

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

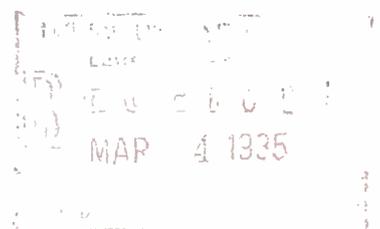
WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 803



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## FORESTERS CLAIM ADVANTAGES OF WOODEN RADIO TOWERS

A technical reason for the use of wood in the erection of forest lookout and radio towers was brought out by one of the foresters at the recent convention in Washington of the Society of American Foresters during a discussion of fire control work, by the possibility of a hindrance to radio communication caused by interference of metal towers.

It was contended that the metal tower would produce a directional antenna effect, depending upon where the antenna was placed, or that it would so interfere with sending as to neutralize broadcasting waves. Forest lookout towers built of timber would not, it was pointed out, present these difficulties.

Radio has been adjudged invaluable in fire-control work, as it enables observers in lookout towers to communicate with headquarters or with forest fire patrolmen wherever the latter may be, thus saving valuable time in reaching fires. The construction of wood lookout towers of practically any desired height has been made possible by the use of modern timber connectors, introduced into this country from Europe by the National Committee on Wood Utilization, now a part of the Department of Commerce, and handled in the United States by the Timber Engineering Company, subsidiary of the American Forest Products Industries, Inc., a National Lumber Manufacturers' Association affiliate.

Connectors have been used extensively in the construction of radio towers here and abroad, the most notable example being the famous structure at Meuhlaker, Germany, a lacy network of wooden timbers 190 meters, or about 625 feet, high supporting at the top an antenna ring 10 feet in diameter and weighing 1320 pounds.

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## HOUSE INTERSTATE COMMERCE COMMITTEE TO HOUSE COMMUNICATIONS

Without a record vote, the House last Tuesday passed a resolution which hereafter will give the Interstate and Foreign Commerce Committee, of which Representative Sam Rayburn, of Texas, is Chairman, entire jurisdiction of all communications matters. Heretofore radio has always been under the Merchant Marine, Radio and Fisheries Committee, of which Representative Bland, of Virginia, is Chairman. That Committee hereafter will revert to its old designation of Merchant Marine and Fisheries Committee, omitting the word "Radio".

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Representative O'Connor, of New York, of the Fulcrum Committee, in offering the resolution which brought about the change, denied that it was a victory for the Interstate Commerce Committee.

"That is as far from the truth as anything could be", Representative O'Connor said. "This is a victory for neither side. No one wins here. The fact that the Merchant Marine Committee has jurisdiction over radio does not justify any statement that the other committee wins the dispute. The Rules Committee came to the determination that you could not properly divide communications and that radio, telegraph, telephone, and cable inevitably went together, and the Interstate Commerce Committee having jurisdiction of most of those subjects and for a longer time than the Merchant Marine Committee had jurisdiction over radio, it was thought best and fairest to put radio in the Committee on Interstate and Foreign Commerce. On the other hand, the Merchant Marine Committee reestablishes and reclaims its jurisdiction over the merchant marine and over many matters which were under the jurisdiction of the Interstate and Foreign Commerce Committee. There is no victory, therefore, for either side, and the Rules Committee would not be a party to any such a result. We have, in fact, taken from the Interstate and Foreign Commerce Committee many matters over which it has had jurisdiction, and there is no mathematician who could interpret the resolution to the effect that it is a victory for either side."

"I wish to confirm what the gentleman has just said", Representative Rayburn interjected. "This was a unanimous agreement between the Committee on Merchant Marine and Fisheries and the Committee on Interstate and Foreign Commerce."

"Everybody concerned is happy to have worked out this solution of a difficult problem, to relieve this dispute between the two committees, and to relieve the Speaker of the quandary in which he finds himself when omnibus bills and other bills come before him for reference. I believe the House should sustain the action of these two great committees and the position the Rules Committee has taken in bringing this resolution before the House.

"It simply changes the name of the Merchant Marine, Radio and Fisheries Committee by omitting the word 'Radio'. We took out the word 'Radio.'"

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## ASSERTS PEOPLE ARE LESS CRITICAL OF THE SPOKEN WORD

After four centuries of attention having been directed to the development of eye-mindedness, the advent of radio seems destined to shift a great deal of emphasis in the direction of ear-mindedness, Dr. Tracy F. Tyler, of the National Committee on Education by Radio told educators assembled at Atlantic City this week.

Recent pronouncements by prominent educators, substantiated by painstaking research, Dr. Tyler asserted, reveal a number of important facts:

- First: People are less critical of things heard than of things read.
- Second: One responds more readily to spoken rather than to written suggestions.
- Third: An individual is definitely less critical, less analytical, more passively receptive, when listening to the radio than when he is face to face with the speaker.
- Fourth: In all social matters the mass of people are guided through hearing rather than by sight, hence, radio lends itself readily to propaganda designed to mislead the public.
- Fifth: The radio is gaining in its influence on home life as that of the family is declining.
- Sixth: Whether radio is to be employed for selfish interests or for the public wellbeing is one of the most crucial problems of today.

"There is a real danger that radio, if it continues along present lines, will be devoted in increasing measure to the promotion of selfish private interests", Dr. Tyler concluded. "The government should adopt a new policy with reference to this important means of mass communication. A study of the way we have handled our other communication services may be helpful.

"The postal service, a natural monopoly, has been efficiently and economically operated by the government. The telephone has been left in the hands of a private commercial monopoly. That the present Congress has appropriated a sum of three-quarters of a million dollars to investigate this monopoly is a sufficient indication of a dissatisfaction with private control of the telephone. We have thought to control the telegraph by permitting the existence of competing companies.

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"Recent studies have shown that because of abuses this competition has been more fancied than real. Radio broadcasting so far has failed to give universal service throughout the country. It is claimed that there are not enough facilities for the government to set up a supplementary, noncommercial system, yet two private companies are endeavoring to compete by means of nationwide chains and attempts are made to establish other similar companies from time to time."

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### DEVELOPMENT OF EDUCATIONAL BROADCASTING, OHIO TOPIC

The sixth annual institute for Education by Radio combined with the fifth annual assembly of the National Advisory Council on Radio in Education will be held at Ohio State University, Columbus, Ohio, May 6, 7 and 8.

The Program Committee, consisting of W. W. Charters, as Chairman, Levering Tyson, and George F. Zook, is now making arrangements for this joint conference, and detailed announcements will be made in the next month.

At this conference representatives will be present from college and university stations, commercial broadcasters, including representatives of the National Association of Broadcasters, the Columbia Broadcasting System, and the National Broadcasting Co., members of the Federal Communications Commission and other agencies of the Federal Government, and individuals from all parts of the country, including members of Parent-Teacher organizations, learned societies, and other educational associations and institutions.

The program will include an outline of possibilities for the development of educational broadcasting under the Federal Communications Act of 1934, a discussion of the educational problems of the college and university broadcasting stations, consideration of ways for organizing and supporting better and more popular programs for adults and children, as well as problems of finance. Emphasis will be placed upon the growing power of radio broadcasting as an instrument to reach the public for political or public purposes.

Techniques of presentation, and various ways of organizing listeners for local or national purposes in this and other countries will be reviewed. Demonstrations and clinics of recorded broadcasts will be held in connection with the meeting.

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## DOMESTIC FOREIGN AND MARINE MESSAGE HEARINGS AGENDA

At the hearings commencing Monday, March 4th, the Telegraph Division of the Communications Commission will first take up the subject of domestic messages and services, then all classes of foreign messages and services, and after that all classes of marine messages. Leased wire service will not be considered before March 11th.

The domestic hearing will be divided into three groups, ordinary messages and services, commercial news press and governmental services and leased private wire and special services.

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RCA 1934 NET PROFIT \$4,249,263

The annual report of the Radio Corporation of America, shows that RCA's net profit for 1934 was \$4,249,263. This compares with a net loss of \$582,094 for the year 1933; an improvement of \$4,831,357. In each quarter of 1934, RCA showed a profit from operations, whereas in the previous year a profit was earned only in the fourth quarter.

Gross income of the corporation from all sources in 1934 amounted to \$78,756,993 compared with \$62,333,496 for 1933, an increase of 26.3 per cent. Cost of operations, including the cost of goods manufactured and sold, the cost of operating radiotelegraph and broadcasting services, advertising and selling expense, research and development, and administration totaled \$69,266,538. In addition the items of interest, depreciation, amortization of patents and good will, and Federal income taxes amounted to \$5,241,192.

The net current assets of the corporation increased \$5,633,155 during the year, their ratio to current liabilities being 5.9 to 1 on December 31, 1934, compared with a ratio of 5.2 to 1 at the end of 1933.

The requirements of increased current business are reflected in an increase of \$2,096,631 in inventories. The total inventories of \$8,699,967 represent current merchandise valued at the lower of cost or market.

The Radio Corporation has no bank indebtedness. It has financed all its activities in the year under review in the report without borrowing.

The total dividend paid on February 19, 1935, in clearing up arrears on the "A" Preferred stock was \$4,519,610.

Standing out in the RCA report, signed by Gen. James G. Harbord, Chairman of the Board, and David Sarnoff, President, with regard to television and the possibilities of its introduction in the United States, are the following points:

Results obtained by RCA in laboratory experiments are equal or better than those abroad.

Problems here are vastly greater because of our country's size. The report implies the problems will ultimately be solved.

When television comes it will not supersede sound broadcasting. Television facilities will be supplemental to sound facilities.

Television service on a nation-wide basis, especially in the United States, is impractical in the present state of the art. Further technical improvement and simplification are required and RCA Laboratories are working in these directions.

The next step should be a field demonstration of the practical service range of television, and RCA is "diligently exploring the possibilities" of such a demonstration.

The report states that the laboratory research of RCA has "been guided by the principle that the commercial application of such a service could be achieved only through a system of high-definition television, which would make the images of objects transmitted clearly recognizable to observers." This is the system recommended by the British Commission for the experimental service in England.

High-definition television, by the RCA method, employs no moving parts, such as whirling scanning discs. The picture image to be sent is focussed on a plate in a camera-like box called an iconoscope. This plate consists of minute light-sensitive points. It is "scanned" by a beam from a cathode ray tube. This creates impulses from point after point on the sensitive plate which are transmitted through the ether and reproduced at the receiver in such rapid succession that the eye sees them as a motion picture of the scene being televised. The RCA's iconoscope also facilitates the pick-up of studio action and permits the broadcast of scenes outside the studio.

The ultimate possibility of flashing entire pages of hand or typewritten letters by radio facsimile, instead of by the dots and dashes of the Morse code, is discussed in the RCA report. It reveals that substantial progress has been made in the last year in this high-speed radio facsimile, and states that it is expected that a high-speed, ultra-short wave facsimile circuit between New York and Philadelphia will be placed in service in the present year. It is announced that the new RCA<sup>4</sup> inter-city radiotelegraph service now connecting Boston, New York, Philadelphia, Washington, Detroit, Chicago, New Orleans and San Francisco, will be extended soon to other important cities.

## SEES NEW COPYRIGHT AGREEMENT AS ASCAP BUFFER

Belief that the new international copyright agreement, if it contains the recommendations offered by the National Association of Broadcasters, will prove a defensive weapon against the American Society of Composers, is expressed in an editorial in Broadcasting Magazine:

"Copyright suddenly has become a burning issue again on Capitol Hill. Without any warning, a measure providing for American entry into the International Copyright Union was slipped before the Senate Foreign Relations Committee, bearing administration endorsement. It was the opportunity long awaited by radio, hotel, motion picture and other industries which have been so much putty in the hands of ASCAP under the copyright law which has remained unrevised since 1909.

"Fortunately for these industries their trade groups, notably the NAB, got wind of the measure as it went to committee, apparently all set for favorable action. Telegraphic and other objections resulted in postponement of action. Conferences to hear these objectors were ordered by the committee before the State Department, as reported previously. Recommendations were made for amendment of the bill - recommendations which ASCAP and its redoubtable general manager, E. C. Mills, opposed.

"Soon a new draft of this measure will go to the committee, presumably still bearing administration endorsement, for the administration wants the United States in the International Union. If the NAB recommendations, so forcibly presented by Managing Director Philip G. Loucks, flanked by the other groups, are adopted, much of the trouble with ASCAP should be over. There will be bitter pills to swallow under the revised act, but if elimination of the present minimum statutory damage for infringement of \$250 per number - the ax that ASCAP has so ruthlessly wielded these many years - is approved, it will more than compensate for them."

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## EARLY TRUST SUIT ACTION FAVORED BY RCA COUNSEL

Manton Davis, Vice-President and General Counsel of the Radio Corporation of America, commenting on the filing on Monday of an amendment to the Federal Government's amended and supplemental petition in its suit against the radio group in Wilmington, Del., made the following statement:

"We concur with the Department of Justice that the single legal question remaining in this case should be disposed of by the court as early as practicable, and we are cooperating fully toward this end. A trial of the so-called 'reserved issues' under the radio group anti-trust suit will be held probably in June. The greater part of the issues were settled by consent decree on Nov. 21, 1932."

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## A RECEIVING SET IN EVERY OTHER AUSTRALIAN HOME

Australia's radio industry is enjoying a period of remarkable prosperity, according to advices from Trade Commissioner W. C. Flake, Sydney.

Radio receiving set licenses issued in the Commonwealth increased from a total of 518,626 at the end of 1933 to 681,634 at the close of 1934. There is now one radio receiving set for every 10 persons in Australia, it is pointed out. Assuming five persons to one family, this means a receiving set in every other home. This ratio of sets to population, the report states, is believed to be exceeded in only five other countries.

Australian manufacturers, as a result of tariff protection, dominate the domestic market, according to the Trade Commissioner. Many of the receiving sets produced by them during the past year were all-wave receivers, the popularity of which gained considerably in that period, causing some producers to manufacture all-wave sets for the first time.

Although radio tubes are now made in Australia, many are still imported, the report states. In the two months of October and November of last year, a total of 125,011 tubes were received from abroad, the United States supplying 60,200.

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## U.S.-BELGIUM TRADE AGREEMENT REDUCES RADIO DUTY

A duty reduction of 15 percent on radio receiving sets and of 50 percent on tubes is granted the United States in the new trade agreement between the United States and Belgium. This concession is of special importance in view of the fact that Belgium is a market in which no patent restrictions are placed on the sale of radio tubes, and that her purchases account for 10 percent of our total export of tubes. The 15 percent reduction in the duty on radio receiving sets renders the concession on tubes all the more valuable, since the American tube finds its markets only where American radio sets are sold.

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INDUSTRY NOTES

Chairman Burton K. Wheeler, of the Senate Interstate Commerce Committee has appointed the following sub-committee to consider broadcasting legislation: Senators Brown (D), of New Hampshire; Donohy (D), of Ohio; and White (R), of Maine.

James W. Baldwin, Executive Officer of the Broadcasters Code, who was operated on recently, is progressing favorably and is now convalescing at his home in Washington.

