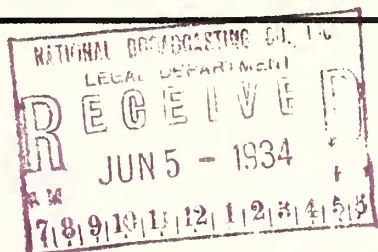


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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INDEX TO ISSUE OF JUNE 1, 1934.

Dill Resolution Would Authorize A. T. & T. Investigation.....	2
Prospects For Copyright Bill Dim.....	4
Germany Soars Above the 5,000,000 Mark.....	4
Dual Sending Of Voice And Aural Plane Signals.....	5
ASCAP Loses Baltimore Suit.....	6
Two New Stations Liven Things Up In Portugal.....	7
B.B.C. To Use 24 Hour Time System.....	7
Chicago Newspapers Criticize Stockyard Fire Broadcasts.....	8
Television Sent 90 Miles In Test.....	9
House Committee Reports Out Rule On Communications Bill.....	10
Part II Of Communication Companies' Report Filed.....	10
Policeman Sues KHJ For \$200,000.....	10
Signal Lights Red Against Advertising, Agency Head Warns.....	11
Decisions Of The Federal Radio Commission.....	11

No. 728

## DILL RESOLUTION WOULD AUTHORIZE A. T. & T. INVESTIGATION

As a probable aftermath of the hearings on the proposed new Communications Commission, the Bill for which has already been passed by the Senate, Senator Dill introduced a resolution in the Senate on May 30th which would authorize the investigation of the American Telephone & Telegraph Company. The matter was referred to the Interstate Commerce Committee which took the matter up but finally postponed further discussion until Monday, June 4th.

The resolution reads in full as follows:

"Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a thorough and complete investigation of the operations, relationships, and activities of the American Telephone and Telegraph Company, its subsidiaries, affiliates, associates, and other concerns in which it or they have any direct or indirect financial interest, or which have any such interest in it, or in which any of its officers or directors hold any office or exert any control and shall report to the Senate the facts as ascertained and make recommendations for such legislation as the committee deems desirable.

"In making said investigation, the committee shall, among other things, investigate and report particularly on the following subjects:

"(1) The financial structure and relationship of the company and its subsidiaries, associates, and affiliates, and the extent to which its holding company structure enables it to evade regulation or taxation, or enables it to conceal or absorb profits; the extent of interservice contracts or transactions between the American Telephone and Telegraph Company, and its subsidiary, affiliated, associated, or holding companies, and particularly contracts with the Western Electric Company and other manufacturers of electrical-communication equipment, if any; also the sale prices of telephone equipment, material, or devices to telephone-operating companies, the profits upon such sales and the effect of such sales upon the rate base of operating companies when used as a basis for telephone charges in the various States; and the probable savings by telephone-operating companies purchasing equipment under a system of competitive bidding.

"(2) The activities of and expansion by the company and its subsidiaries, associates, holding companies, and affiliates into fields other than telephone communication, including teletype service, telephoto service, broadcasting, motion-picture distribution, and the manufacture of electrical equipment.

"(3) The methods of competition with other companies and industries, with reference to equality of service, reasonableness of rates, both local and long distance, depreciation accounting practices, discriminatory practices, suppression of patents, method of accounting for royalties accruing on patents, sale and refusal to sell equipment to competing companies, maintenance of exorbitantly high prices because of monopolistic control, and particularly the relationship of the company with Electrical Research Products, Inc., and its relation to independent motion-picture organizations, and its practices in the interests of the company.

"(4) The extent to which local subscribers have borne the cost of the research developments for long-distance appliances, radio, motion-picture, and other inventions not related to the improvement of local service.

"(5) The reasons for voluntary reductions in long-distance charges, and the failure to reduce local charges during the past few years of generally falling prices.

