

# HEINL RADIO BUSINESS LETTER

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No. 698

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February 16, 1934.

## EXPERIMENTS IF ALLOWED MAY BANISH CLEAR CHANNELS

The Federal Radio Commission, sitting en banc, heard applications for the most pretentious and ambitious plan for simultaneous operation of high-powered stations on the same channels yet attempted.

Should the applications be granted and the proposed experiments prove successful, it will likely mean the Commission will change its policy regarding clear channels and adopt the proposal of Senator C. C. Dill, Democrat of Washington, Chairman of the Interstate Commerce Committee, who has contended for years that there is an awful waste of radio facilities by the Radio Commission in assigning only one station for operation on a clear channel at nighttime.

The applications before the Commission are those of Stations KTHS, operated by Hot Springs Chamber of Commerce, Hot Springs, Ark., which asks to change its frequency from 1040 kc., sharing time with KRLD, Dallas, Texas, to 1060 kc. and to operate simultaneously with WBAL, Baltimore, on that channel from 6 A.M. to local sunset, suspending operation from local sunset to 8 P.M. Central Standard Time and then unlimited time from 8 to 12 P.M.

Station WBAL, Baltimore, asked the Commission for special experimental authorization to operate from 6 A.M. to local sunset at Hot Springs and then simultaneously with KTHS until 9 P.M. and to synchronize with WJZ, New York, on 760 kc from 9 P.M. with reduced power.

WTIC, Hartford, Conn., seeks to change its frequency from 1060 kc to 1040 kc. and to operate simultaneously with KRLD, Dallas, Texas on that channel unlimited time.

Frederick R. Huber was the chief witness for station WBAL. Asked his qualifications for running the station, Huber said blushinglly:

"Well, that is for the Commission to judge. I have been the director of the station since its establishment about 8 years ago. I have charge of its policies and am in control of its programs. As to my training and experience: For some years I have been the director of the Municipal orchestra in Baltimore, manager of the Lyric Theatre, head of one of the departments of the Peabody Conservatory of Music and the Baltimore representative of the Metropolitan Opera Company."

Mr. Huber pointed out how the granting of the application would extend the service of WBAL so as to accommodate large groups of listeners who like its programs.

It was brought out during the WBAL hearing that the operating revenue of the station in 1933 was about \$100,000 and the expenses about \$4,000, leaving a profit of \$4,000. For some years it was disclosed the station was operated at a loss, the deficit being made up by the Consolidated Gas & Electric Power Company, the parent concern, who charged it off to advertising.

Daniel A. Reed, Secretary and General Superintendent in charge of WTIC disclosed that in 1933 the station had an income of \$130,000, and that it created a deficit of \$350,000, which was taken care of by the Travelers Insurance Company, the parent company. Reed testified that the ill-starred synchronization with WEAJ, which prevailed between March, 1931, and was ended in June, 1932, when the Radio Commission refused to renew that authorization, "cost WTIC \$75,000."

Thomas Gooch, publisher of the Dallas Times-Herald, and licensee of Station KRLD testified that his station in recent years has been clearing about \$5,000 per annum. He said he was anxious to secure more time on the air so as to provide a better outlet for the Columbia Broadcasting System in that area and to add some important local programs.

Stout opposition to the proposed shifts of frequencies was registered before the Commission by Station WESG, licensed to Cornell University, now operating on 1040 kc. and by stations KWJJ, Portland, Oregon, and WJAG, Norfolk, Nebr., both of which are now operating on 1060 kilocycles.

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#### SENATOR DILL COMMENDS AMERICAN RADIO SYSTEM

Senator Dill, of Washington, who along with Representative Bland, of Virginia, is framing the new Communications Commission Bill, gives his approval to the American system of broadcasting.

"The greatest advantage of the American system of private ownership of radio facilities as against government ownership in other countries is that our system arouses private initiative and has caused American radio to keep far ahead of radio development in all other parts of the world", Senator Dill said.

"The rapid development of the art of radio communication is far more important than incidental objections to the kind of advertising or the amount of advertising in radio broadcasting, or to seeming temporary advantages of governmental monopolies of communication systems in other countries. These objections and those seeming advantages can be readily overcome when the art of radio communication has reached its fuller development."