The Electrical Division of the Department of Commerce has received a letter from H. C. McLean, Commercial Attache at Paris, which reads in part as follows:

"We have come in contact with numerous accessory firms and we asked them why sales of radios for automobiles never seem to be very large. According to them, the prices are far too high for the ordinary person to buy them, as they retail between \$79 and \$99. This price, of course, keeps sales within a certain class, and if it were possible to land a radio in France, duty paid, for approximately \$44.75, it is believed that by taking a small profit, they would be able to sell a great many sets."

Hour rates on WMCA, New York, remain the same as when a part of the former ABS chain. A new schedule has just been issued.

The current rates are: Class A, night time, hour \$450; half-hour, \$250; quarter-hour, \$150, and five minutes, \$60.

Decca Records, Inc., makers of phonograph records, instituted a \$1,000,000 suit for damages against leading phonographic corporations of the country charging them with a conspiracy to restrain competition and "maintaining a monopoly."

For playing a group of copyrighted songs, allegedly without permission of the copyright owners, four night clubs in Washington were sued for royalties by the American Society of Composers, Authors and Publishers. The suit seeks \$250 each from the Club Troika and the Cotton Club, and \$700 each from the Sugar Bowl, 700 block Eighth St., S.E., and Louis Kavokas, 700 block H St., N.E.

## A. T. &amp; T. INCOME LESS - BELL SYSTEM GAINS

Net income of the American Telephone and Telegraph Co. for 1934 amounted to \$121,748,729, equal to \$6.52 a share earned on 18,662,275 capital shares, comparing with \$137,456,776 or \$7.37 a share, earned in 1933. Dividends of \$9 a share were paid in each year, resulting in a charge of \$46,211,746 to surplus last year against \$30,503,699 in 1933.

Operating revenues in 1934 were \$89,447,908, comparing with \$86,695,109 in 1933, and net operating revenues after all expenses and depreciation were \$19,874,069, against \$18,605,400. Operating earnings after taxes totaled \$14,509,906 against \$13,653,460.

Revenues from dividends amounted to \$115,409,048, compared with \$127,913,090 in 1933. The net income exceeded by \$10,581,175 in 1934, against \$37,114,901 in 1933, the company's proportion of the consolidated net income of the Bell System, as the associated telephone companies in the aggregate declared part of their dividends from surplus.

Interest revenues were \$15,271,590, against \$20,231,714 in 1933, representing a substantial reduction in advances to associated companies, and total income, including miscellaneous non-operating revenues, was \$145,912,471, compared with \$162,169,771.

Current assets of A. T. & T. at the year end totaled \$219,808,851, compared with \$210,853,438 at the end of 1933, while current liabilities were \$55,581,916, against \$60,303,219. Unappropriated surplus amounted to \$225,937,771, against \$272,677,434.

Commenting upon the report, the New York Times says:

"While Bell System companies in the aggregate paid out \$56,792,921 more in dividends than they earned in 1934, comparing with \$67,618,600 so paid out in 1933, they added a net amount of \$7,500,000 to plant, increased cash assets by \$36,400,000 to \$255,325,204, and had, at the year-end, a combined surplus equal to \$21.50 on each share of American Telephone and Telegraph Company stock, without adding in the premium of \$14.40 a share received in excess of \$100 a share for the stock. This explains, to some extent, the safety of the \$9 dividend last year. The fact that associated companies were able to reduce their borrowings from A. T. & T. by \$73,450,000 was material in improving the cash position of the system."

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## ALL SET FOR WOR'S BIG 50 KW OPENING

Following the official opening when President Roosevelt will send the signal which will inaugurate WOR's new 50,000 watt transmitter at 3:30 o'clock Monday, March 4th (EST), a star-studded evening program will be presented by headliners of radio and the theater.

From 8 to 11 P.M. EST, the radio audience will hear this program broadcast from Carnegie Hall, where visible guests will include leaders of government, business and the professions. Not only WOR will broadcast the event, but other stations of the Mutual Broadcasting System (WGN, WLW and WXYZ), will send part of the evening's entertainment to their listeners.

The guest stars include Eddie Cantor, Ed Wynn, Stoopnagle and Budd, Rudy Vallee, Jack Benny, Kate Smith, Walter Winchell, Eddie Dowling, Molasses and January, Frances Williams, Bert Lahr, Ray Bolger, Ethel Merman, Victor Moore, William Gaxton, Donald Novis, Elsie Janis, Greta Ljunberg, Paul Althouse, George Givot, James Melton, Jack Pearl, Jan Pearce and many others.

Gov. Herbert H. Lehman of the State of New York and Mayor Fiorello H. LaGuardia, of New York City are expected to speak as well as representatives of the Federal Government. They will be introduced by Mr. McCosker.

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## APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WMAZ, Southeastern Brdcstg. Co., Inc., Macon, Ga., modification of C.P. to make changes in antenna; WOW, Woodmen of the World Life Ins. Assn., Omaha, Neb., Mod. of CP to extend commencement date to Nov. 1, 1934 and completion date to May 1, 1935; WICC, Southern Conn. Brdcstg. Corp., Bridgeport, Conn., license covering changes in eqpt. increase in power from 500 w. to 1 KW day; 600 kc., 500 w., night, specified hours; New, The Armoreite Publishing Co., Inc., Ardmore, Okla., Cp. for new station to operate on 1210 kc., 100 w., daytime; WFLA-WSUN, Clearwater Chamber of Commerce & St. Petersburg Chamber of Commerce, Clearwater, Fla., extension of Spec. Exp. authority to operate with 1 KW at night, 5 KW day, from March 1, 1935 to Sept. 1, 1935; WJAR, The Outlet Co. Providence, R. I., extension of Special Exp. Auth. to use additional power of 250 w. night for period beginning March 1 and ending Sept. 1, 1935; WIND, Johnson-Kennedy Radio Corp., Gary, Ind., renewal of license, 560 kc., 1 KW night, 2½ KW day, unlimited.

Action on Examiners' Report - WSMB, Inc., New Orleans, La., granted mod. of Lic. increasing operating power from 500 watts to 1 KW, unlt'd. time, upon condition that directional antenna be installed to comply with specifications to be outlined by Engineering Dept. Sustaining Examiner R. L. Walker.

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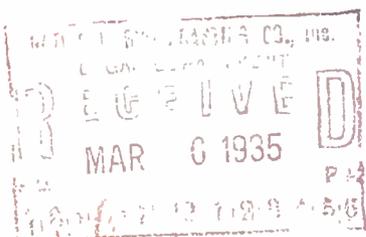
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No. 804



March 5, 1935

BROADCASTERS WITHHOLD FOOD AND DRUG BILL ENDORSEMENT

Appearing at the Senate Commerce Subcommittee hearing, Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters told the Senators that the Association did not at this time desire to appear in support of, or in opposition to, any particular piece of legislation relating to foods and drugs.

"With the principle underlying the various proposals to amend the Food and Drug Act, as distinct from the enactment of wholly new legislation on the subject, the broadcasters are heartily in sympathy", Mr. Bellows said. "It is entirely natural that an industry which is operated under specific legal requirement to meet the public interest, convenience or necessity should be actively concerned to see that the public is fully and completely protected against any form of fraudulent exploitation.

"Our purpose in coming here is, first of all, to point out certain features of the Copeland Bill (S 5) which appear to us unjust, unreasonable or unworkable.

"The inclusion in a provision of the bill of the words 'other than by radio broadcasting' is a deliberate, and, as it seems to us, wholly unwarranted discrimination against radio broadcasting in favor of all other forms of advertising. It says, in effect, that a dealer doing a purely intra-state business may freely use any other advertising medium he desires, including the United States mails, but he cannot use radio broadcasting without rendering himself liable to the special penalties provided in this Act.

"The futility of such a provision seems to us apparent. If, in fact, the use of radio broadcasting by such a dealer results in a single interstate sale, he immediately becomes liable to the penalties provided for false advertising in interstate commerce. If he does no interstate business, there seems to be absolutely no legal or social justification for having the Federal Government undertake to tell him what advertising media he should and should not use.

"We cannot believe that it is a proper function for federal legislation to dictate to advertisers, and above all to advertisers in intra-state commerce, regarding their choice of media.\*\*\*\*\*The broadcasting industry, already subject to stringent general regulation by the Federal Communications Commission, and to equally strict regulation as to its advertising by the Federal Trade Commission, naturally looks with some misgiving

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at the prospect of further regulation, based on the broadest possible grant of authority, by another branch of the government. When the bill setting up this new form of regulation contains a provision specifically discriminating against broadcasting, although under the circumstances such discrimination seems absolutely unwarranted, this misgiving is necessarily much increased.

"The objection of the broadcasters to this particular provision in the Copeland Bill can be overcome by the elimination of the words 'other than by radio broadcast.'"

Mr. Bellows said that even with the slight modification made in the revised draft, the broadcasters feel that the definition of the term "advertisement" is still so broad as to be practically unworkable if literally applied. "It covers every form of verbal statement", Mr. Bellows said, "and we urge that the word 'commercially' be inserted after the word 'opinion' in line 15.

"Still another definition given in the bill concerns the broadcasters very directly. This is the definition of false advertising. The inclusion of the phrase 'in every particular' would make almost every advertisement now regarded as wholly legitimate open to attack, and the phrase 'substantial medical opinion' is rendered obscure by the definition of medical opinion already referred to. It is suggested that this second sentence might be stricken out."

Many of the difficulties to which Mr. Bellows referred in connection with the Copeland Bill he said are likewise to be found in the McCarran Bill (S580). "In both bills there seems to us to be the same underlying theory of complete federal regulation of every branch of the food, drug and cosmetic industries, the same tendency to throw away the structure which has been built up over a period of nearly thirty years on the basis of existing law, and the same delegation of vaguely defined powers to the administrative authority", Mr. Bellows declared.

"Both bills appear, so far as advertising is concerned, to create a new regulatory agency. It does not appear from the terms of either of them that the authority of the Federal Trade Commission will be materially reduced. The Commission will still act in all cases where there is the allegation that false advertising constitutes unfair competition. The bills before you simply double the machinery for the control and regulation of advertising, and do it in such a way that the new regulatory body can pretty nearly determine for itself the limits of its own power."

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## BELIEVES MORNING AUDIENCES ARE LARGER THAN ANY OTHERS

Do you know that from 8:00 to 8:30 AM in the Eastern Time zone, the potential radio audience is larger than at any other time of the day or night? This, at least, is the contention of E. H. P. James, Advertising and Sales Promotion Manager of the National Broadcasting Company.

"We have just concluded a convincing demonstration of the value of broadcasting in this early morning period", Mr. James said. "In November of last year, we started a broadcast between 7:45 and 8:30 in the morning, featuring B. A. Rolfe in a new and unusual type of program for the morning period. The program was continued until January 24, and the complete figures just furnished us present this interesting analysis of the audience mail received:

"1. An offer of a picture of the RCA Building mentioned on only three programs late in December, brought 8500 requests.

"2. Over 4,000 out of some 7,800 questionnaires sent with these pictures, have been returned to date and are being analyzed and evaluated from a qualitative standpoint, to reveal the nature of the audience that listens in the early morning hours.

"3. Mention of the program's termination on January 24 brought over 800 letters expressing regret. Similar regret was expressed in over 700 questionnaires from people who returned them after the termination of the program.

"We believe that the B. A. Rolfe program has demonstrated the fact that there is a listening audience early in the morning, which is large, receptive and responsive."

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## ATTENDED ROOSEVELT NATIONAL PRESS CLUB PARTY

Many prominently identified with the communications industry attended the party given by the National Press Club, in Washington, last Saturday night to celebrate the 2nd Anniversary of President Roosevelt's membership in the club, also the famous press organization's 27th birthday. The President, Cabinet members and other distinguished guests were present.

Among the entertainment features provided by John F. Royal and Frank M. Russell, of the National Broadcasting Company were Joe Cook, Hoosier comedian, Armand Girard, Donald Novis, The Cavaliers Quartet and Gould and Shefter. Joe Cook created

considerable merriment by inviting President Roosevelt to spend a week in Evansville, Ind.

Congratulations went to Oswald F. Schuette, a member of the Entertainment Committee, and a past President of the National Press Club who was credited with having considerable to do with the success of the party generally conceded to have been one of the best the Club has ever given.

Those present in one way or another connected with the communications industry were:

M. H. Aylesworth, President, National Broadcasting Co., New York City; Kenneth H. Berkeley, National Broadcasting Co., Washington; Vincent F. Callahan, National Broadcasting Co., Washington; Thomas P. Dowd, Postal Telegraph Co., Washington; F. P. Guthrie, Manager, R.C.A. Communications, Washington; Edwin F. Hill, American Telephone & Telegraph Co., Washington; L. M. Lamm, radio writer, Washington; Philip G. Loucks, Managing Director, National Association of Broadcasters, Washington.

Also, Frank E. Mason, Vice-President, National Broadcasting Company, New York; Richard C. Patterson, Jr., Vice-President, National Broadcasting Co., New York City; John F. Royal, Vice-President, National Broadcasting Company, New York City; Frank M. Russell, Vice-President, National Broadcasting Company, Washington; David Sarnoff, President, Radio Corporation of America, New York City; Oswald F. Schuette, Washington; Paul D. P. Spearman, General Counsel, Federal Communications Commission and G. Franklin Wisner, Chief, Information Service, Federal Communications Commission.

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#### WAR ON MAN-MADE INTERFERENCE BEGINS IN EARNEST

A meeting of the recently formed Committee on Interference of the Radio Manufacturers' Association has been called by its Chairman, Dr. Alfred N. Goldsmith, for March 8th in New York City. Representatives of the numerous leading electrical and radio organizations which have accepted membership on the Committee, are expected to be present.

The increasing acceptance by the public of short-wave broadcast reception and the advent of the new high-fidelity receivers have brought man-made electrical interference particularly to the attention of the public. The gradually approaching use of ultra-short waves, for facsimile and television broadcasting, similarly require that all reasonable steps be taken to reduce electrical interference so as not to impede the growth of these interesting and important developments in the radio field. The various organizations which have been approached by the

Committee on Interference have displayed a cooperative attitude and it is believed that steady progress can be made.

The March 8 meeting of the Committee on Interference which will be an organizing and executive session will be devoted to such of the following topics as the Committee may decide to consider at this time. It is planned, according to Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, to assemble information on all known sources of radio interference. Methods of measuring the susceptibility of radio receivers to interference, both by incoming waves and over the power lines, will be considered. In addition, methods of measuring electrical noise, the development of standard portable equipment for the purpose, and conveniently available methods for measuring the field strength of radio signals in the neighborhood of the receiving stations will have attention.

The Committee may consider methods of determining a permissible minimum field strength of signals which would justify complaints of interference by listeners, and possibly the permissible maximum strength of electrical noise under such circumstances which would warrant objection.

On the definitely constructive side, detailed methods for the elimination or reduction of interference will be assembled and tabulated and plans for utilizing such methods will be developed. It is hoped to secure the cooperation of the electrical industry and certain associated groups in working out means for eliminating the future manufacture and sale of electrical devices which may cause radio interference. A number of special plans for reducing interference, possibly through the cooperation of owners or lessors of real estate will be considered.

It is likely that certain phases of the extensive program which is involved will be assigned to special sub-committees who will be able to give intensive study to these problems and effectively to work out their solutions. As originally planned, the work of the Committee on Interference will be primarily along educational lines and will be based on cooperative effort of all the groups and individuals involved. The idea of the Committee is the clear reception by the public of all radio signals of reasonable field strength.