"(6) Its relations as an employer with its employees, and the extent of its reduction in number and wages of employees while maintaining exorbitant salaries for high officials and a continuous high dividend rate.

"(7) The methods whereby the company or its subsidiaries or affiliates or its officers or directors have sought through propaganda, or the expenditure of money or the control of channels of publicity, to influence or control public opinion or elections.

"The words 'associates', 'subsidiaries', 'affiliates', and 'holding companies' shall include all companies directly or indirectly associated or connected with the American Telephone and Telegraph Company, either by stock ownership, interlocking directorates, interlocking offices, whether by direct or indirect stock ownership, office holding, or directorates, or traceable through one or more companies, corporations, partnerships, individuals, or in any other manner.

"That the said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpoenas or otherwise; to require the production or inspection of all accounts, books, papers, documents, memoranda, minutes, and so forth; and to employ counsel, experts, and other assistants, and stenographers at a cost not exceeding 25 cents per hundred words. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpoenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate, not to exceed \$25,000."

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## PROSPECTS FOR COPYRIGHT BILL DIM

Prospects for the ratification of the International Copyright Convention on the passage of the Cutting-Luce Bill creating an automatic copyright, practically vanished at the end of this week's hearings by the Duffy subcommittee of the Senate Foreign Relations Committee.

Although not a member of the Committee, Senator Dill, of Washington, led the fight against the treaty and the bill. In his testimony, he insisted that ratification be withheld until the Patents Committee could pass upon the Cutting-Luce measure.

Oswald F. Schuette, copyright advisor of the National Association of Broadcasters, said:

"The broadcasting industry favors a revision of the copyright laws. But we are opposed to the bill before this Committee because we do not believe it would achieve the purpose for which it is intended. The broadcasting industry favors the protection of copyright by international treaties, but we are opposed to the ratification of this treaty until Congress shall have revised the copyright laws to protect not only the rights of foreign and domestic authors and composers, but of the user of literary and musical works and of the rights of the public in the public domain."

Mr. Schuette also made an attack on the American Society of Composers, Authors and Publishers and declared that the proposed bill would add to the weapons of that organization, the "automatic copyrights" of 30,000 members of the foreign societies affiliated with it - a number which he said was almost fifty times as great as its American membership.

M. J. Flynn, representing the American Federation of Labor, proposed a copyright conference to be held this Summer.

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## GERMANY SOARS ABOVE THE 5,000,000 MARK

Germany had 5,424,755 radio receiving sets in operation on April 1, an increase of 60,198 over March 1. Broadcasting in Germany is a government enterprise; nobody can legally listen in unless he subscribes with the post office, which supervises the radio as it does the telephone and telegraph, and pays two marks a month for this privilege.

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## DUAL SENDING OF VOICE AND AURAL PLANE SIGNALS

A method for simultaneous transmission of voice and aural airplane range beacon signals on the same frequency, has been devised by engineers of the Air Navigation Division of the Commerce Department, and further tests are being made to determine its feasibility for a regular service on the Federal airways system.

The signals also may be received simultaneously by the pilot of an airplane, provided he has the necessary equipment. A simple device for converting aural radio range signals into visual indications is used. The voice signals then are received in the ear phones, while the directional signals are directed into a converter, actuating a needle which indicates to the pilot whether he is on course or to the right or left of his route.

An experimental station equipped to transmit visual range signals and voice simultaneously is in operation on request at Elizabeth, N. J. Experiments with simultaneous transmission of aural signals and voice will be carried out at Pittsburgh.

In the method to be tested at Pittsburgh, radio range signals are broadcast from four vertical radiator antennas of the type now in regular use on the Federal airways system. Voice goes on the air from a fifth antenna, of the same type, located in the middle of the system of four radio range antennas. The same carrier is used for both transmission. The radio range signals are a frequency 400 cycles higher than the carrier, while the voice signals are the carrier frequency plus or minus 500 to 4,000 cycles.