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## EDDIE RAILS AT FREE BROADCASTS AND OTHER THINGS

Although Eddie Dowling, appointed by President Roosevelt as a government member of the Broadcasters' Code Authority didn't turn up at the Authority's meeting either day in New York, he found time to address a meeting of the Associated Motion Picture Advertisers and to declare that free admission to broadcasting studios must stop. As quoted in a New York dispatch, Dowling had embarked on a drive to end the much-complained-of practice of radio stations, whereby they admit large audiences to studios to witness broadcasting and charge them nothing for the privilege. He promised he would do everything in his power to achieve this end.

"If I had my way", said Dowling, I'd stop free shows, sponsored by radio broadcasters. That sort of thing cannot continue.

"It is not right that 2,000 people at one time should see free entertainment, taking all this business away from the box office. If a broadcast is worth seeing, it is worth paying for.

"I wish you would all help me. This is your fight as well as mine. The fight is in the open, and they have got to stop!"

Members of "Big Hearted Herbert", Dowling's latest theatrical production, were introduced to the lunchers.

Eddie took another shot at the industry in an article, "Radio Needs a Revolution" in the Forum and Century, in which he wrote:

"It is our concern to ask why radio broadcasting today should be in the hands of electrical combines. The invention of the linotype did not turn the policy and practise of journalism over to mechanics and machinery salesmen. Nor did the invention of talking pictures turn the film industry over to sound engineers or apparatus salesmen. And yet radio, already as great a factor in our national life as one of these and rapidly becoming a serious rival of the other, is and always has been dominated absolutely by the close knit industries of its technical manufacturing and production branches."

All of which is causing Eddie's fellow members on the Code Authority, several of whom have not as yet met him, to wonder how much, if any, dynamite he intends to inject into the Code sessions.

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## WOULD TIGHTEN UP ON STATION DISCRIMINATION OR CENSORSHIP

Representative McFadden, Republican, of Pennsylvania, who recently accused the Administration of using the radio for its own purposes, and who has a resolution pending for the investigation of the radio industry, has introduced an amendment to the Radio Act aimed at political and religious censorship or discrimination on the part of broadcasters.

The text of the McFadden amendment follows:

"No person, persons, company, association, or corporation owning and operating a radio broadcasting station, and receiving and broadcasting radio programs for hire, shall discriminate in the use of such station in favor of a program of speech sponsored by any person who is a legally qualified candidate for any public office, and/or by any religious, charitable, or educational company, corporation, association, or society or any other like association or society, and against or to the exclusion of another person who is a legally qualified candidate for any public office, or of another religious, charitable, or educational company, corporation, association, or society chartered or licensed under the laws of the United States, because and for the reason that such person, religious, charitable, or educational company, corporation, association, or society holds and promulgates and advocates views contrary to those expressed in programs that have been broadcast. The owner, lessee, or operator of any broadcasting station contracting for or accepting and broadcasting radio programs for one legally qualified candidate for a public office, and for one class of religious, charitable, or educational company, corporation, association or society, and refusing to contract for or to accept and broadcast for hire radio programs of speech offered for broadcast by another legally qualified candidate for a public office, or by any other religious, charitable, or educational company, corporation, association, or society within the provisions of this section, because or for the reason that such legally qualified candidate, or such religious, charitable, or educational company, corporation, association, or society holds or promulgates a contrary or different view from that which is expressed by the person or parties broadcasting programs, shall be deemed guilty of an unlawful discrimination. All persons, companies, corporations, or associations owning and operating a radio station who shall be guilty of a misdemeanor shall be punished by a fine of not less than \$500 nor more than \$5,000, and in addition thereto may be required to forfeit the license for operating such broadcasting station.