The RMA Interference Committee consists of the following:

Federal Communications Commission - Dr. C. B. Jolliffe;  
 U. S. Bureau of Standards - Dr. J. H. Dellinger, Washington;  
 Canadian Department of Marine - H. O. Merriman, of Ottawa, Ontario, Canada; RMA of Canada - Ralph A. Hackbusch, of Toronto, Ontario, Canada; National Association of Broadcasters - J. C. McNary, Washington, D. C.; Society of Automotive Engineers - P. J. Kent, Detroit, Mich.; National Electrical Manufacturers' Association (to be selected); Institute of Radio Engineers (to be selected).

3/5/35

Also, Radio Wholesalers' Association - Benjamin Gross, New York City; American Radio Relay League - James J. Lamb, West Hartford, Conn.; Institute of Radio Service Men - Moe Asch, of Brooklyn, N. Y.; Radio Club of America - L. C. F. Horle, New York City; O. H. Caldwell, New York City - Member at Large; R. D. Duncan, Jr., of Amperite, N. J. - Guest Member.

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#### HUEY LONG TURNS FIRE ON PETTEY

Senator Huey P. Long, of Louisiana, in pursuing his campaign against Postmaster General Farley, has charged in a letter to the Federal Communications Commission that Herbert Pettey, Secretary of the Commission, and friend of Farley, had received \$1,000 for writing a series of articles for a newspaper which was seeking a radio license. At this writing, Senator Long's letter had not been acted upon by the Commission, but E. O. Sykes, Chairman, said they were "looking into the matter". Judge Sykes did not divulge the name of the newspaper involved.

Pettey's closeness to Farley has been brought out on various occasions. He was in charge of the Radio Division of the Democratic National Committee under Chairman Farley during the 1932 campaign, it was recalled, and subsequently displaced James W. Baldwin as Secretary of the old Radio Commission when that job was removed from Civil Service status by the administration. Baldwin was a Republican with Civil Service rating.

When the Communications Commission absorbed the old Radio Commission, Pettey became secretary of the new board. Moreover, in the Fall of 1933, Farley designated Pettey his representative in radio matters arising through the Democratic National Committee.

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#### CHILDREN APPROVE TEST BROADCAST

More than 1,500 New York school children agree with their contemporaries in the Scarsdale, N. Y. schools that the experimental radio broadcast of the Scarsdale Woman's Club Feb. 19 was interesting, and most of them asked for a continuance of similar programs. A survey of reactions to the program was just made public.

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The reactions upon New York children were gathered from five schools by Harold G. Campbell, Superintendent of Schools. Mr. Campbell's report, together with scores of letters from parents throughout the metropolitan area and letters from Scarsdale school children, was studied by Mrs. George C. Ernst, Chairman of the Radio Committee of the local woman's club.

The program was made possible by the Columbia Broadcasting Company, which sought to provide an opportunity for the Scarsdale women, who had reviewed more than 150 children's programs in the last two and one-half years, to put on the kind of program they wanted their children to hear.

In summarizing the reactions to the program, Mrs. Ernst declared that letters from many communities indicated that groups "in other sections of the country, like us, are dissatisfied with what radio offers our children.

"Some", she said, "have indicated that the program which satisfied us as good for our younger children would also satisfy them. We are amateurs, but there must be something of what we want apparent to the professionals whose business it is to satisfy us and our children."

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#### TELEGRAPH RATE HEARINGS EXPECTED TO BE LENGTHY

The rate hearings before the Telegraph Division of the Federal Communications Commission apparently will last some-time. Opening statements were made Monday by Frank C. Page, Vice-President of the International Telephone and Telegraph Company, W. A. Winterbottom of the R.C.A. Communications Company and others.

Mr. Page urged consolidation of Postal and Western Union on the ground that they are engaged in such intense competition with each other and with the A. T. & T. that they have paid no dividends for years.

He charged that both companies give big customers preferred service, and accused A. T. & T. of unfair competition with the telegraph companies.

J. C. Willever, Vice-President of Western Union, disputed his testimony.

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## A. T. &amp; T. PROBE ORDER AWAITS PRESIDENT'S SIGNATURE

The resolution for an investigation of the American Telephone & Telegraph Company, sponsored by Senator Burton K. Wheeler (D), of Montana, and carrying \$750,000 for the inquiry, having passed the House yesterday (Monday) needs only the signature of President Roosevelt to become effective. It embraces all telephone companies but is directed chiefly at the vast communications system of the A. T. & T. This was brought out by Representative Rayburn (D) of Texas, who said in reply to a question from Representative Snell, (R), of New York,

"They can do it under this resolution, but as far as the independent telephone companies are concerned, I have asked about that, and I am assured that no independent company will be investigated in anywise, except and unless it has a contract with the American Telephone & Telegraph Co. or the Bell Co., or one of the large systems. In that instance, and usually, that contract would be filed with the big company, and the little company would not be harassed by any additional expenditure. There are some of the so-called 'independent companies', however, which are rather large companies and which do an interstate business, and, in all probability they would be brought into this. But I am talking about the local telephone systems. I do not think they will have to spend an extra dollar of money or bring into their employ any extra employees on this account."

In reply to a question from Representative Hook, of Michigan, as to whether or not the A. T. & T. would be called upon to pay for the investigation, Mr. Rayburn replied:

"No, but, to be entirely frank, it will in all probability cost them more than this \$750,000."

"We asked in the course of the hearings before the Committee a number of those gentlemen who appeared in favor of the bill if there was any nation in the world which had as good a system of telephone communication at such low rates as the United States; everyone said no", Representative Merritt (R) of Connecticut said.

"The very nature of the telephone business is such that the needs of the country could not be served by a variety of telephone companies; from the very nature of the business it must be a monopoly; and I think it is agreed that for such a company there never has been one so well managed as this; open, no stock manipulation, no kiting, no water. To investigate this company at this time, when we are spending money so lavishly, is wasteful. For this investigation, which, in my personal opinion, cannot yield any good, we are taxing the United States \$750,000, and we will tax the American Telephone & Telegraph probably twice this amount. It is fair to say that the cost to the company and to the United States together will be very close to \$2,000,000.

This seems to me, as a business man, to be a waste. As I said a moment ago, I think the fever for investigating and the gathering of all sorts of useless information is appalling. I think every Member of Congress, when he sees the amount of printing alone that comes to his office containing useless facts, feels that it ought to be stopped at some time; and I cannot imagine any better time to stop it than now with a company like the American Telephone & Telegraph Co."

"Here is the Communications Commission, supposedly a semi-judicial body, about to embark upon an investigation of the immense telephone structure of the United States, the greatest thing, the largest thing of its kind in all the world, with more subscribers than all the rest of the telephone systems of the world put together, for indeed, our telephone development here in this country is the wonder of the world", interjected Representative Wadsworth (R) of New York.

"The Committee did not draft this resolution, neither did any Member of the Congress. This is what gives it its significance to me. This is why we protest in our minority report against its style and against its spirit, for it is filled with innuendoes and insinuations, and purposely so. There is no necessity whatsoever in the drafting of a resolution to bring about a thorough investigation to point the finger of suspicion at any person or company, and the mere fact that this commission decides to point the finger of suspicion before it begins to investigate destroys, in my mind, any confidence I might otherwise have in its fairness. This is why we protest against the spirit in which this thing was drawn. \*\*\*\*\*

"Today you can go into the most remote corner of this huge continent and step into a telephone booth of a tiny little farmer line and call up New York or San Francisco and get prompt service. How is it done? Not through the instrumentality alone of the little farmer line but through the instrumentality of the contract which the little farmer line has with the great toll line. It will be absolutely imperative upon the Commission to go into all those contracts, and, having gone into those contracts, it must go into the assets, the business, the rates, and the charges of all the companies involved.

"So let us not underestimate the size of this undertaking, and let us not beguile ourselves into the belief that the farmer line is not going to be called upon to make reports, fill out blanks, answer questionnaires, file its rates, and give a general accounting of its business. But, as I said a moment ago, great as the undertaking is - and in many respects, in my humble judgment, unnecessary, for I have yet to encounter any wide-spread public demand for a general investigation of the telephone system of America; I have yet to encounter any wide-spread public protest against poor service; I think it is the most wonderful business achievement in modern times, this telephone system of ours - my principal protest is the spirit in which this resolution was drawn, and I would not make that protest did I not have the knowledge it was drawn in the office of the Commission which is going to make the investigation."

"I believe the A. T. & T. has done a great service, but the principal thing I am interested in is that I think an uninformed commission ought not to start out to regulate a five billion dollar enterprise, and that we should have this investigation so that they may intelligently proceed to the regulation of this great industry", said Mr. Rayburn.

Mr. Rayburn said that Dr. Splawn had reported that it might take from \$500,000 to \$1,000,000 to find out all the facts.

"I am not one so squeamish about that word 'indictment' in connection with the telephone octopus and monopoly, and that is what we call it in our State of Ohio, and that means J. P. Morgan and the Telephone Trust", Representative Truax (D) of Ohio, declared. "The Telephone Trust and J. P. Morgan have been indicted in the minds of the citizens of Ohio. They remember that this trust defrauded them of \$13,000,000, which they kept for the period of 10 long years. Then at a belated hour the public utilities commission awarded this money and said it must be refunded to the consumer. I admire and respect our great telephone system, but it has been accumulated and centralized upon the blood and toil of the users, and I object to the price that I have to pay Mr. Morgan and the Telephone Trust for the period of securing this splendid service which the gentleman from New York speaks about."

When asked whether the A. T. & T. was owned by many or few people, Mr. Rayburn replied that there were between 600,000 and 700,000 stockholders.

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 ::::INDUSTRY NOTES::::  
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A hearing will be held by the Telephone Division of the Communications Commission Monday morning, March 25th, for the purpose of hearing arguments by telephone companies claiming from jurisdiction of the Commission. Requests for oral arguments must be filed on or before the 20th.  
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Doubtless to put a quietus on exaggerated estimates which had been made, Mrs. Franklin D. Roosevelt announced the exact amount of money she had received for her radio broadcasts. Mrs. Roosevelt said that during 1934 she had been paid \$36,000. The money, the wife of the President added, had all been turned over to charity.

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The Federal Communications Commission has inaugurated a monthly compilation of reports made by twelve radio-message companies in the United States. The November return showed an aggregate net loss of \$23,688 and of \$25,943 for the first eleven months of 1934. November operating revenues were \$619,657 and for the eleven months \$6,979,506.

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Associates will be pleased to hear that after a courageous fight, Paul W. Morency, General Manager of WTIC, is again back on the job. His injuries date back to wounds received at Chateau Thierry during the World War.

During his entire confinement, Paul kept in constant touch with his office and is now reported to have recovered to such an extent that he may even be able to dispense with his crutches.

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Twenty-five per cent reduction on radio receiving sets and tubes exported to Brazil is a substantial benefit proposed for the American radio industry under the tentative reciprocal treaty negotiated by the State Department with Brazil.

The trade agreement with Brazil has been approved by the U.S. and Brazilian official representatives. It will not become effective, however, until approved by the Brazilian Congress and will come into force thirty days after ratification by the Government of Brazil and the approval of President Roosevelt.

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A bill placing radio broadcasts under the same libel laws as those pertaining to newspapers and periodicals was placed at Olympia, Wash. before the State Senate of Washington last week. The House passed the measure, 51 to 40.

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The RMA, through the cooperation of the Canadian RMA, is advised that total radio industry sales of receiving sets in Canada during 1934 aggregated 168,833, valued at \$16,771,222.04. Total A.C. sets amounted to 132,190, battery sets 23,408, and automobile sets 13,235.

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The General Electric Company had a net profit in 1934 of \$17,151,000. After all prior deductions it was equal to 59 cents a share on 28,845,927 no-par shares of stock, according to the preliminary report issued, and compared with \$10,854,682, or 38 cents a share in 1933.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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MEXICO LISTS ONLY THREE SHORT-WAVE STATIONS

As a result of an inquiry made by this writer of Thomas D. Bowman, American Consul General to Mexico, there are at present but three short-wave stations broadcasting programs in that entire country. The U. S. Commerce Department list "World Short-Wave Radiophone Transmitters" based upon information of the Bureau de l'Union International des Telecommunications confines its listings to a single station XETE in Mexico City, 9600 kilocycles, 31.25 meters. Consul General Bowman, however, makes no mention of XETE.

"It is noted that you desire a list of the short-wave stations broadcasting from Mexico", Mr. Bowman writes. "This office has been officially advised that there are only three short-wave broadcasting stations used in the Republic of Mexico.

"They are as follows:

		Kilocycles	Length of Wave
XEB	El Buen Tono Mexico, D. F.	6100	49.18
XECW	Maria Elena Bravo de Cordero, Bajio 20, Mexico, D. F.	6150	48.78
XEKL	Compania Difusora del Bajio, S. A. 5 de Mayo 26, Leon, Guanajuato, Mexico	6050	49.58

"It is believed that all of these stations are in an embryo stage and have not as yet regular hours of broadcasting."

No power or hours of operation are given by Consul General Bowman but XEB is heard in the United States nightly from about 8 until 11 o'clock and may be identified by the transmission every now and then by the call of a cuckoo. As a rule everything is announced in Mexican but usually there is a brief announcement in English at the conclusion of the night's program. However, the writer has never been able to hear a mention of the call letters.

Most of the programs from XEB station, apparently the most powerful short-wave station in Mexico are spoiled by telegraphic code which comes in on the same frequency and is so broad that it drowns out adjacent frequencies including COC, Havana, on 6010 kilocycles and DJC, Berlin, 6020. On Sunday nights, when there is no code interference, the Mexican station is heard quite clearly.

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## SURVEY SHOWS 21,455,799 RADIOS; 70,804,137 AUDIENCE

There are 25,551,569 radio receiving sets in 21,455,799 homes in the United States -- more than twice the number of residence telephones -- and the total number of radio listeners over 10 years of age is placed at 70,804,137. There are now more than 4,000,000 radios than passenger autos. These new figures are contained in what is claimed to be the most comprehensive radio survey ever undertaken and just released by the Columbia Broadcasting System in cooperation with the statistical staffs of Dr. Daniel Starch, noted research expert.

"The total investment in radio listening by the American public during 1934 amounted to \$391,000,000", John J. Karol, Director of Market Research for Columbia observes. "This certainly speaks volumes for the vitality of the medium and for the continued interest in radio on the part of the American public."

The results of the survey are set forth in a brochure entitled "Lost and Found" in which it was explained that Columbia had discovered that the number of radio homes had been underestimated by 2,450,000 and that the radios which had been "lost" in these homes had now been "found".

The survey required a year of investigation by a nationwide field staff which made 125,000 house-to-house interviews in 321 communities covering cities, small towns and farms in every State and studying every type of family in the various income brackets. Calls were properly proportioned as to income levels, time zones and small geographic sections. They were actual interviews (not phone calls nor questionnaires) with members of families.