After the signals have been received in the plane, the receiver output will be divided between two loads. Filters will direct frequencies of about 400 cycles to the converter unit that will change them into visual signals. These filters will also send the frequencies above about 500 cycles through the ear phones to permit the pilot to listen to the voice broadcast of weather and other information. If the pilot wishes, he may receive the radio range signals aurally in his ear phones, but to do so it is necessary to connect his ear phones to the circuit having the frequencies of about 400 cycles.

Elimination of the lower range of frequencies from the voice broadcasts does not appreciably affect the intelligibility of the messages received. It does affect the timbre, as the bass pitches represented by the lower frequencies are eliminated, and the voice, as heard in the airplane, is high-pitched. However, experiments have demonstrated that it is the higher frequencies that are needed for intelligibility.

Extra towers needed for simultaneous transmission will be available at many of the radio stations throughout the country, if it is found practicable to adopt it for general use. The fifth towers are to be installed at a number of stations in the near future, and used for transmission on the emergency frequency of 236 kilocycles.

Radio communication stations and radio range beacons now are being combined, with the communication station and range serving a particular airway section located in the same building and using the same antenna system. Under this arrangement, it is not possible to broadcast range signals and voice at the same time, even on separate frequencies.

The extra antenna for communications on 236 kilocycles at a combined station consists of a fifth tower radiator antenna, installed in the center of the group of four towers in the same manner as will be required for simultaneous transmission of aural range signals and voice on the same frequency.

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#### ASCAP LOSES BALTIMORE SUIT

"The American Society of Composers, Authors and Publishers, an organization which owns almost all the copyrights on modern songs and dance tunes, came off a bad second best in a suit heard yesterday before Judge William C. Coleman in the United States District Court", says a news item in the Baltimore Sun of June 1.

"The Society sought to collect \$250 from the proprietor of a Baltimore beer garden on the ground that last October an orchestra had played at the place and had used one of the organization's dance tunes without paying any royalty.

"The witness for the Society, who testified that he was a professional musician hired to go about and find violations of the copyright laws, told the court that the orchestra he had heard at the beer garden was composed of a piano, a saxophone, a drum and a banjo and that he had recognized among their renditions a tune called 'The Talk of the Town', on which his employers owned the copyright.

"The members of the orchestra, who testified for the defense, said they had not played the tune referred to, although they had been asked to play it by the prosecution witness, because they did not know it and could not read music.

"They said they played only from memory such old songs as 'Turkey in the Straw', 'Old Dan Tucker', and 'Golden Slippers', and that their orchestra was made up of a piano, banjo, guitar and violin.

"In dismissing the suit, Judge Coleman held that the musicians probably had a better recollection of what they played than the plaintiff's witness, who testified that he had been to a number of places the same evening in his search for copyright violations."

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## TWO NEW STATIONS LIVEN THINGS UP IN PORTUGAL

Interest in radio reception in Portugal has been notably stimulated as a result of the construction near Lisbon of two broadcasting stations, according to a report from Vice Consul Daniel V. Anderson. One of these stations, it is pointed out, is to be operated by the Portuguese Government.

Development of radio in Portugal, the report states, has been handicapped by the fact that most of the radio broadcasting in Portugal has heretofore been performed by small stations whose programs have consisted almost entirely of the playing of phonograph records. In a country such as Portugal where only a small percentage of the population can understand a foreign language, adequate facilities for broadcasting in the native tongue are necessary before any large-scale development in radio can take place. The two new stations, it is pointed out, should be able to fulfill this long-felt want.

In order to provide funds with which to develop and operate a system of Government radio broadcasting stations, the Portuguese Government last June issued a decree placing a monthly tax of six escudo (about 28 cents) on every radio receiving set in operation in Portugal. It is estimated that there are at the present time between 25,000 and 30,000 sets actually in operation.

