally; WHAD, Marquette University, Milwaukee, Wis., consent to voluntary assignment of license to WHAD, Inc. (Commissioner Lafount voted for hearing).

Also, WBRC, Birmingham Broadcasting Co., Inc., Birmingham, Ala., extension of special temporary authority expiring Jan. 6 to operate station until April 1, pending action on involuntary assignment of license; WTJS, The Sun Publishing Co., Inc., Jackson, Tenn., permission to operate station without frequency monitor until Feb. 1, so that monitor may be returned to mfg. for recalibration; KFDY, So. Dakota State College, Brookings, S. Dak., special temporary authority to operate from 8:30 to 9 P.M. CST.

on Jan. 8, 1934, to broadcast basketball game, provided KFYP remains silent; WACO, Cent. Texas Broadcasting Co., Inc., Waco, Texas, special temporary authority to operate from 10:30 to 11:15 P.M. CST, on Jan. 30;

January 9 - WHN, Marcus Loew Booking Agency, New York, N. Y., modification of license to increase hours of operation from sharing with WRNY and WQAO-WPAP to unlimited (To consolidate WRNY and WQAO-WPAP giving station WHN unlimited time) facilities WRNY and WQAO-WPAP; WHN, WQAO-WPAP, WRNY, Marcus Loew Booking Agency, New York, N. Y., granted for month of February special experimental authority to operate stations WHN, WQAO-WPAP and WRNY, using transmitter of WHN, make changes in equipment, increase power from 250 watts to 1 kw. for period from 1:00 a.m. to local sunset and to operate at will during that period; KGCR, Greater Kampeska Radio Corp., Watertown, S. D., authority to temporarily reduce power to such value that maximum percentage of modulation of at least 75 per cent can be satisfactorily obtained pending filing of application for construction permit and installation of equipment correcting defects in present transmitter.

January 5 - Other Than Broadcasting applications - City of Whittier, Whittier, Cal., C.P. for police service, freq. 1712, 50 watts; Los Angeles Co. Flood Control Dist., West Fork, San Gabriel Canyon, San Gabriel Dam #2, Cal., also Tujunga Dam #1, and at Los Angeles, C.P. for emergency service, frequency 2726 kc., 200 watts, same except 400 watts for Los Angeles; A. R. Drueger, Cape Pole, Alaska, C.P. pt. to pt. telephone service, 2994 kc., 50 watts; also C.P. public coastal harbor service, 2512 kc., 50 watts; WNED, Pan American Airways, Inc., Tampa, Fla., license, frequencies 2648, 3082.5, 5375, 16240 kc., unlimited; 6570, 6580, 8015, day only, 10 watts; also licence frequencies 2870, 3082.5, 5692.5, 5375, 5692.5, 8220, 12330, 16440, 5405 (day only), 10 watts; KGEF, City of Chanute, Kans., police license, 2450 kc., 25 watts; WPGG, City of Albany, N. Y., modification of C.P. extending commencement date to Dec. 15, 1933, and completion date to Feb. 10, 1934; WJM, Press Wireless, Inc., Washington, D.C. modification of C.P. extending completion date to July 1, 1934, and delete frequencies 4715, 4725, 4735, 5295, 5315, 5335, 7355 and 5305 kc.

Also, W10XD, Radio Industries Corp., Portable New York, consent to voluntary assignment of license to International Business Machines Corp.; W4XD, Durham Life Insurance Co., Portable and Mobile, consent to voluntary assignment of license to WPTF Radio Co.; WOU, New England Tel. and Tel. Co., Marshfield, Mass., modification of license to add frequency 2506 kc.

January 9 - W2XBS, National Broadcasting Co., Inc., Bellmore, N. Y., modification of C.P. (Exp. visual broadcasting) for extension of completion date from 1/16/34 to 4/16/34; KIIE, Dept. of Water & Power, City of Los Angeles, Camp Victorville, Cal., license to cover C.P. (Spec. Emergency) for 3190 kc., 30 watts, Al emission; KIIF, Dept. of Water, & Power, City of Los Angeles, Jean, Nevada, license to cover C.P. (Special emergency)

for 3190 kc., 30 watts, A1 emission; New England Telephone & Teleg. Co., Marshfield, Mass., license (Spec. exp.) for 2506 kc., 400 watts, A2, A3 emission; W8XP, Westinghouse Elec. & Mfg. Co., Portable, spec. authority to operate this exp. station on 1020 kc. when WRAX is silent, in vicinity of Phila. for tests in connection with selecting site for the new KYW transmitter; San Francisco News, San Francisco, Calif., authority (Jan. 10 to 20th) to operate four general experimental stations, utilizing the very high frequencies for the pickup and distribution of news (On behalf of San Francisco News & Scripps-Howard newspapers). The purpose of this operation is to report departure of six United States Naval planes on their projected flight from San Francisco to Honolulu on Jan. 12th.

Ratifications

Jan. 5 - Mackay Radio & Telg. Co.: WDFH, New York City granted 60 day authority to operate 100 watt tube transmitter aboard Yacht "Naroma", pending action on application, frequency range 375 to 500 kc (Action taken Dec. 28, 1933); Action taken Jan. 2, 1934: KIWA, Des Moines, Ia., license, frequencies 5225, 9070, 14740 kc., 2 KW power; WMEN, Chalmette, La., license, frequencies 4675, 5235, 7745, 9290, 10820 kc., 2 KW; WMEC, St. John, Ind., license, frequencies 4650, 4655, 5230, 5240, 5980, 7760, 8970, 8990, 10170 kc., 2 KW; WJEJ, The Hagerstown Broadcasting Co., Hagerstown, Md., temporary authority to operate without a frequency monitor for a period of 3 days from Jan. 3 provided no frequency deviations in excess of 50 cycles;

Action taken Dec. 29, 1933: KIEO, Airfan Radio Corp., Ltd. San Diego, authority to operate broadcast pickup station Jan. 2 to 6; 2342 kc., 15 watts; KFDY, So. Dak. College, Brookings, S. Dak., special temp. authority to operate from 6:30 to 8 P.M. CST, Dec. 30, 1933, Jan. 6, 13, 20 and 27, 1934, provided KFYZ remains silent; KFYZ, Meyer Broadcasting Co., Bismarck, N. Dak., special temporary authority granted to operate from 12:30 to 2 P.M. CST, Dec. 30, 1933, Jan. 6, 13, 20 and 27, 1934, provided KFDY remains silent; WAPI, WAPI Broadcasting Corp., Birmingham, Ala., and KVOO, Southwestern Sales Corp., Tulsa, Okla., special temp authority to operate simulatnequsly with power of 1 KW, on Jan. 1, 1934, from sundown to conclusion of Rosebowl football game and on Jan. 30 from 10:15 to 11:15 P.M. CST; Action taken Jan. 3: WENC, Americus Broadcasting Corp., Americus, Ga., granted special temporary authority to remain silent for period of 30 days from Jan. 1; Town of Huntington, N. Y., special temporary authority granted to erect and operate emergency police station for period of 30 days, frequency 2414, 25 watts.

Carl H. MacKenzie, Broadcasters of Pa., Erie, Pa., granted spec. temp. auth. under provisions Rule 22, to operate general exp. sta. Jan. 5, 1934, on 31100, 34600, 37600, 40600 kc. power, 5 watts, A3 emission; broadcast special program at Erie, Pa. subject to filing formal application for C.P. and license; On January 5, 1934, the Commission reconsidered and rescinded its action of Jan. 4, above and denied request to extend authority to operate said station on Jan. 5 and 6, 1934.

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