From this project, which Columbia describes as "the largest (we believe the only) study of its kind", emerged the set and audience figures for the nation, and other major findings, as follows:

U. S. Radio Homes (Jan. 1, 1935).....	21,455,799
Homes with two sets or more.....	2,295,770
Automobile radios.....	<u>1,800,000</u>
Total radio sets	25,551,569
Home Radio Listeners (Averaging 3.3 to a home).....	70,804,137
Number of radios bought in 1934	4,084,000

Commenting on the rapid growth of the number of automobile radios, Columbia's report says: "Last Spring we estimated that 1,000,000 motor cars were radio-equipped. In the past 12 months more than three-quarters of a million have installed radios. Dr. Starch's complete report, including farms, reveals a total of 1,800,000 auto radios for the United States as of January, 1935."

The report not only uncovered figures on the number of homes owning radios in the various income brackets but gave comparative figures on actual ownership of radios (not counting auto sets) by city groups of various sizes and on farms. "In cities over 250,000 in population", the report states, "radio ownership is greater than anyone has known, covering 93 out of every 100 homes." The chart follows:

NUMBER OF U. S. HOMES OWNING RADIOS

<u>By Income Levels*</u>		<u>By Size of Community*</u>	
Incomes over \$10,000	751,000	Cities over 250,000	6,767,000
" \$5,000- 10,000	2,286,000	" 25,000-250,000	4,695,000
" \$3,000 - 5,000	3,590,000	" 1,000- 25,000	5,413,000
" \$2,000 - 3,000	6,477,000	Towns under 1,000	850,000
" \$1,000 - 2,000	5,747,000	Rural Farms	3,730,000
Under \$1,000	2,604,000		
All Incomes	21,455,000	Total in U. S.	21,455,000

\*Shown to the nearest thousand in each sub-group.

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TELEGRAPH RATE HEARINGS CONTINUE

The rate hearings before the Telegraph Division of the Federal Communications Commission will probably continue for sometime. Col. A. H. Griswold of the Postal-Telegraph Company was recalled as a witness Wednesday. He was followed by John Terrell Logue, Vice-President of the Postal. The witnesses Thursday were W. A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, W. L. Kietzman of the Pacific Telephone and Telegraph Co., B. O. Heinrich, of the Continental Telegraph Company, J. C. Willever, of the Western Union, and J. J. Welch.

Frank W. Wozencraft and Col. Manton Davis appeared in behalf of R.C.A. Communications, Harvey Hoshour and R. T. Elasser for the American Telephone & Telegraph Company; Howard L. Kern, for Postal, and Francis R. Stark, Western Union.

Much of the testimony had to do with the rules of the various companies.

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## DEFICIT SHOWN IN RADIO-TELEGRAPH NET INCOMES

The following is a detailed compilation of a report by the Federal Communications Commission, hereafter to be submitted each month, showing total operating revenues and net incomes of radio companies:

Name of Company	For the month of November, 1934			
	Total operating revenues	Total operating expenses	Operating Income	Net Income
Aeronautical Radio, Inc.	-	\$ 1,092.92:	\$ 1,092.92:	-
Central Radio Telegraph Co.	\$ 727.46:	707.08:d	375.06:d	\$ 275.06
Globe Wireless, Ltd.	18,850.21:	19,408.93:d	827.52:d	844.29
Mackay Radio & Telegraph Co., (Calif.)	67,885.66:	74,981.71:d	8,576.17:d	21,613.74
Mackay Radio & Telegraph Co., (Del)	63,096.82:	77,131.40:d	14,207.25:d	42,960.22
Magnolia Radio Corp.	194.20:	555.28:d	361.08:d	361.08
Michigan Wireless Telegraph Co.	672.55:	481.17:	251.19:	251.19
R.C.A. Communications, Inc.	326,680.25:	310,815.83:	57,291.07:	20,705.28
Radiomarine Corp. of America	72,808.55:	63,345.04:	7,202.51:	3,776.12
Tidewater Wireless Telegraph Co.:	544.25:	463.42:	75.33:	75.33
Tropical Radio Telegraph Co.....:	63,270.97:	49,807.84:	20,426.34:	18,847.87
U.S.-Liberia Radio Corp.	4,926.96:	5,973.72:d	1,289.88:d	1,289.88
<b>Total</b>	<b>619,657.88:</b>	<b>604,664.34:</b>	<b>60,702.40:d</b>	<b>23,688.48</b>
	For eleven months ended with November, 1934			
Aeronautical Radio, Inc.	52.69:	14,069.27:	14,016.58:	-
Central Radio Telegraph Co.	6,397.93:	6,297.34:d	3,082.91:d	1,332.91
Globe Wireless, Ltd. <sup>1/</sup>	114,861.03:	114,516.42:d	1,030.83:d	1,258.75
Mackay Radio & Telegraph Co., (Calif.)	794,991.26:	818,999.94:	42,919.17:d	176,515.02
Mackay Radio & Telegraph Co., Inc. (Del.)	687,925.81:	811,504.21:d	129,357.51:d	422,623.47
Magnolia Radio Corp.	2,242.46:	3,472.52:d	1,236.66:d	1,236.66
Michigan Wireless Telegraph Co.:	5,410.83:	3,715.80:	1,435.93:	1,435.93
R.C.A. Communications, Inc.	3,832,145.21:	3,265,442.96:	773,770.43:	510,818.63
Radiomarine Corp. of America	844,674.93:	673,195.11:	139,344.73:	100,009.35
Tidewater Wireless Telegraph Co.: <sup>2/</sup>	1,848.42:	1,822.19:	2.93:	2.93
Tropical Radio Telegraph Co.	455,866.05:	510,823.77:d	22,367.39:d	32,705.98
U.S.-Liberia Radio Corp.	51,089.99:	51,491.84:d	2,539.49:d	2,537.51
<b>Total</b>	<b>6,797,506.61:</b>	<b>6,275,351.37:</b>	<b>726,036.64:d</b>	<b>25,943.46</b>

d Deficit or other reverse item.

<sup>1/</sup> Started operations Apr. 20, 1934.

<sup>2/</sup> Report for five months ended Nov. 30, 1934.

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## RUSSIA HAS BIG RADIO BUILDING PROGRAM

The program of the Soviet Union for the production of radio sets calls for the manufacture of 750,000 to 1,000,000 tube-sets in 1937. Much work on organization and production process will be required, and also capital investment. Tubes, cases, batteries, wire, antenna cable - all these details are in bad shape. The chief factories have concentrated their attention on broadcasting-station apparatus, relays, and other similar equipment. For tube sets specially equipped new plants will be required, and a factory for making cases and parts of plastics.

Up to now, however, Russia hasn't distinguished itself in this field, according to a report sent out by the Commerce Department in Washington.

The maximum manufacture of radio sets in the Soviet Union was reached in 1929-30, with 167,500 sets and since then the number has dropped, but now the manufacture of receiving sets is on the level reached abroad in 1930. The best one made is roughly built, requires 7 operations in tuning in, contains some 7 kilograms of copper, and weighs altogether about 18 kilograms. The 4 tube "EKL-4" radio is better looking, with receiving apparatus and speaker in one case, but many sets show poor workmanship and faulty execution. The tubes, on which the value of the set depends, are often unsatisfactory.

During the past few years, Soviet production of sets for amateurs has not only failed to advance, but has gone backward. In 1927-28, the output of tube sets was 22,300; in 1928-29, 49,400; in 1929-30, 167,500; in 1931, 146,000; in 1932, 29,200; and in 1933 it dropped to 22,000.

The low-tension-current section of the electrical industry has made great progress in the past 4 years, and in a number of branches has equaled the leading European and American technology, often breaking new paths of progress. The value of all the products of the radio industry in 1929-30 amounted to 117,000,000 rubles; in 1934 it had risen to four times that figure. But the production of radio sets did not share this advance.

For several years the radio factories have had great difficulty in obtaining nonferrous metals, receiving only 30 to 50 percent of their requirements. Naturally they concentrated their efforts on the work ordered by the high Government agencies, and only this year was any attention paid to small radio sets; the plan was fixed at 120,000. But even for this increase the factories proved unprepared.

Up to the present time the Ordzhonikidze plant has been the chief producer of the small output of radio sets. The industry as a whole has done hardly any laboratory and experimental work in making new sets, working out technical processes, manufacturing tools, etc. Therefore, the order to proceed to

mass production found the industry with "bare hands." The large laboratory that was available has wasted its time and efforts duplicating the efficient work of another laboratory, and the Ordzhonikidze plant could not devote itself to perfecting its models and making new ones, content to fulfill its program as a whole, without making the number of sets called for. Another plant, the Kazitski, made a number of "EKL-4" sets, with imperfections due to carelessness; the "EKL-5" set produced later proved complicated and clumsy. These were the only sets in the market at the beginning of 1934, and both were too expensive for the average buyer.

As for low-priced sets, these do not exist. Some years ago crystal sets were made, selling at 15 to 30 rubles each. These are not made now, and there is nothing to take their place. The receiving set specially designed for collective farms has been hopelessly slow in coming on the market, so that the villages do not even get the 4-tube and 5-tube sets on sale in the city.

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#### N. Y. HOTELS TO "FORGET" DANCE BROADCASTS

The Executive Committee of Local 802 of the American Federation of Musicians, meeting Thursday in New York, voted to carry out "uncompromisingly" the union's demand for a \$3 tax on each player in orchestra broadcasting from hotels and restaurants.

With the union officials maintaining this stand, the situation remained in a deadlock, with the union awaiting the next move of the hotel and night club managements. It was said after yesterday's meeting that the situation remained one for the hotels and bands to settle between themselves.

The orchestra leaders had expressed their support of the tax at a meeting Wednesday and had referred the matter to the Executive Committee for final action. The \$3 fee asked by the union is for the benefit of the musicians' unemployment relief fund.

The hotel proprietors were equally firm in their stand declaring that the tax was exorbitant and would not be paid. David B. Mulligan, President of the Biltmore Hotel and President of the New York Hotel Men's Association, said the hotels intended to ignore the musicians' union in its attempt to enforce the tax and was planning no meeting to discuss the controversy.

"We just won't arbitrate, that's all", Mr. Mulligan said.

"We cannot afford to pay the extra charge. All of us are paying the union scale and many are paying more than the scale. I cannot see why the union expects us to support the unemployed musicians by calling up an arbitrary rule which is,

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in effect, an increase in the scale rate. None of the musicians play except during the regular employment hours. If they played outside their regular hours, of course we would pay them."

Mr. Mulligan added that all the hotels were ready "merely to forget about broadcasting until the rule is lifted." He was certain that the hotels would remain as a unit in that opinion.

Meanwhile the broadcasting companies continued to pick up dance music from various outside cities. At the National Broadcasting Company it was said they were treating the cancellation of the music from hotels and restaurants as they would any other cancellation.

"We have piped music from no further west than Chicago, but we can go clear to the West Coast if we have to", a representative of the network said. No complaints have been received from the radio audience as a result of the substitutions, it was added.

On the other hand, some of the band leaders were said to be apprehensive over the action taken by the broadcasting networks to pipe in music from other cities, fearing that some of the lesser known orchestras outside New York might suddenly catch the popular fancy and move into the top positions.

The two local stations most seriously affected by the cancellation of the local dance bands are WMCA and WHN, independent stations without network affiliations. Officials at WMCA again resorted to electrical transcriptions, while at WHN small studio ensembles and staff talent filled in the gaps.

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#### WHEELER OPPOSES MERGER - HINTS FOREIGN SOLUTION

Addressing the American Section of the International Committee on Radio in Washington last Monday night, Senator Burton K. Wheeler, of Montana, again emphasized the fact that he is opposed to mergers. Mr. Wheeler said the situation where American communications companies competed with each other in foreign countries would be taken care of in another way.

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 :::INDUSTRY NOTES:::  
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Station WBBM, Chicago, will be operating on its new power of 50,000 watts by April 1st, according to Les Atlass, Vice-President of the Columbia Broadcasting System, in charge of the Chicago division.

WBBM, pioneer midwestern broadcaster, had its inception as a "wireless station" operating on a power of 200 watts in the basement of the Atlass homestead in Lincoln, Ill., in 1923. Les and his big brother Ralph were behind the project. The station moved to Chicago in 1924 in which year the Department of Commerce assigned its now familiar call letters, "WBBM". In 1928, WBBM installed what was said to be the largest antenna towers to be erected in the Midwest. Columbia purchased the station in 1931.

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The scheduled meeting of the Radio Manufacturers' Association Board of Directors for Thursday, March 14, at the Commodore Hotel in New York, has been postponed. It will probably be held at the Commodore either around March 20 or March 27, after the return of several Directors from Florida, Bond Geddes, Executive Vice-President, advises.

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The Connecticut State Legislature has before it a bill which would impose a fine of \$50 upon anyone having a radio in his automobile.

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A campaign to raise \$500,000 by popular subscription to support the work of the Salvation Army throughout New York City will be started early in April. Richard C. Patterson, Jr., Executive Vice-President of the National Broadcasting Company, will serve as chairman of the drive.

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Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, said that signs of business recovery were noted everywhere on his transcontinental trip to Phoenix, Ariz.

Economic improvement is evident in the East, but real recovery is waiting a needed boost in the durable goods industry, Gen. Harbord said.

General and Mrs. Harbord will remain in Phoenix a month. He said he hoped to visit with Gen. John J. Pershing, wintering in Tucson, and Gen. Charles Dawes, who is expected there in a few days.

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S. L. (Roxy) Rothafel denounces stories in the dailies that the losses of his operating the Mastbaum, Philadelphia, were around \$250,000. Roxy operated the Mastbaum 10 weeks and insists the maximum loss was only \$30,000, including rent.

Roxy says the average budget was kept within \$24,000 and that the average gross was \$27,000. Roxy blamed the theater's business on the ban on Sunday shows, the Cardinal's order against movies and the fact that he had to come to New York three days a week for radio work. He also stated that he is returning to the Mastbaum in the Fall.

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Ken-Rad Tube and Lamp Corporation and Subsidiaries' financial report shows for 1934 a net income after depreciation and other charges, \$255,647, equal to \$1.46 a share on 175,000 combined Class A and B shares, compared with \$77,591, or 44 cents a share, on combined stock in 1933.

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Radio and television classes are being conducted by the university extension division of the Massachusetts Department of Education. The topics discussed are: advanced radio theory, vacuum tubes for radio receiving sets, and television.

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The following advertisement appeared in the New York Times last week:

"Hearing Radio Programs Without Using a Loud Speaker

"Using a Bond Conduction Receiver You Hear by  
Vibration only; Equally Useful for Deafened People  
and Those with Perfect Hearing

"Attachable to Any Radio.

Demonstrated at Stentor Electric Corporation  
4409 Rockefeller Center

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#### APPLICATIONS GRANTED BY BROADCAST DIVISION

WTAD, Ill. Broadcasting Corp., Quincy, Ill., Mod. of license to change frequency from 1440 to 900 kc., and hours of operation from sharing with WMBD to daytime; WMBD, Peoria Broadcasting Co., Peoria, Ill., modification of license to change hours of operation from sharing with WTAD to unlimited; KXYZ, Harris County Broadcast Co., Houston, Texas, C.P. to make changes in equipment and increase power from 500 w. to 1 KW; WMFE, William J. Sanders, Britain, Conn., Mod. of C.P. extending completion

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date from 2/16/35 to 5/16/35; WSPD, Toledo Broadcasting Co., Toledo, Ohio, Mod. of C.P. to make changes in equpt; move transmitter from Toledo to near Toledo, extend commencement date to 30 days after grant and completion date to 120 days thereafter; WMFJ, W. Wright Esch, Daytona Beach, Fla., mod. of C.P. to move studio and transmitter locally, extend commencement date to within 30 days of grant and completion date to within 90 days thereafter; WLAC, Life & Casualty Ins. Co. of Tenn., Nashville, Tenn., consent to Vol. Assignment of license to WLAC, Inc.