Imports of radio receiving and transmitting sets into Portugal were valued at 6,820 contos in 1933, an increase of 50 per cent as compared with 1932. The United States continued to be the leading supplier, accounting for approximately 50 per cent of total imports in 1933 compared with 34 percent in 1932.

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## B. B. C. TO USE 24 HOUR TIME SYSTEM

The British Broadcasting Corporation will adopt the 24-hour system of expressing time. The system will be used in all announcements over the microphone, in the journals published by the corporation and in correspondence. No statement has been made as to the duration of the trial of the system, but it will doubtless be sufficiently long for the public to become thoroughly familiar with the system and for the extent of public approval or disapproval of the system to be gauged. The Postmaster General will await the result of this experiment before coming to a decision on the question of the adoption of the system in the Postoffice

It is proposed by the British Broadcasting Corporation that a time such as 17h. 15m. shall be announced as "Seventeen-fifteen hours." This terminology would be inaccurate and undesirable, and it is to be hoped that such a designation will not be used; otherwise this phraseology may soon become stereotyped. The expression "seventeen hours fifteen minutes" is accurate but long.

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## CHICAGO NEWSPAPERS CRITICIZE STOCKYARD FIRE BROADCASTS

The Chicago Tribune commented critically upon the broadcasts of the Chicago stockyards' fire which it said caused every newspaper office to be flooded with telephone inquiries from anxious relatives in all parts of the country, out-of-town newspapers as far away as Londong, England, and other groups, such as the American Legion, offering their services, as follows:

"In the early stages of the fire, radio broadcasts told of the great danger confronting the entire stockyards district and the public was led to believe that the peril was greater and the damage far more extensive than a cold survey yesterday justified. At one time it was feared that two or three square miles were endangered, but actually the fire was confined to an area of about eight city blocks, or one-eighth of a square mile."

The Chicago Daily News summarized the radio broadcast of the fire in an editorial May 22, entitled: "Radio Rumors", which follows, in part: "It would be ungenerous, perhaps to disparage the valiant efforts of the radio announcers who tried to tell the world about the stockyards fire. They told the world a lot of things that weren't so, and succeeded in getting many people vastly excited. But don't blame the boys who pictured themselves as standing on the burning deck, or one just about to be burned. The technique of radio announcing is designed to get the listeners excited, even when the bulletin concerns nothing more thrilling than a new toilet soap.

"There were thrills enough in Saturday night's big fire if one stuck to the bare facts. But radio has its own methods. The radio boys, untrained in news gathering, undisciplined in the value of accuracy, were doing the best they could to live up to the young tradition of their craft.

"Smoke-choked, bleary-eyed and superheated, in constant peril of their lives, according to their own often repeated assertions, they stuck to their mikes and hysterically broadcast every alarming rumor that reached their ears. They had to rely on rumor because from their roof point of vantage, they could see little, and be sure of less, that was really happening. The real facts were being gathered by trained newspaper men, whose technique it is to sift grain from chaff.

"If radio, on such occasions, is to be more than a useful transmitter of official messages, is to assume the function of broadcasting news on its own initiative and under its own direction, it must learn to discipline itself."

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## TELEVISION SENT 90 MILES IN TEST

Television has passed beyond the laboratory stage to the extent that scenes have been transmitted satisfactorily from a studio in the Empire State Building in New York, to Camden, a distance of about ninety miles, and outdoor scenes have been televised and transmitted for short distances.

These significant steps in the development of television as a practicable phase of the radio industry were reported to the annual convention of the Institute of Radio Engineers at Philadelphia last Tuesday by research engineers of the RCA Victor Company.

They emphasized, as did Dr. W. R. G. Baker, Vice-President and General Manager, in a preliminary statement on Monday, that serious obstacles, economic and otherwise, confronted the commercialization of home television despite the successful operation of an experimental system.

In the transmission of scenes from New York to Camden, it was found necessary to erect an intermediary radio relay station at Mount Arney, N. J., about 64 miles from New York.