"No person, persons, company, association, society, or corporation shall by threats, or by coercion, or by misrepresentation, or any other like manner interfere with or prevent, or attempt to interfere with or prevent, the broadcasting of any radio program by any owner, lessee, or operator of any radio broadcasting station; or interfere with or attempt to interfere with, or to prevent any owner, lessee, or operator of any radio

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broadcasting station from entering into a contract with another person, persons, company, association, society, or corporation, to accept, receive, and broadcast programs of speech and music by radio. No person, persons, company, association, society, or corporation shall induce or attempt to induce any person, persons, company, association, society, or corporation to withdraw business or financial support or social intercourse from any radio broadcasting station, or the owner, lessee, or operator of any radio broadcasting station in the use and operation of such radio station or in the broadcasting of any and all programs offered to be broadcast, or which may be broadcast at any such station. Any person, persons, association, society, or corporation violating this section shall be guilty of a misdemeanor punishable by a fine of not less than \$500 nor more than \$5,000, or in the case of an individual or the responsible officials of an association or corporation, by imprisonment for a term of not less than sixty days nor more than two years, or by both such fine and imprisonment."

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#### CONGRESS GETS ANTI-LOTTERY BROADCAST BILL

A bill to prohibit the broadcasting by radio advertisements of, or information concerning, lotteries has been introduced by Representative Bland, Democrat, of Virginia, Chairman of the House Merchant Marine and Radio Committee.

Its text is as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person, firm, or corporation operating any such station shall knowingly permit the broadcasting of any advertisement of, or information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes. Any person, firm, or corporation violating any provision of this Act shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than one year, or both, for each and every day during which such offense occurs.

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## SENATE COMMITTEE APPROVES REMOTE CONTROL AMENDMENT

The Senate Interstate Commerce Committee after a short session reported favorably the amendment to the Radio Act introduced by Senator Dill to prevent setting up studios in the United States which are connected with radio stations in foreign countries that broadcast back into the United States. Although members of the House Committee on Merchant Marine and Radio expressed themselves in hearty approval of an identical amendment introduced by Representative Bland, of Virginia, they will have another meeting Friday, February 23rd, to give electrical transcription record manufacturers an opportunity to be heard. The amendment aims to prevent records being sent from this country to objectionable border stations as well as programs by wire.

Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, offered two amendments, the first of which was "That nothing in this section shall apply to the use of any studio, place or apparatus in connection with any program which is broadcast simultaneously by a foreign radio station and by any radio broadcasting station licensed by the Federal Radio Commission."

This, Mr. Bellows explained, would forestall any interruption of the network broadcasts between the United States and Canada, which are now carried on regularly and have the approval of both countries.

By way of strengthening the electrical transcription restriction, Mr. Bellows suggested having the sentence read, "or physical reproduction of sound waves designed exclusively for reproduction for radio broadcasting." As an alternative amendment to this, he proposed inserting the words, "the principal function of which is to cause such electrical energy or mechanical or physical reproduction of sound waves."

Dr. C. B. Jolliffe, Chief Engineer of the Radio Commission, declared that the bill was not directed at any legitimate broadcasting between the United States and Canada. He said it was aimed principally at the stations broadcasting into this country across the Mexican border. He cited particularly the two stations which had been closed down in this country, one operated by Dr. Brinkley, XER at Villa Acuna, and XENT at Neuva Laredo, by Norman Baker, the latter of which opened up only a few days ago. Dr. Jolliffe said the authorized power of XER was 500,000 watts and he believed the station was actually using between 75,000 and 150,000 watts. Norman Baker, with an authorization of 150,000 watts, the radio official had heard, was using approximately 50,000 watts.

Dr. Jolliffe said that all the Mexican border stations were financed by American capital and were operated for the purpose of supplying American audiences rather than Mexican audiences and carried programs which would not be carried by American



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stations because of their character. Jolliffe said of the 12 exclusive channels Mexico demanded of the United States at the Mexico City Conference, they desired to give six to the border stations. Dr. Jolliffe said that in all, there were twelve stations on the Mexican border either now operated, under construction, or expected to be constructed.

Dr. Irvin Stewart, of the Treaty Division of the State Department, declared that the influence of these border stations tended to cause friction between the two countries.

Judge Sykes testified that the so-called Mexican stations on the border were really stations owned by Americans for the purpose of broadcasting into the United States. The Judge also took pains to commend the Canadians declaring that they stood with us in all our demands at Mexico City.

Dr. Tracy Tyler of the Committee on Education by Radio was the last witness to testify declaring that they stood squarely behind the bill.