Also, WCFL, Chicago Federation of Labor, Chicago, Ill., Mod. of C.P. to extend completion date from 8/1/34 to 2/1/35; KECA, Earle C. Anthony, Inc., Los Angeles, Cal., Mod. of C.P. to extend completion date from 3/15/35 to 6/15/35; WMFF, Plattsburg Broadcasting Corp., Plattsburg, N. Y., license to cover C.P., 1310 kc., 100 watts, daytime; WJBO, Baton Rouge Broadcasting Co., Inc., Baton Rouge, La., license to cover C.P., 1420 kc., 100 watts, daytime; WIBU, Wm. C. Forrest, Poynette, Wis., license to cover C.P., 1210 kc., 100 w. night, 250 w. day, unlimited time; WCBS, WCBS, Inc., Springfield, Ill., modification of license to change frequency from 1210 kc., to 1420 kc., also to change hours of operation from sharing with WTAX to specified; 6 to 10 A.M., 100 watts power.

Also, KGEK, Elmer G. Beehler, Sterling, Colo., mod. of license to change hours of operation to specified hours; WSGN, R. B. Broyles Furniture Co., consent to voluntary assignment of license to Ormond O. Black and Mary Collett Black (Lessees); WMMN, A. M. Rowe, Inc., Fairmont, W. Va., consent to transfer control of corporation from A. M. Rowe, Inc., to West Va. Broadcasting Corp.

#### Action On Examiners' Reports

New, Southern Minn. Broadcasting Co., Rochester, Minn., C.P. granted for new station to operate on 1310 kc., 100 watts, unlimited time, sustaining Examiner R. H. Hyde; WBBM, Granted C.P. to increase power from 25 to 50 KW and install new equipment 770 kc., unlimited time day, synchronized with KFAB night Order effective March 26, 1935 (Heard by Commission en Banc); KFAB, KFAB Broadcasting Co., Lincoln, Neb., C.P. to increase power from 5 to 10 KW, also install new equipment 770 kc., unlimited day, synchronize with WBBM night. Order effective March 26, 1935 (Heard by Commission en Banc).

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### PRALL REPORTED NEW FCC HEAD

No confirmation could be secured but it was reported that Commissioner Anning S. Prall, head of the Broadcasting Division of the Federal Communications Commission will become Chairman of the Commission succeeding Judge E. O. Sykes, who has headed the body since the beginning of the Roosevelt administration. The assumption is, if this change takes place, that Judge Sykes will become Chief of the Broadcast Division.

It has been known for sometime that Chairman Sykes desired a judgeship and he has been mentioned for a place on the District Court of Appeals if a bill now pending in Congress passes which would provide for an extra Court of Appeals judgeship.

The present reported shift, however, evidently would not await such a vacancy but instead would call for an immediate change.

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### MORE GROUND FOR U.S. LISTENING POST

A bill has been introduced by Representative Binderup, of Nebraska, to purchase additional land for the Federal Communications Commission monitoring radio station at Grand Island, Nebr.

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### THREE NEW RADIO BOOKS

Three new books on the educational uses of radio have been published by the Bureau of Educational Research, Ohio State University. They are - "Measurement in Radio" (Who Listens? How can a radio audience be measured?) by F. H. Lumley (\$3.00); "Education on the Air, 1934", edited by Josephine MacLatchy (\$3.00); and "Broadcasting Foreign Language Lessons" by F. H. Lumley (\$1.00).

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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*Handwritten notes and signatures at the bottom of the page.*

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## SEES SYKES FCC CONTINUANCE DESPITE PRALL ELEVATION

There are about as many opinions as to why Judge E. O. Sykes was replaced by Commissioner Anning S. Prall as Chairman of the Federal Communications Commission as there are persons expressing them. It seems to be the consensus of opinion, however, that Judge Sykes who has been transferred to the Broadcasting Division, will remain as a member of the Commission and may serve out the remainder of his term.

"Politically, the President has taken care of Judge Sykes for the next 6½ years and it would surprise me very much if he took him from that post, if and when a judgeship is available", said a well-informed Washington observer. "It is known that Mr. Sykes prefers a judgeship but with so many to placate on the Hill, it is doubtful if the President would consider it possible to give it to him just now."

This theory is borne out by President Roosevelt's letter accepting Judge Sykes' resignation as Chairman of the Commission in which the former said:

"In expressing my appreciation of your work as Chairman, during the period of reorganization, may I also express my great satisfaction that we are to have the benefit of your continued service as a member of the Commission."

There were those who said that it was evident that the Administration was not satisfied with the work of Judge Sykes but his friends discounted this by saying he desired to relinquish the chairmanship and that the Communications Law provided no other way to name a new Chairman than by Presidential Act.

Another version of the change was that President Roosevelt wanted to have his own appointee as Chairman of the FCC and that Sykes was a hold-over from previous administrations. Another version was that the five newly appointed Commissioners felt that the two Commissioners of the old regime, Messrs. Sykes and Brown, were "running things" in too arbitrary a manner; also that Sykes and Brown had made a poor showing at the Senate hearings and thereby had held up the confirmation of all the Commissioners unduly.

Another version was that although Judge Sykes was in Spain at the time of the dismissal of George Llewellyn in the Atlanta office of the Radio Division, Senator Wheeler and other members of the Senate Committee believed he should have had a better knowledge of what was going on during his absence and should have reviewed the case.

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Llewellyn, who after a two year fight was quickly reinstated after the Senate hearings recently, charged a complaint to President Roosevelt numerous irregularities in the Atlanta office including the sale of a broadcasting frequency for \$6,500 with the full knowledge of the Commission. Llewellyn, also alleged that a Federal district supervisor had accepted \$500 from a Georgia broadcasting station for services. Llewellyn testified at the Senate hearing that: "When I insisted upon telling Mr. Fisher, the Assistant General Counsel of the Radio Commission, about the matter, he finally told me in a confidential tone that Judge Sykes asked him not to give a certain phase of the matter because it might involve a lawyer friend of his, Sykes."

The most popular version is that Judge Sykes was decapitated by the Administration to quiet Senator Bilbo, of Mississippi. Judge Sykes supported former Senator Stephens, Bilbo's opponent, in the Senatorial race. Stephens charged Sykes with making two trips to Mississippi to defeat him. Furthermore, it was Bilbo who took up the cudgel for Llewellyn, the discharged Radio Commission employee. Senator Bilbo declared that he would spend the entire six years of his Senatorial term, if necessary, in the effort to block Sykes from serving as Chairman of the Commission.

Those who credit Bilbo with the Sykes' resignation argue that the Administration had allowed Senator Huey Long to slip through their fingers when he might have been placated and didn't want to take a chance of arousing another antagonist of the same type, for it was Bilbo who said that he would "raise more hell in the Senate than Huey."

Which brings us to still another version of Judge Sykes being replaced as Chairman of the Commission which is that the Administration wanted to be fortified by appointing a new Chairman and reorganizing the Commission in advance of an expected attack by Senator Huey Long, and then to be able to say in answer to any charges Huey might make, "but, Senator, that was the old Commission you are talking about - in addition to five new members recently appointed, we now have a new Chairman, Commissioner Prall, and everything is going to be all right."

Senator Long had alleged that Herbert L. Pettey, Secretary of the Commission had received \$1,000 for writing a series of articles from a newspaper (Des Moines Register-Tribune) while it was pressing before the Commission an application for a station license. Pettey, a friend of Farley, was placed on the Commission at the personal request of the President. Pettey has been a target because he is also Chairman of the Radio Committee of the Democratic National Committee.

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The talk of Judge Sykes leaving the Commission to accept a judgeship brought up the name of Hampson Gary, of New York, former FCC Commissioner, as his successor. Mr. Gary resigned to make way for Mr. Prall. However, in the meantime Senator Wheeler has made quite a point of the fact that the West is not represented on the Commission and this brought in the names of former Senator Dill, of Washington, and Gen. C. McK. Saltzman, former Commissioner who hails from Iowa. Senator Dill said yesterday he would not accept the position if it were offered to him as he was meeting with success in his private law practice and wants to continue it.

Broadcasters have expressed satisfaction with Judge Sykes being assigned to the Broadcast Division of the Commission for as one of them put it, "he knows broadcasting from the ground up." Also it is believed that Sykes himself will be happier there because he is known to have a distaste for executive work. In the meantime, former Senator Stephens, of Mississippi, in whose behalf Judge Sykes worked against Senator Bilbo, appears to be slated for a \$10,000 a year directorship on the Board of the Reconstruction Finance Corporation.

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#### FCC ADOPTS NEW MEETING SCHEDULE

As the first announcement from the new Chairman, Anning S. Prall, came a new schedule of regular meeting dates of the Federal Communications Commission. It follows:

- Broadcast Division - Tuesdays 10 A.M.
- Telegraph Division - Tuesdays 2:30 P.M.
- Telephone Division - Wednesdays 10 A.M.
- Full Commission - Wednesdays 2:30 P.M.

Chairman Prall, in addition to presiding at the full Commission meetings, will serve as a member of each of the three divisions.

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GEN. JOHNSON TO HAVE COMMERCIAL SPONSOR

It was reported following the radio reply of Rev. Charles E. Coughlin to Gen. Hugh S. Johnson, that Johnson is considering carrying on his campaign against Father Coughlin and Huey Long sponsored by a radio advertiser. The name of the advertiser was not revealed.

"I should like to pledge myself to fostering a non-partisan, non-political, Nation-wide movement to exterminate Coughlin and Long", General Johnson said.

"They should be first met on their own ground - the radio. I, for one, will have plenty to say. I invite the expressions of others who share these views. These expressions will determine my immediate course of action."

Word has reached Washington that as a result of a plea for funds to carry on the campaign made by Father Coughlin last week that \$80,000 was received. Furthermore it is said that 150 clerks are now employed by Father Coughlin to take care of his radio mail.

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SCHMELING FIGHT BROADCAST COMES IN FINE FROM GERMANY

Listeners with all-wave sets last Sunday night heard an exciting ring-side description in English of the Schmeling-Hamer fight at Hamburg, Germany. The fight was broadcast through Station DJC, Berlin, and the roar of the crowd of 25,000 fight fans furnished a realistic background.

It was one of the clearest nights of the year atmospherically and not a detail of the fight was missed by those listening. An Englishman, almost as excitable as McNamee, described the fight, and would shout "Now Max is giving him a left hook" and similar descriptions of the blows. It sounded for all the world like one of our own ringside bouts and came in with such strength over the short-waves that it was hard to realize that it was happening in Germany 3000 miles away.

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## LOOP ANTENNAS USED IN NBC CIRCULATION MEASURE

Advance reports from executives who have previewed a book of potential radio circulation facts and figures, "NBC Network Aires", indicate, according to National Broadcasting Company sales executives that the difficult days this advertising medium has experienced in establishing an accurate standard of circulation are over.

"From loop antennas atop field strength test cars, from 1,500,000 envelopes and postcards, came the secrets of NBC's new concept of potential radio circulation combining for the first time 'numbers' and 'geography', or 'how many can listen and where.' This new concept of radio circulation is as different from old standards as today's high-fidelity receiving sets are from the original crystal sets", the NBC statement goes on to say.

"Advertisers and advertising agencies will no longer have to substitute the letter 'x' for NBC radio circulation. 'NBC Network Aires' gives the long-desired, reliable answer to potential network circulation questions.

"Many different schools of thought have produced as many 'yardsticks' for potential radio circulation. Invariably, each wore thin and called for an entirely new, an increasingly accurate and as nearly fool-proof basic concept as the medium could furnish. Time and time again, NBC has produced evidences of radio's economy and effectiveness. Now potential circulation has been scientifically measured. Until the advent of 'NBC Network Aires', 'circulation' as such defied close measurement. This book, therefore, fills the one remaining gap, forges the one missing link in the chain of evidence.

"NBC has invested over \$250,000 and almost two years in intensive research to obtain this audit of reachable radio families based upon a combination of engineering field strength measurements and geographical mail analysis. According to its subtitle, 'NBC Network Aires' gives 'the geography and numerical potential of NBC circulation'.

"The circulation of the NBC stations has not been plotted on the basis of field strength alone. The field measurements were made primarily to determine the most intensively covered zones and to set up standards for rating the mail response per county. From these two factors, a method of plotting the aires of reachable audience was established. The method was not an arbitrary one. It has met the approval of statisticians and marketing men alike. The complete zone of influence of a station or network was determined and the entire zone divided into three aires; Aire 1, representing 100% potential circulation of radio families; Aire 2, representing 50% to 99% potential circulation, and Aire 3, representing 5% to 49% potential circulation.

"Over five million letters passed through the NBC tabulating machines in New York, Chicago and San Francisco. One million and a half of these were addressed specifically to individual stations on the networks and were used for determining the potential circulation of the stations and networks. Since the remaining 3,500,000 letters were addressed to the network offices instead of individual stations, they were rejected for use in the circulation study.

"NBC Network Aires", upon which the recently announced adjusted NBC rates were based, is now being distributed. It is in large book form 13 x 17 inches and sets a new deluxe pace in radio advertising material. The book is profusely illustrated by maps and charts in colors. Each copy of "NBC Network Aires" is handsomely packed in a separate box and each copy sent forward by special delivery.

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#### MUSIC CODE EXEMPTS ALLEGED GOVERNMENT SUIT ACTS

The National Recovery Board has announced the approval of a Code of Fair Competition for the Music Publishers Industry effective March 18th.

The NIRB said in its order that approval of the Code or of any subsequent amendments "shall not be deemed or construed as approving, sanctioning or condoning any of the acts alleged in the petition filed in the United States district court of New York, August 30, 1934, and now pending therein, entitled United States vs American Society of Composers, Authors and Publishers; Music Publishers' Protective Association, et al\*\*\*\*".

This is the first time that an NRA Code has contained such a provision. Its inclusion is a victory for Oswald F. Schuette, who represented the National Association of Broadcasters at the Code hearings and demanded that the Code safeguard the Government's suit against the so-called "copyright monopoly". Mr. Schuette's request was fought by the representatives of ASCAP and MPPA. The Department of Justice, however, sent a similar demand to the NRA and the exception was written into the Code.

Practices forbidden by the trade practice rules include, in addition to bribery of performers to "plug" songs, payment by a publisher to induce radio broadcasting, electrical transcription, phonograph, and motion picture companies, to use a publisher's music.

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## "RE-DIFFUSION" BROADCASTING IN EUROPE

American radio engineers returning from Europe have called attention to the wide use of audio distribution of broadcast programs now being made on the Continent and in Great Britain, an article in Electronics sets forth.

In Holland at least half of the listeners are served by such "rediffusion" or wire distribution of programs. In England some 200 different competing radio-diffusion companies are in operation, retransmitting over wires the regular Broadcasting Corporation programs. Such programs are picked up on sensitive receiving sets advantageously located outside of the field of local interference, so that the re-diffusion listeners get a superior freedom from interference than exists with the straight-radio installation. Similar systems have been installed in hotels and apartment buildings in America, but there has been very little house-to-house audio distribution on this side of the Atlantic, such as is becoming increasingly the vogue in Europe.