The iconoscope, or "image observer", invented by Dr. Vladimir K. Zworykin and his associates as the central feature of the transmitting device, and the kinescope or cathode-ray tube, used as an integral part of the receiving system, are fundamentals of the experimental system as now developed by the RCA Victor engineers.

Mr. E. W. Engstrom related that in the New York-to Camden transmission, the most satisfactory results were obtained when the picture carrier was transmitted on 49,000 kilocycles and the sound carrier on 50,000 kilocycles. The two receiving circuits necessary for picking up the picture and the sound carriers, respectively, are tied together electrically so that they operate simultaneously.

"Two or three years have elapsed since we were hearing first that 'commercial television is just around the corner', said Mr. Engstrom. "Developments since then have included ability to obtain outdoor pictures, placing synchronization on a sound basis and some other technical advances. We believe that we have an orderly program which is leading to television, but television, instead of being just around the corner, has turned out to be a problem which is a giant in proportion."

C. N. Anderson of the Bell Telephone Laboratories, New York, warned the engineers that sun spots were beginning to appear once more and that great storms in the atmosphere of the sun probably would complicate wireless operation soon.

At the annual dinner, the Institute of Radio Engineers' medal of honor was conferred upon Capt. S. C. Hooper for his organization of radio communications for the Navy, and the Morris Leibmann Memorial Prize of \$500 went to Dr. Zworykin for his contributions to the development of television.

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## HOUSE COMMITTEE REPORTS OUT RULE ON COMMUNICATIONS BILL

The House Rules Committee today (June 1), reported out a rule on the Communications Bill. It provides for a one-hour debate on the rules and two hours of general debate. Following this, amendments will be allowed from the floor and discussion under the regular House rules which do not limit debate on amendments.

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## PART II OF COMMUNICATIONS COMPANIES' REPORT FILED

Part II of the report of the Communications Companies was filed today but at the present writing, copies are not yet available except to members of the press.

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## POLICEMAN SUES KHJ FOR \$200,000

Charging that a recent commercial broadcast over KHJ, Los Angeles, cost him his job, the society of friends, and caused severe nervous shock, Edward Condon, Jr., a former Long Beach policeman, has filed suit for \$200,000, charging libel and slander against the Don Lee Broadcasting System, the Rio Grande Oil Company, and others. According to the complaint, the Rio Grande "Calling All Cars" program included the following statements: "That he was convicted of setting fire to a large garage in Los Angeles", "that he was insane and sent to the State Hospital at Norwalk", "that he is a fugitive from justice and is a dangerous man to be at large in the community", "he was a pyromaniac." The word, "he" referred in each case to the plaintiff, the suit alleges, although he was not mentioned by name.

Condon charges copies of the script were shown to newspaper reporters and also filed with the Federal Radio Commission in Washington and in offices of the Don Lee System, where many persons have seen them.

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6/1/34

## SIGNAL LIGHTS RED AGAINST ADVERTISING, AGENCY HEAD WARNS

W. C. D'Arcy, President of the D'Arcy Advertising Co., of St. Louis, addressed the Annual Convention of Advertising Agents in Washington, in part, as follows:

"Quite frankly, advertising as we have been practicing it is losing public confidence. This is evident in every quarter. In no other way can you explain the new consumer movements, the indignant protests to publications, the proposed regulatory bills and laws, Consumers' Research, and those who have made a racket of this so-called consumers' crusade. Let's not forget that a man can tell lies on both sides of the fence. The tide, gentlemen, has turned against us. The signals show red."

"Something has got to be done. I feel it strongly every time a bland voice over the radio makes some shockingly out-of-place sales suggestion when I am in mixed company at home or elsewhere. I feel it when I thumb through a magazine, periodical or newspaper and notice the blatant bad taste that is laid there on the advertising pages for fools like me. And when I say fools, I mean it - because the men who prepared it give me, and millions like me, to understand without a shadow of a doubt that that is largely what they think of the vast market of American citizenry. Just a nation of morons, morbid in tastes, perverted in desires, and unclean in lives and persons."