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#### RADIO COMMISSIONERSHIP APPOINTMENT IN DOUBT

Although Commissioner W. D. L. Starbuck's term expires next week (February 23rd) there has been less talk than there ordinarily would have been about his successor, if he is not to be reappointed, because of the belief that a Communications Commission may soon be created with a new deal all around. Those who argue that there is a chance of the reappointment of Commissioner Starbuck point to the fact that he apparently is in the good graces of at least one New York Senator since he was among the guests at the big dinner given by Senator and Mrs. Royal Copeland in Washington.

The general impression seems to be that Judge E. O. Sykes is apt to be appointed to the new Communications Commission. Also that Herbert L. Pettey, Secretary of the Radio Commission, who stands high with patronage dispenser Farley, may have a place on the Commission. Mr. Pettey, who is only 28 years old, has been quoted as saying that he would not care to be Commissioner. The assumption, therefore, is that he may be the secretary of the new Commission.

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## WAVE POLICING INCREASES SHANGHAI RADIO POPULARITY

The popularity of radio is increasing to a noticeable degree in Shanghai, China, according to a report from Consul Richard P. Rutrick. There are 35 broadcasting stations in Shanghai, 29 of which are Chinese, the others being foreign-owned and operated. The National Government of China exercises partial control over these stations and recently assigned a definite wave length to each. This action, relieving as it did Shanghai's congested air, greatly stimulated the sale of radio sets in the city.

Imports of receiving sets and parts into the Chinese metropolis during the ten months ended October 31, 1933, the latest available figures, had a value of \$684,173 compared with \$564,117 for the year of 1932. The improved radio business, the report states, began in 1931, in which year imports of sets and parts reached a value of \$394,700. During 1930, total imports of radio sets and parts amounted to only \$102,500.

Local firms, the report declares, are enthusiastic and optimistic regarding the future of radio in China, particularly in Shanghai. At present there are about fifty makes of radio sets on the Shanghai market, the majority being of American manufacture. Fifteen popular American sets enjoy approximately 50 per cent of total sales in this area.

It is estimated by Shanghai dealers that there are between 30 and 40 thousand radio sets in use in Shanghai, ranging from crystal sets to the latest de luxe multi-tubed models. The type of receiver which is most popular is the medium-sized unit having six to nine tubes.

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## MADRID TREATY CONSIDERATION POSTPONED

Consideration and ratification of the Madrid Radio Conference Treaty by the Senate Committee on Foreign Relations has now been set for Wednesday, February 21st.

A strong plea against the ratification by the Senate of the amateur ban in the Madrid Treaty is made by Clair Foster, #6HM, of Carmel, Calif.

"The convention of Washington in 1927 especially was dominated by commercial corporations", Mr. Foster writes in "Radio", a magazine published in San Francisco. "That is where the amateurs lost all but their tail-feathers. Before that time they had been plucked of most of their body covering. Up to that time the United States amateurs had held all of the short waves from 1500 kilocycles upwards. Their representatives, at various conferences of no legal status, had of their own accord relinquished all but a

few narrow bands. When the international convention of Washington came along the amateurs had already established their reputation as push-overs, so it was a foregone conclusion that without competent representation they would lose territory. They WERE without such representation and they DID lose three-fourths of what they had not already given away. They were not only deprived of most of their territory but their rights were invaded by incorporation in the treaty of provisions designed to limit amateur communication with other countries.

"Now the whole necessity for international radiotelegraph conventions revolves about the problem of interference. Where there is no interference of signals, there is no need for international conferences. Commercial people, however, have used the mechanism of international conventions for purposes quite outside the problems of interference. The attempt to so use them is what causes the greater part of the muddled meddling with the affairs of individual nations that encumbers the treaties. It has long irked certain American commercial interests that the 1927 treaty could not be used to stop all international exchange of third-party messages by amateur stations. So, long before the Madrid convention of 1932, plans were afoot among these commercials to put an absolute ban at Madrid on such traffic. When the United States was preparing for the Hague conference of 1929, these commercials were instrumental in getting into the proposals to the other nations this one:

"It is recommended that amateur stations be permitted to transmit, on behalf of third parties, communications which are of the same class as the amateur is permitted, by the regulations of his administration, to handle on his own behalf."