The typical audio frequency re-diffusion system abroad uses a network specially erected for the purpose. This network consists of open wire lines suspended from poles or house chimneys. The network contains twice as many wires as there are programs distributed. It is usual practice in Holland to distribute three programs, in Britain only two. Each consumer has a lead-covered branch feeder connected across the lines, which descends from the chimney fixing or pole to the living room. The consumer then has a switch to energize his loud-speaker and to select which of the available programs he shall listen to. He also has a volume control.

It is standard practice to charge the consumer a fixed rental. This averages about \$14 per year in Holland and \$19.50 in Great Britain. The rental is paid weekly. Although there is no installation fee, the consumer always buys his own loud speaker. This is usually done by easy payments. The minimum easy payments average 15 cents a week. The average cost of the speaker is \$8. The re-diffusion company, however, offers a range of speakers - frequently the same speaker in different cabinets but sometimes a better speaker in a more elaborate cabinet. The price of speakers ranges from \$5 to \$20. The company usually buys the speaker at half the price at which it sells it.

All of these re-diffusion companies are private enterprises. The 200 companies in England are combined in an association and have agreed not to lower rates or to compete in the territories which one individual company may secure.

The concession is usually given in the form of a permission from the town council to the company to cross streets with wires. In return the re-diffusion company agrees to pay the town council  $7\frac{1}{2}\%$  of the yearly turnover in lieu of taxes.

In Holland different re-diffusion companies operate in different sections of a given town or city. There are something like 100 different companies operating in Amsterdam alone. In Britain, except in the case of London, one re-diffusion company operates in one town. London is subdivided naturally into boroughs.

Each town is divided into rediffusion districts, at the center of which the amplifiers are installed. They are usually placed in shop windows to make an impressive display, and much is done to make the engineering equipment look impressive and the technical personnel smart, learned and important. The men who collect the money (called "collectors") tour the districts on bicycles, getting into close and friendly touch with the consumers.

Americans who have listened to re-diffusion do not recommend the tone quality it gives, because the reproduction is normally, (although not necessarily) very poor and sometimes inferior to that given by a typical radio set. Those who operate the re-diffusion service soon found that quality was not appreciated, that convenience and low fixed charges were the chief recommendations. It costs them less to give bad than good quality. The original British systems gave only one program reproduced on cheap speakers on grossly overloaded lines. In spite of this, many systems secured 25 per cent of the householders of a town as consumers. It is agreed among the re-diffusion companies that two programs are sufficient and no company in Britain attempts to give more. Convenience, in fact, sells the service.

The programs are picked up from any convenient station, British or foreign. The alternatives sent out for the pick of the British and the pick of the foreign. Meters can be installed in the amplifying stations, showing the load on any particular line for any program.

In Deventer, Holland, there are 7000 houses, 4000 of which are wired for re-diffusion. Development has been going on there during the past ten years. In Hull, England, where there is the largest re-diffusion system in the world, one house in every three is wired and development has been going on during the past five years. There are 20,000 houses wired in Hull of the 60,000 houses in the city. In Holland 50 per cent of those who listen to broadcasting get their service via wires. Wire broadcasting cannot, of course, be applied in rural districts and so it is estimated that 80 per cent of urban listeners take their service via re-diffusion and the remaining 20 per cent via wireless. In Britain there are six million licensed listeners and about nine million houses. One might expect, therefore, that in time there would be four million re-diffusion listeners, even if the rate of growth of listeners did not increase beyond its present figure.

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It is estimated that the capital cost per consumer in an audio frequency re-diffusion system as described above is of the order of \$30.00. This cost reduces as the networks are more and more loaded. This figure applies to a system wherein one house in every four is wired. It reduces to perhaps \$20 if houses, as they are being built, with underground cable, the cost might come down to \$10 per consumer.

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#### FURTHER COPYRIGHT CONFERENCES SOON

Progress is reported by the State Department in drafting the International Copyright treaty and enabling legislation. Further conferences are expected to be held at an early date between State Department officials and representatives of the National Association of Broadcasters, the American Society of Composers, publishers and moving picture interests.

It is believed at that time major differences may be reconciled and if so, it is believed the copyright legislation may be passed, if not at this session, sometime during the life of the present Congress.

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#### WOR NEW AND RENEWAL ACCOUNTS

Manhattan Storage and Warehouse Co., New York City, starts March 4, 1935, Monday, Wednesday and Friday at 2:30 to 3:00 P.M.; Program: Participation announcements in the "Martha Deane" program.

Justin-Haines, Inc., (Aspirub), New York City, through Thos. H. Reese & Company, Inc., New York City, starts March 4 1935, Monday, Wednesday and Friday, 6:50 to 6:55 P.M.; Program: "Musical Rubdown".

Wipe-On Corporation (Lacquer) Brooklyn, N. Y., through E. M. Freystadt Associates Agency, New York City, started March 11, 1935, Monday, Wednesday and Friday, 2:30 to 3: 00 P.M. program: participation announcements in "Martha Deane" program.

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COL. THAD BROWN SHIFTED IN SECOND FCC SHAKE-UP

Construed as another phase in a general reorganization of the Federal Communications Commission of which the elevation of Commissioner Anning S. Prall to succeed Judge E. O. Sykes as Chairman, was the first phase, was the transfer of Col. Thad Brown from the Vice-Chairmanship of the Broadcasting Division to Vice-Chairmanship of the Telephone Division. Commissioner Norman Case, who has been serving as Vice-Chairman of the Telephone Division, will succeed Colonel Brown as second in command of the Broadcasting Division, of which Judge Sykes has just been named Chairman. The third member of the Broadcasting Division is Commissioner Prall, who as Chairman of the Commission will serve on the Broadcasting, Telephone and Telegraph Divisions.

Commissioner Paul Walker will continue as Chairman of the Telephone Division and the Telegraph Division will remain the same with Commissioner Irvin Stewart, Chairman, and Commissioner George Henry Payne, Vice-Chairman.

The removal of Commissioner Thad Brown from the Broadcasting Division is seen as a rebuke to him brought about by the dissatisfaction of the Senate Commerce Committee, of which Senator Wheeler is Chairman, in Colonel Brown's handling of the case of George Llewellyn, an Atlanta radio inspector. Brown was acting in the absence of Judge Sykes who was in Spain, and approved the dismissal of Llewellyn, who was recently re-instated following a complaint made by Senator Bilbo, of Mississippi. Although Llewellyn appealed to President Roosevelt two years ago, nothing was done about it until Senator Bilbo, who charged Sykes with opposing the Senator's election, took up the case.

Colonel Brown, though a Republican, also met with the disapproval of Senator Couzens, a Republican, of Michigan, who twice opposed his confirmation and at the Senate hearings not long ago said that Brown, in his opinion, was not competent to serve on the Commission.

"With Judge Sykes subordinated to Chairman Prall and Col. Thad Brown taken out of the Broadcasting Division altogether there is a breakdown of the old crowd which has been running radio", a broadcasting official observed. "This looks like a new deal."

Commissioner Case, former Governor of Rhode Island, notwithstanding the fact that he is a Republican, is an old friend of President Roosevelt and is understood to be a personal appointee of the President.

Further shake-ups are said to be contemplated by Chairman Prall involving FCC personnel. It is understood the Commission may defend Secretary Herbert Pettey, friend of Postmaster General Farley, against the charge of having accepted \$1,000 for writing a series of articles for a newspaper which at the time was applying for a wavelength, but if so, what the outcome will be when the letter gets to Senator Huey Long remains to be seen.

## SUPREME COURT TO REVIEW CITY RADIO STATION TAX

The United States Supreme Court has decided to review the case of the City of Atlanta imposing a tax on Station WJTL, owned by Ogelthorpe University in that city. The Supreme Court of Georgia has held that the tax is valid. WJTL is a semi-commercial and semi-educational station. It is the first time the question as to the right of a city to tax a broadcasting station has ever reached the Supreme Court.

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## WILL ANNOY JERSEY OFFICIAL AS RADIO TEST

Heywood Broun, President of the American Newspaper Guild has announced that he will make a radio speech tonight (Tuesday, March 12) in which he will use "annoying language", concerning Vice Chancellor Berry of Newark, and the Trustees of The Newark Ledger to test the legality of an injunction issued by the Vice Chancellor to the Trustees against the Newspaper Guild of Newark.

Mr. Broun said he believed it had been the first time a temporary injunction issued in a labor dispute had barred one party to the dispute from the use of the radio. He explained that the terms of the injunction specifically prohibited "annoying language." He said he did not know on what station the Guild would arrange the broadcast, but that afterward he would go to Newark to be in the jurisdiction of the Chancery Court "to see what happens."

Morris Ernst, counsel to the American Newspaper Guild, has filed a complaint with the Federal Communications Commission against Station WOR, charging that it had refused to sell time to the guild to state its side of the controversy with The Ledger.

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## STATION RADIO RIGHTS UPHELD

The right of a radio station to allow any individual to broadcast was upheld in Medford, Ore., Feb. 26 by Federal Judge McNary when he sustained the demurrer to the \$39,500 damage action filed by Mrs. Henrietta B. Martin, leader of a local political faction, who charged she had been prohibited from making a speech over KMED, Jan. 1.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 807

*Handwritten signature in black ink:*  
J. G. ...

## WORLD'S RADIO SETS EXCEED 50 MILLION

More than 50 million radio receiving sets are in use throughout the world at the present time, with 1,537 broadcast wave-transmitting stations, 136 short-wave stations and 58 long-wave stations available to provide broadcast programs, according to a tabulation made public by Andrew W. Cruse, Chief of the Commerce Department's Electrical Equipment division.

Receiving sets of record, the tabulation shows, are divided between North America with a total of 26,592,613, of which 25,551,569 are credited to the United States; Europe, 20,424,316; and Asia, 2,050,339. Russia and Turkey, which are not included in the tabulations for Europe and Asia, have a combined total of 2,005,500 receiving sets. The exact world total shown in the tabulation was 53,218,327 sets.

The large number of radio receiving sets recorded throughout the world, Mr. Cruse pointed out, is not only an evidence of economic recovery, but indicates the consumer appeal of new developments in set construction.

Short-wave developments and particularly the policy of manufacturers to make the all-wave receiving set the standard rather than the expensive exception and the extension of pure-tone reproduction toward the upper and lower sound regions have encouraged increased purchases of received sets, it was stated.

In conclusion Mr. Cruse states that statistics covering receiving sets in the United States are from the recent survey conducted by the Columbia Broadcasting System.

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## SENATE COMMITTEE ON AVIATION AND RADIO PROPOSED

A resolution was introduced by Senator McAdoo (D), of California, which would provide for a Standing Committee on Aviation and Radio. The new committee would consist of fifteen Senators.

This Committee would have to do with radio only as it concerns the navigation of planes. It was explained that it was not Senator McAdoo's idea to take the jurisdiction of radio, which is now exercised by the Senate Interstate Commerce Committee away from that Committee but simply to group aviation and air-plane communication control together. The resolution was referred to the Senate Committee on Rules.

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### SAYS BAD ACOUSTICS CAUSE CONGRESSIONAL CONFUSION

Just as Senator Copeland of New York, who is a physician, keeps an eye on ventilation and other conditions in the Senate Chamber, which might affect the health of the Senators, Representative Karl Stefan, of Nebraska, who was formerly a radio columnist, is endeavoring to correct the bad acoustic conditions in the House of Representatives. So hard is it to hear what Congressmen are saying sometimes, when a person sits in the gallery, that Ed Wynn, the comedian, who was out there not long ago was prompted to say that the Congressmen must have been talking to themselves as no one else could understand what they said.

"Feeling that I know what a radio listener wants to hear and realizing how you feel about long-winded speeches, I beseech you to be tolerant with my efforts to tell you some of my impressions of Congress from the viewpoint of a 'rookie' Member", said Mr. Stefan in his first national broadcast from Washington.

"One of the inevitable first impressions of the House of Representatives that comes to a new Member and to the visitor in the gallery is that there is usually a great deal of confusion in the Chamber and that it is very difficult for Members and visitors to hear what is going on. The truth is that bad acoustic conditions in the Chamber militate against good order. However, better sound conditions in the House Chamber would contribute to the improved decorum of the House as well as to the ease with which business is transacted, and because of the obvious need for the improvement one of my first acts here was to discuss the existing situation on the floor of the House and to introduce a resolution for the purpose of having modern scientific appliances installed in the Chamber for the perfection of sound transmission.

"It has been my privilege to walk along with radio from almost its infancy, and I am amazed at the strides of this treat science. As one radio fan to another, I wonder if we take all of this wonderful service for granted? Those of us who know the tremendous expense and the tremendous amount of scientific research which is behind this service appreciate it all.

"I want to thank Ted Church and staff and the Columbia Broadcasting System for the use of its great radio facilities.

"And to those of you who have been so patient I want to thank you for listening to me. Might as well be happy, folks, because everything is going to be all right."

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## AMERICAN RADIO IMPORTATION DIFFICULTIES IN CANADA

The following information from Consul Walter H. McKinney at Yarmouth, Nova Scotia, is furnished by the Commerce Department with the understanding that it is to be used solely for the benefit of American firms and individuals and is not to be published or given any secondary distribution whatever.

Three letters were sent by Messrs. Smart and Biggar, Attorneys, Victoria Building, Ottawa, to a business man of Yarmouth, Nova Scotia, as the result of the purchase by him of a small radio receiving set in the United States and its subsequent importation and use by him in Canada. These letters claim, on behalf of Canadian Radio Patents Limited, that importing and using the set is an infringement of various Canadian patents, and the owner is ordered by them to pay an arbitrary 10 percent of the value of the set, in default of which his set is subject to legal seizure and destruction.

This is not the first occasion in which local importers of American radio receiving sets have encountered similar difficulty with the claimants. The situation is such as effectively to impede if not actually prevent any importation in Canada of such merchandise from the United States.

That the Canadian customs authorities are making every effort to discourage the importation of low-priced radio sets from the United States is apparent in a case now pending in the office of the Collector of National Revenue at Yarmouth, involving the entry of six small sets costing in New York \$7 apiece. When entered in the local customs office the duty was assessed at the prescribed 30 percent ad valorem and payment made accordingly. The merchandise was held by the customs, however, pending a review and reappraisal by the Bureau at Ottawa. As far as this consulate has been able to ascertain, the importer submitted copies of his commercial invoice, together with a price list from the manufacturer showing list prices and all discounts received by him. It appears, however, that the price list submitted carried, probably for sales appeal, an exaggerated statement somewhat as follows: "Regular Value - \$18. Our price to you - \$9, less 30 percent dealers' discount." On the basis of this a reappraisal was made of the merchandise approximately as follows: Value in the United States - \$18 less 30 percent dealers' discount. The prescribed 30 percent duty was then charged on this net value, salestax added, and a dumping duty amounting to approximately \$6.50 was also charged. The total duty payable before delivery of the shipment amounts to some 170 percent ad valorem.