"I believe most advertising does not deserve this public indictment. Most of it is a straightforward presentation of intelligent, clean selling. It is manifestly unfair that advertising as whole should be penalized because of the spectacular antics of a small but vociferous and blatant minority."

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## DECISIONS OF THE FEDERAL RADIO COMMISSION

### Applications Granted (June 1, 1934)

KWCR, Cedar Rapids Broadcast Co., Cedar Rapids, Ia., modification of C. P. extending completion date to 6 months from May 16, 1934; WBRC, Birmingham Broadcasting Co., Inc., Birmingham, Ala., license, 930 kc., 500 w., night 1 KW, LS, unlimited time; WCBS, Charleston Broadcasting Corp., Charleston, W. Va., modification of license to increase day power from 500 w. to 1 KW; KWLC, Luther College, Decorah, Ia., special temporary authority to reduce hours of operation to 2 hours daily, for period June 6 to Sept. 10, 1934, during vacation period; KPCB, Queen City Broadcasting Co., Seattle, Wash., special temporary authority to operate station without approved frequency monitor for period of 25 days.

6/1/34

Also, KGA, Louis Wasmer, Spokane, Wash., special experimental authority to operate on 900 kc. with 1 KW night,  $2\frac{1}{2}$  KW-LS, unlimited time, for period ending November 1, 1934, subject to decision by Court of Appeals in the case of KSEI-KFPY.

Also, WIXE, Town of Darien, Conn., Police Dept., and WIXF, Portable-Mobile, modification of C.P. extending commencement date to May 1 and completion date to Sept. 1, 1934; Richard Upjohn Light, NR-10794, license (aviation-Aircraft), 333, 375, 414, 457, 500, 3105, 3120, 5515, 8340, 12480 kc., 90 watts; WPGZ, City of Johnson City, Tenn., license (police service), 2474 kc., 50 watts.

#### Action On Examiners' Reports

KRGV, KRGV, Inc., Harlingen, Tex., granted modification of license to change hours of operation from sharing equally with KWWG to unlimited, 1260 kc., 500 watts, sustaining Examiner George H. Hill; KWWG, Frank P. Jackson, Brownsville, Texas, granted consent to voluntary assignment of license to Port Arthur College, 1260 kc., 500 watts, daytime only; also granted renewal of license, 1260 kc., 500 watts, daytime, reversing Examiner Hill; KWWG, Port Arthur College, Port Arthur, Texas, granted C.P. to change location of studio and transmitter, reversing Examiner Hill; NEW, Walter B. Stiles, Inc., Muskegon, Mich., denied C.P. for new station to operate on 1310 kc., 100 watts, unlimited time, sustaining Examiner R. L. Walker; WKBZ, Karl L. Ashbacker, Ludington, Mich., granted C.P. to move transmitter and studio from Ludington to Muskegon, Mich., 1500 kc., 100 watts, unlimited time, sustaining Examiner Walker.

#### Oral Argument Granted

The Commission, en banc, will hear oral argument involving Station WJJD, Chicago, on June 13, 1934.

#### Ratifications

WAIU, E. S. Howlett, Columbus, Ohio, granted temporary authority to operate broadcast pickup station, frequency 2060 kc., 100 watts, from May 29 for a period of 10 days, action taken May 28; New - Northwest Airlines, Inc., NC-233-&, granted license, frequencies 3005, 3105 kc., unlimited, 2854 kc., W. and North of Chicago only, 5377.5 kc. day only, W. and N. of Chicago only, 50 watts, action taken May 29.

#### Miscellaneous

Joseph Pappalardo, Lawrence, Mass., application for new broadcasting station redesignated for hearing.

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