"This was, and was known to be, a wholly improper subject to propose at the Hague; for the conferences at the Hague, and, subsequently, Copenhagen, were engineering conferences limited solely to the discussion of technical problems. But the recommendation of these amateur restrictions, by reason of their submission in writing to all other nations, did in fact put those nations on notice of the attitude the United States delegation would take at the following Madrid convention which would not be limited to technical subjects. The subject, of course, was not discussed at the Hague. It was never intended that it should be. But its distribution among the other nations did serve its designed purpose at Madrid. This is an instance of making use of the mechanism of an international convention in a matter that is the sole concern of individual nations.

"The question of the source, destination and content of messages - either amateur or commercial - has no proper place in the deliberations of an international convention. Madrid did not presume, you will notice, to interfere with the primary assumption laid down in the convention itself - that each nation is free to conduct its own affairs in its own way - by specifying the character of the messages of commercial companies! If our Senate were to ratify the Madrid ban, ('Made inUSA'), on the free



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international handling of third-party messages by amateur stations then our government would be meddling in the private affairs of every other country that is disposed to permit the free exchange of amateur communications.

"We amateurs will, of course, conform with even the worst of treaties when, if, as, and for so long as they shall be or become the law of our land; but now that we know who makes them, and the kind of stuff they are made of, we need not stand in respectful awe of them and raise a crop of goose-pimples every time mention is made of 'the international treaty.'"

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#### CONGRESSIONAL MEMBERS TO VISIT RADIO CITY

Several hundred House of Representative members plan to make a week-end inspection trip to New York City and West Point leaving Washington Friday, March 2, by special train and returning Sunday night.

All Representatives who go will pay their own expenses and there will be no cost to the Federal Government, which is something new in Congressional junkets. Heretofore Uncle Sam has usually paid the bill.

The tentative itinerary of the trip is as follows: Friday night, New York City, inspection trip of Radio City and National Broadcasting studios; Saturday, inspection of the Federal Reserve Bank, Stock Exchange, Cotton Exchange and immigration station; Sunday, a trip to West Point.

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#### PRINTED COPIES OF RADIO WHOLESALERS' CODE AVAILABLE

The proposed supplemental Code for the Radio Wholesaling Trade, as revised for the public hearing to be held Saturday, February 24, has been printed. Copies are for sale by the Superintendent of Documents, Washington, D. C., price 5 cents.

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: BUSINESS LETTER NOTES :  
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By way of giving a little more publicity to traffic offenders, Station WKBF, in Indianapolis, began broadcasting the hearings of the Traffic Courts for a half an hour each night beginning at 8:30 o'clock C.S.T.

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The Washington Post has taken 15 minutes of WJSV's morning Women's hour for broadcasting features of feminine interest designating the period, "Salute the Ladies". Different members of the Post staff are heard, such as the Editor of the Women's Page, Society Editor, Motion Picture Editor, and so on.

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A patent-infringement suit was filed in the Federal court in Wilmington against the Radio Corporation of America by Helen May Fessenden of Chestnut Hill, Mass., widow of Reginald A. Fessenden, electrical engineer.

The bill of complaint asserts that the corporation has infringed two patents granted to Professor Fessenden in 1927, one for wireless directive signaling, and the other for wireless transmission and reception.

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Thomas P. Littlepage, radio counsel, ill with pneumonia has so far recovered that he has been removed from the Emergency Hospital to his home in Washington.

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Daily radio talks sponsored by the New York City administration to advise housewives on how to obtain the most value for money spent on food were started this week over WOR, by Mrs. Frances F. Gannon, Deputy Commissioner of the Department of Public Markets.

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The Radio Corporation of America stated that suits have been brought under its patents and a number of patents under which it holds licenses against two of the companies associated with the International Telephone and Telegraph Co., namely, the Mackay Radio and Telegraph Co., Inc., and the Federal Telegraph Co., of Newark, N. J.

The position taken by the Radio Corporation of America is that these associated companies of the I. T. & T. are infringing patents owned by the RCA, as well as others under which RCA holds licenses. The suit against the Mackay Radio and Telegraph Co. in the U.S. District Court, Eastern District of New York, claims infringement of 6 U. S. patents relating to radio inventions used in marine, transoceanic and domestic radio communication. The suit against the Federal Telegraph Co. claims infringement of 6 U.S. patents relating to radio tubes.

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