The importer is, of course, confronted, moreover, with the possibility of having to pay whatever unlimited and perhaps exorbitant claim that may be made on him by the Canadian Radio Patents Limited for infringement of patents. He advises me that he has cancelled the order for 100 of the sets which he placed with the manufacturer and he hopes to be able to re-export the small shipment which he now has in Yarmouth.

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WOULD REPEAL DAVIS AMENDMENT

A Bill was introduced (S 2243) by Senator Wheeler, of Montana at the request of the Federal Communications Commission which would, in effect, repeal the so-called Davis Amendment which provides an equitable allocation by zones, states, population and power.

The new Bill reads:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302 of the Communications Act of 1934 is hereby repealed.

"Sec. 2. subsection (b) of section 307 of such Act is amended to read as follows:

"(b) In considering applications for licenses, and modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide an equitable distribution of radio service to each of the same."

Section 2, Subsection (b) above referred to is the so-called Davis Amendment and Section 307 is the provision for dividing the country into five radio zones.

Favoring the repeal of the Davis Amendment the Communications Commission stated that it is contrary to natural laws and results in concentration of the use of frequencies in centers of population and a restriction of facilities in sparsely populated States, even though interference would permit the operation of one or more additional stations. Because of the size of the zones, this distribution results in providing ample broadcasting service in small zones and lack of service in large zones. Experience has proved that the section as proposed is very difficult of administration and cannot result in 'an equality of radio broadcasting service.' In the provision suggested, service is made an important criterion, making it possible to carry out the statutory provisions of public interest, convenience, and necessity without artificial restrictions."

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## SHARP SEASONAL DECLINE IN CANADIAN RADIO SALES

Radio sales in Canada registered an unusually sharp season contraction during January, according to a report to the Commerce Department from Assistant Trade Commissioner A. F. Peterson, Ottawa. The total distribution for the month as compiled by the Radio Manufacturers' Association was 7,693 units, valued at \$931,286, against 20,770 units, valued at \$2,312,277, in December.

As a result of the marked curtailment in January sales, production schedules have been somewhat lowered compared with plans at the opening of the year, it is pointed out.

During the months of February and March, Canadian radio manufacturers expect to produce 30,157 units, the report states. As of January 1, projected production amounted to 42,176 units, which, after adjustment for January sales, would leave approximately 34,000 units as projected production for the last two months of the first quarter, the report states.

Radio sales during 1934, according to the Canadian Radio Manufacturers' Association, totalled 168,833 units valued at \$16,771,222.

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## SAYS NEWSPAPERS HAVE HANDED TORCH TO COUGHLINS AND LONGS

Speaking on "The Newspaper's Part in the New Deal", J. David Stern, publisher of the New York Evening Post, said:

"If the truth must be known most newspapers have not had time to play a part in the New Deal. They have been occupied with the NRA, the Newspaper Guild, the growth of the radio, the broadcasting of sport news and child labor.

"Meanwhile they have overlooked a much more important development on the air. The radio has taken the place of the newspaper's editorial page. The intellectual battle of the New Deal is being fought on the air instead of in the newspapers.

"Newspapers of the United States are to blame for the extraordinary growth of political propoganda on the air. Newspapers have forfeited their privilege of leading public opinion and have handed the torch to the Coughlins, the Longs and the Johnsons."

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## RCA LAUNCHES OWN MONTHLY PAPER

So that the left hand may know what the right hand is doing, the Radio Corporation, marking the Fifteenth Anniversary of its entry into the international communications field, has launched a monthly newspaper, "Within the RCA Family Circle". It is about the size of a tabloid daily, is printed on coated stock, the first issue comprises four pages, and is illustrated throughout.

The leading article conveys the good news that, as shown by the annual report, business was substantially better for the RCA last year. This article carries the photographs of Gen. J. G. Harbord, Chairman of the Board, and David Sarnoff, President.

"The fifteenth anniversary of RCA's entry into international radio communications is a fitting time for the launching of this monthly newspaper", Mr. Sarnoff says in an editorial greeting.

"In the short period since 1920, RCA has seen a tremendous expansion of its scope, and its usefulness. Starting from comparatively small beginnings, we have grown until today our facilities cover the globe. To most of us our part in radio's advance has been more than an occupation. It has been an adventure also. But as the organization has expanded and the volume of business has multiplied, the workers in each of our several units have found themselves increasingly absorbed in the particular interests with which they are connected. Despite the close coordination between companies which is RCA's great strength, it has been more difficult for individuals to keep contact with others in the group than it has before our family became so large.

"Now, at a time when we seem to be entering radio's greatest period of development to date, an interchange of news from our associates will be especially welcome. Progress will be faster and our work will be more pleasant the more closely we pull together. After all, radio, as we often say so proudly, is bringing the whole world into closer unity and understanding, and RCA, radio's great leader, must continue to typify this movement by the cohesion within its own ranks.

"The radio skies are bright. There is a clear signal, and an open channel to wonderful new developments. And all of us will be closer in the industry's coming progress by knowing each other and each other's work better and by taking pride in the fact that we are 'within the RCA family circle.' This newspaper will be our common meeting place."

The "RCA Family Circle" brings one to a realization of the vast field covered by the Radio Corporation and its subsidiaries. It is an exceedingly attractive and readable little publication and no doubt will serve a very useful purpose.

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## WAS IT FATHER HARNEY AND MIKE?

As yet it is any man's guess as to exactly what caused the great radio shakeup at the Federal Communications Commission which thus far has caused Judge Sykes to lose the chairmanship; later the transfer of Col Thad Brown from the Vice-Chairmanship of the Broadcast Division, and which it is believed will result in quite a few more changes at the Commission.

In thinking over the things which possibly might have touched off the explosion, it seems to be more than a coincidence that a resolution passed by the American Federation of Labor at San Francisco six months or so ago so accurately foreshadowed events. This goes back to the defeat in the Senate of Father Harney's amendment offered by Senator Rob Wagner that 25% of all radio facilities be allocated to religious and educational institutions.

Behind Father Harney in this was the American Federation of Labor working through Mike Flynn, one of its most competent Washington representatives. The defeat of the amendment was a terrible blow to Father Harney and Mike and there isn't any reason to suppose they were any happier when Congress passed the buck to the Broadcast Division of the Communications Commission to "study the question."

Evidence of this was the San Francisco labor convention resolution which read "Resolved that we register our protest against the continuance in public office of any members of the Federal Communications who vote to surrender more than 50% of this public property - radio - to profit-making bodies."

The resolution - a veiled threat as it were - was presented to the Commission by William C. Hushing, Washington Legislative Agent of the American Federation of Labor but later was withdrawn by President William Green. Mr. Green offered no explanation for his unusual action but one close to him observed, "I think Mr. Green prefers to work through his friends on the Hill (meaning at the Capitol)."

Of course those drafting the FCC report paid no attention to the 50% demand of the laboring people. Perhaps there was no connection between the two circumstances but in the light of the labor demand, it is interesting to note what has happened to the three FCC officials who signed the religious-educational report to Congress, - Judge Sykes has lost the Chairmanship of the Commission; Col. Thad Brown has lost the Vice-Chairmanship of the Broadcast Division, and Hampson Gary, who was Chairman of the Broadcast Division, resigned to make way for President Roosevelt's appointee, former Representative Anning S. Prall, who now heads the Commission and hereafter will also serve as a member of the Broadcast Division.

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## WOULD ASSIGN RADIO TRANSFORMER MAKERS TO RADIO GROUP

In connection with a code hearing to be held in Washington today (March 15), Bond Geddes, of the Radio Manufacturers' Association, states in a letter to the NRA that the facts and also the statistics make compulsory upon the National Recovery Administration the classification of radio transformer manufacturers to the radio group for code jurisdiction and also makes mandatory the exemption and exclusion of radio transformer manufacturers from the proposed supplemental code for the so-called "specialty transformer industry."

"Radio transformers, in design, construction and use, are 'distinct and recognizable products' very different from commercial specialty transformers, and are generally suitable and actually used only for radio industry purposes.

"The statistics, both of the E.M.I. Code Authority and of your recent questionnaire, are incontrovertible that both by number of manufacturers and volume of sales there is a substantially large majority in the radio transformer group of the arbitrary NEMA code classification of 'specialty transformer' manufacturers", Mr. Geddes continues.

"The statistics secured from the recent NRA questionnaire, however, are in direct conflict with those of the E.M.I. Code Authority as to the number of manufacturers and volume of sales for 1933. For the six months ending December 31, 1933, the E.M.I. Code Authority statistics report 44 'specialty' transformer manufacturers with sales of \$3,644,000, of which a large majority, both by number and sales volume, are classed as 'radio transformers.' The number of such radio manufacturers were 25 and they reported sales of \$1,916,000. Furthermore, for the six months ending June 30, 1934, the E.M.I. Code Authority statistics show that there were 46 'specialty' transformer manufacturers with sales of \$3,165,000, and again, both by number and sales volume, in the radio class there was a large majority - 25 radio transformer manufacturers with reported sales of \$1,561,000. In addition, the E.M.I. Code Authority statistics are not inclusive of radio set manufacturers who make their own transformers in large volume.

"The statistics you have received from the recent NRA questionnaire show that total 1933 transformer production was \$7,600,000 and detail sales of \$3,610,910 of radio transformers, with sales of \$2,428,818 of other 'specialty transformers.' Of these respective sales reported there is not a 'slight' preponderance of radio products, as stated in your letter, as sixty per cent of the reported sales are of radio transformers while only forty per cent of the reported sales are of 'specialty transformers.' We challenge and deny your statement that this leaves open any 'valid question' as to whether the radio transformer is distinct and recognizable as a product apart from other specialty transformers. The statistics, both of the E.M.I. Code Authority

and from your recent questionnaire are conclusive and binding that radio transformers are in fact 'distinct and recognizable' radio products and constitute a substantially large majority, both in number of manufacturers and in volume of sales, of the so-called 'specialty transformer industry.'

"the group of commercial specialty transformer manufacturers making application for and sponsoring the proposed supplemental code for the so-called specialty transformer industry is not 'truly representative' as required by law. In no sense and on no conceivable basis are they at all 'truly representative' of radio transformer manufacturers. No substantial request or demand has been submitted to NRA from any important radio transformer manufacturer or group or number of radio transformer manufacturers in support of the proposed supplemental code."

In conclusion Mr. Geddes writes:

"You and other NRA officials have advised us that trade association affiliation of various manufacturers was not a factor in the decisions of NRA regarding either code classification or administration. We ask that the declared principle of product classification be followed by you in -

"(a) The determination that radio transformers are 'distinct and recognizable' radio products;

"(b) That radio transformer manufacturers be assigned for code administration purposes to the radio jurisdiction, and

"(c) That radio transformer manufacturers be excluded from the proposed supplemental code for commercial specialty transformer manufacturers."

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#### BROADCAST ADVERTISING IN JANUARY \$7,387,825

Broadcast advertising exhibited the usual seasonal trends during January, the National Association of Broadcasters' report shows. Gross time sales totalled \$7,387,825, a gain of 2.9% over the preceding month. National network volume rose 5.8%, slightly more than the usual seasonal up-swing. National non-network volume remained unchanged. Local broadcast advertising declined 12.2% as compared with December, a normal decrease for this period of the year. Regional network advertising decreased 9.2% during the month.

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Gross time sales during the month were materially ahead of those for the corresponding month of 1934. Total broadcast advertising experienced a gain of 19.8% over the previous January. National network volume was 25.2% greater. National non-network volume gained 14.3%, local broadcast advertising 8.8%, and regional network advertising 8.0%.

National magazine volume remained comparatively unchanged, and stood 27.5% above the January 1934, level. Newspaper advertising lineage decreased 22.8% as compared with the previous month, a decline slightly greater than the normal seasonal one. Newspaper volume was 13.0% above the same month of the preceding year. National farm paper advertising was 12.0% less than in December and 3.7% greater than in January, 1934.

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#### APPLICATIONS GRANTED BY FCC

WLVA, Lynchburg Broadcasting Corp., Lynchburg, Va., C.P. to make changes in equipment; WPAD, Paducah Broadcasting Co., Inc., Paducah, Ky., C.P. to move station locally; KPCB, Queen City Broadcasting Co., Seattle, Wash., C.P. to install new equipment; WDOD, WDOD Broadcasting Corp., Chattanooga, Tenn., authority to determine operating power by direct measurement; WDAE, Tampa Times Co., Tampa, Fla., extension of special experimental authority to operate with 1 KW night, 2.5 KW day, unlimited time, from April 1 to Oct. 1, 1935; WMC, Memphis Commercial Appeal, Inc., Memphis, Tenn., extension of special experimental authority to operate with 1 KW night, 2½ KW day, from March 1 to Sept. 1 1935; WMFE, William J. Sanders, New Britain, Conn., Mod. of C.P. to make changes in equipment extend commencement date to within 60 days of grant and completion date to 90 days thereafter; WIS, Station WIS, Inc., Columbia, S. C., modification of C.P. approving transmitter site at Bluff Road, near Columbia, S. C., increase daytime power from 2½ to 5 KW and extend commencement date to within 30 days after grant and completion date to within 120 days thereafter; also to change equipment.

WILL, University of Illinois, Urbana, Ill., modification of license to change frequency from 890 to 580 kc., change power to 1 KW, daytime hours; WCFL, Chicago Federation of Labor, Chicago, Ill., modification of C.P. to change type of equipment and antenna system; WPHR, WLSG, Inc., Petersburg, Va., license to cover C.P., 880 kc., 500 w. daytime; WHJB, Pittsburgh Radio Supply House, Greensburg, Pa., license to cover C.P., 620 kc., 250 watts, daytime (Orig. C.P. authorized changes in modulating system); WKEU, WKEU Radio Station, Griffin, Ga., license to cover C.P. authorizing move from LaGrange to Griffin, Ga., and change specified hours to daytime only, 1500 kc., 100 watts.

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Also, WJBC, d/b as Kaskaskia Broadcasting Co., Bloomington, Ill., license to cover C.P. authorizing changes in equipment; WDAF, The Kansas City Star Co., Kansas City, Mo., license to cover C.P. authorizing changes in equipment, 610 kc., 1 KW night, 5 KW day, unlimited; KIUJ, J. H. Speck, Santa Fe, New Mexico, license to cover C.P. authorizing new station to operate on 1310 kc., 100 watts, unlimited time, site to be determined; WPGA, Rome Broadcasting Corp., Rome, Ga., modification of license to change hours of operation from specified to unlimited 1500 kc., 100 w. night, 100 w. day; KGGM, New Mexico Broadcasting Co., Albuquerque, N. Mex., C.P. approving transmitter and studio location in Albuquerque, and application dismissed from the Hearing Docket; WGES, Oak Leaves Broadcasting Station, Inc., Chicago, Ill., renewal of license, 1360 kc., 500 watts, specified hours; with authorization to operate with 1 KW from local sunrise to local sunset on Sunday (application dismissed from hearing docket); WDZ, James L. Bush, Tuscola, Ill., application for renewal of license dismissed from hearing docket and granted for regular period, 1070 kc., 100 watts, daytime.

#### Miscellaneous

WSBT, The South Bend Tribune, South Bend, Ind., application for renewal of license removed from hearing docket and granted for regular period, 1360 kc., 500 watts, specified hours; KFBB, Buttrey Broadcast, Inc., Great Falls, Mont., reconsidered action in consolidating this application with hearings scheduled on applications of KFRC and WDAF, and granted petition for separate hearing on KFBB application to be held March 25, 1935. This application is for a Spec. Exp. Auth. to operate on 610 kc., with 1 KW; WCLS, WCLS, Inc., Joliet, Ill., reconsidered and granted application for unlimited daytime operation; denied application for unlimited night time operation; WCFL, Chicago Federation of Labor, Chicago, Ill., denied motion asking that Commission default and deny application of Journal Company (Milwaukee Journal) Milwaukee, Wis.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

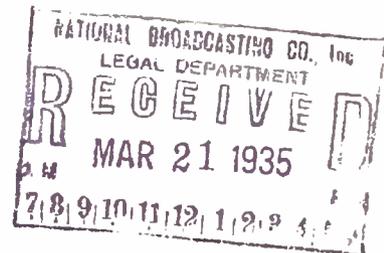
WASHINGTON, D. C.

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## GERMANY PUTS OVER ITS "PEOPLE'S RADIO SET" CAMPAIGN

Germany has succeeded so well in its campaign for the Volksempfaenger, or "People's Radio Set" that out of the increase of 643,881 sets sold last year, 641,912 were Volksempfaenger. Practically all of these were for light socket operation. Through government stimulation, the value of total radio sales increased between 35 and 40 percent, Assistant U. S. Trade Commissioner Roland Welch at Berlin, has advised the Commerce Department.

During the radio season 1933/34 (the radio year in Germany begins on August 1 with the opening of the National Radio Show in Berlin) the National Socialist Government urged all manufacturers of radio sets to put out a popular priced receiver under the name of "Volksempfaenger". All German manufacturers produced this set, all of them using the name "V E 301". There was very little difference in the Volksempfaenger radio receiving set put out by the different companies. The electrical details and specifications and wiring were all the same and the price was exactly the same. The different manufacturers distinguished their VE 301 sets only by the cabinet and outward appearance. The production of this "people's receiving set" was apparently similar to the production of certain household electrical appliances according to given specifications and at a given price for the Tennessee Valley Authority.

While the sale of radio sets within the home market increased, exports fell sharply. At the beginning of the radio year in 1932 some firms were exporting 50 percent of their production. During the past year German radio manufacturers on an average exported only 7 to 8 percent of their total production. The chief outlets for German radio sets were France, the Saar District, Belgium, the Netherlands, the Scandinavian countries, and Switzerland, in the order named. The leading oversea outlets were the Netherland India, Argentina, and Egypt. In fact, sales to Egypt and Portugal increased over the previous year and there were some slight increases in the sales to a number of South American countries.

Germany ended this radio year with 270,840 sets left on the shelves of the manufacturers, compared with 109,920 at the end of the 1933 which terminated July 31, 1933. According to the Wirtschaftsstelle der deutschen Rundfunkindustrie, the reason for this increase in stocks was that during 1933-34 a larger number of types were offered and the buying public turned more to the "Volksempfaenger", or popular receiver, than had been anticipated. Since there were very few changes in the radio receiving sets introduced at the Radio Show in Berlin last August, to mark the

beginning of the 1935-35, it is anticipated that the factories will be able to dispose of the sets on hand.

Sales of loudspeakers alone during the year amounted to 112,113 and those of chassis alone to 1,111,732, the total value of these sales being 9,128,500 marks.

Manufacturers of radio receiving sets in Germany number 29. Most of these have existed for several years and a Government decree issued during 1934 restricted any of these manufacturers from extending their plants and producing any new radio lines that they did not produce in the past. The same decree forbade the establishment of new factories manufacturing radio apparatus. Besides these 29 factories some others are engaged in the manufacture of radio parts and accessories. These factories are bound together in Germany in an organization called the Wirtschaftsstelle der deutschen Rundfunkindustrie e.V., Zimmerstrasse 3 - 4, Berlin S. W. 68. This organization has little or no connection with the Government Reichsrundfunk-kammer or the Government offices which control all sending stations in Germany.

The various technical radio editors of Germany recently reached a decision to employ the following mentioned German designations in lieu of the hitherto non-German tube terms (such as Binode, Duo-Diode, Hexode) and will accordingly employ the German terms hereafter in accordance with the foregoing decision.

Having "Germanized" the designations of the tubes, the next desirable step should be to designate the tubes in accordance with their specific purposes. However, this is not practical because various types of tubes are now employed for the same purpose. There remains thus only the possibility of designating the tubes as to their construction.

In the early years of radio, the tubes were named according to the count of their "grids", but after a short time this was found to be impracticable, especially for gridless tubes, or in the case of grids of numerous anodes, for instance Zweipol-Rohren, hitherto designated "Dioden". Inasmuch as the designation according to grids has been found unsatisfactory, it was decided in foreign countries that the tubes be named according to their electrodes. Thus arose designations such as Tetrode, Penthode, and Hexode, which were simply taken over by the German industry. The designations according to electrodes is easily understandable and not of double significance. It also avoids possibilities of errors in foreign translation. The new designations are short, fluent, and practical, and are easily adaptable to the needs of technical radio editors. They should in the shortest time possible be universally adopted.

In order that American manufacturers may familiarize themselves with the designations of the German tubes with more ease, the Electrical Division of the Commerce Department has compiled a table giving the former German designations and the

designations which will be employed in the future. This appears in "Radio Markets Supplement - Germany", the sub-title of which, "German Names for Tubes" issued by the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C. The price is 25 cents.

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#### JUICY PLUMS SEEN IN A. T. & T. INVESTIGATION SET-UP

Due to the fact that the resolution appropriating \$750,000 for the American Telephone & Telegraph Company investigation carries with it no Civil Service requirements for the additional staff which will be required to carry on the work, politicians on the Hill are said to be gleeful over the prospect of some luscious political plums.

"It will mean 100 to 200 extra people, if not many more, including numerous experts and other high salaried officials. Great pressure will be exerted from the Hill because of the fact that Civil Service has been suspended", a man who usually has his eye on the pie counter observed.

"But the jobs are temporary and will only last until the \$750,000 is gone", someone replied.

"Temporary, my eye", the pie counter gentleman countered. "When the \$750,000 is gone, they will be back after more and they'll get it."

That there are no Civil Service restrictions in the matter of additional assistance which the Commission may require is evident from reading the section of the resolution which provides for that phase of the telephone investigation. It is, in part, as follows:

"For the purposes of this resolution the Federal Communications Commission is hereby authorized to hold hearings; to contract for stenographic reporting service; to utilize its regular personnel, facilities, jurisdiction, and powers insofar as practicable; and to employ for the purposes of this investigation such additional experts, including engineering, accounting, legal, and other assistants as may be found necessary, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and to make such other expenditures, including necessary travel expenses, and expenditures for printing and binding, as it deems necessary."

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## FCC DENIES WHITEWASHING PETTEY OF HUEY'S CHARGES

There was vigorous denial that the Federal Communications Commission had "whitewashed" Herbert Pettey, a protegee of Postmaster General Farley, Secretary of the Commission, of charges made by Senator Huey Long. Senator Long in his effort to pry Farley loose from the Cabinet alleged that young Pettey, who it is understood was put on the Commission at the personal request of President Roosevelt, received \$1,000 for writing a series of articles for the Des Moines Tribune-Register, which at the time was seeking a broadcasting station license from the Commission.

"There was no 'whitewash' about the Commission's reply to Senator Long", a high official of the Commission said. "Pettey had a perfect right to write articles but to make sure of it he first secured the permission of Judge Sykes, Chairman of the Commission. Army and Navy officers and others write articles for publication and there were no rules against it on the Radio Commission.

"As for writing for a paper that was at the time seeking a radio license, the man in charge of the paper's station didn't even know that Pettey had been asked to write the articles.

"Wasn't a thousand dollars a pretty high price for a relatively small newspaper in the Middle West to pay?" the FCC official was asked.

"No, because this was for the paper's syndicate", he answered.

"What was the topic of the articles?"

"The creation of the Federal Communications Commission and what it expected to accomplish", was the reply.

Just what, if anything, the Communications Commission's reply will do to stall off a further attack Senator Long is expected to make on Pettey, and perhaps the Commission, is not known. Senator Long is reported as saying that before he gets through he will separate Pettey from one or both of the positions he now holds. Just as Mr. Farley is Postmaster General and Chairman of the Democratic National Committee, his protegee Pettey, Secretary of the FCC, as Joe Cook would say, "is simultaneously and at the same time" director of radio for the Democratic National Committee.

Also Senator Long has been quoted several times lately as expressing dissatisfaction because he has to go on the network at such a late hour at night. "About the only hour they seem to have for me is around 11 o'clock", one report stated he complained.

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## RELIGIOUS-EDUCATIONAL CONFERENCE SET FOR MAY 15

The Federal Communications Commission has set Wednesday, May 15, for holding the conference between commercial broadcasters and educational and religious broadcasters - profit and non-profit stations. Chairman Anning S. Prall of the Commission said he would like to get it out of the way before the hot weather comes. "You know it gets pretty hot here in the summertime", Mr. Prall observed.

In its report to Congress the FCC recommended that no fixed percentage of broadcast facilities be allocated to the non-profit (religious and educational) broadcasters but suggested that the interested parties be brought together for a national conference in Washington "at which time plans for mutual cooperation between broadcasters and non-profit stations can be made, to the end of combining the educational experience of the educators with the program technique of the broadcasters, thereby to better serve public interest. The Conference should also consider such specific complaints as might be made by non-profit groups against the actions of commercial broadcasters in order that remedial measures may be taken if necessary."

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## NEW BUENOS AIRES 40 KW SHORT-WAVE TRANSMITTER HEARD

An experimental broadcast of the new 40 KW shortwave transmitter of Station LSX at Buenos Aires, (10,350 kilocycles) showed considerable promise. At times the reception in the eastern part of the United States was about the same strength as Madrid, frequently with more volume. The test was conducted in connection with the General Electric station W2XAF at Schenectady and was carried on from 5 to 6 P.M. EST last Monday night. The distance between Buenos Aires and New York is approximately 6000 miles.

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## LEASED WIRE SERVICE HEARING MARCH 25

The Telegraph Division of the Federal Communications Commission which has been holding hearings with regard to telegraph rates, has announced that "Leased Wire Service" will be taken up Monday, March 25th, beginning at 10 A. M.

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## OPERATING DATA FROM MONTHLY REPORTS OF RADIO COMPANIES

The second report sent out by the Federal Communications Commission containing compilations, subject to revision, from reports of revenues and expenses of radio companies, follows:

	For the month of December, 1934.			
	Total operating revenues	Total operating expenses	Operating Income	Net income
Aeronautical Radio, Inc.	-	1,216.66	1,216.66	-
Central Radio Telegraph Co.	1,198.60	291.08	552.05	652.05
Globe Wireless, Ltd.	21,327.39	18,790.68	2,307.25	2,336.95
Mackay Radio & Telegraph Co., (Calif.)	76,032.57	77,276.14	2,306.65	15,991.17
Mackay Radio & Telegraph Co., Inc. (Del.)	68,761.48	127,385.33	59,401.04	87,652.64
Magnolia Radio Corp.	238.94	280.28	148.50	148.50
Michigan Wireless Telegraph Co.	79.68	285.53	196.21	196.21
R.C.A. Communications, Inc.	362,228.47	329,985.55	68,940.58	35,963.98
Radiomarine Corp. of America	75,398.04	61,755.53	14,732.99	11,435.20
Tidewater Wireless Telegraph Co.	325.40	367.21	47.57	47.57
Tropical Radio Telegraph Co.	78,270.38	48,366.84	35,896.38	32,244.38
U.S.-Liberia Radio Corp.	4,769.06	6,401.60	2,090.20	2,086.53
Total	688,630.01	672,400.43	59,455.74	21,490.06

	For twelve months ended with December '34			
	Total operating revenues	Total operating expenses	Operating Income	Net income
Aeronautical Radio, Inc.	52.69	15,285.93	15,233.24	-
Central Radio Telegraph Co.	7,596.53	6,588.42	2,530.86	680.86
Globe Wireless, Ltd. <sup>1/</sup>	136,188.42	133,307.10	1,276.42	1,078.20
Mackay Radio & Telegraph Co., (Calif.)	871,023.83	896,276.08	45,225.82	192,506.19
Mackay Radio & Telegraph Co., Inc., (Del.)	756,687.29	938,887.54	188,758.55	510,276.11
Magnolia Radio Corp.	2,481.40	3,752.80	1,385.16	1,385.16
Michigan Wireless Telegraph Co.	5,490.51	4,001.33	1,239.72	1,259.72
R.C.A. Communications, Inc.	4,194,373.68	3,595,428.51	842,711.01	546,782.61
Radiomarine Corp. of America	920,072.97	734,950.64	154,077.72	111,444.55
Tidewater Wireless Telegraph Co. <sup>2/</sup>	2,173.82	2,189.40	44.64	44.64
Tropical Radio Telegraph Co.	534,136.43	559,190.61	13,528.99	1,538.40
U.S.-Liberia Radio Corp.	55,859.05	57,893.44	4,629.69	4,624.04
Total	7,486,136.62	6,947,751.80	785,492.38	47,433.52

d Deficit or other reverse item.

<sup>1/</sup> Started operations April 20, 1934.

<sup>2/</sup> Report for six months ended Dec. 31, 1934.

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## LEGISLATURE AWAITS COURT ACTION IN NEWS BROADCASTS

An effort made to have the legislature of Washington State, in session at Olympia, pass a law to make news common property as soon as it has been published and allow it to be broadcast, has failed. Doubtless this was held in abeyance because the matter is now pending in the courts.

Following the now famous decision of Judge Baker in Washington, the question whether or not radio stations have a right to broadcast news from newspapers has been appealed by the press associations. According to former Senator Clarence C. Dill, counsel for the Broadcasters, the case will probably not come up before June and may not be heard until next Fall. It will be tried in San Francisco.

Although refusing to allow matter from newspapers to be broadcast, the Washington State Legislature passed an act making radio station operators responsible for broadcasting libelous matters, whether or not they had anything to do with drafting the libelous matter broadcast. This act places radio publication of libel upon the same footing as newspaper publication.

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## IRISH LOTTERIES FIGHT BACK THROUGH RADIO STATIONS

Promoters of the Irish Hospital Sweepstakes this week took the first major step to combat efforts of the British Government to kill all lotteries.

Answering the British Government's lottery bill which, among other things, made it an offense for newspapers to publish sweepstake results and thereby threatened to deal a death blow to the Irish Sweepstakes, the Irish Hospitals Trust revealed that two strategically situated radio stations have been hired to broadcast the results of the Dublin draw on the Grand National Horse Race from March 26 to March 28.

One of these stations will broadcast the entire proceedings from the stage of the Plaza Ballroom, Dublin, where the draw is held, over three days.

The other will broadcast a list of British winners every evening during the draw.

Following the running of the Grand National Race on March 29, both stations will broadcast a complete list of holders of tickets drawing the first three horses past the winning post. Between now and the draw sweepstake propaganda will be ground out nightly from both stations in an effort to whip up the interest of the British.

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## COLUMBIA ANNUAL EARNINGS SKY-ROCKET TO \$2,274,120

The Columbia Broadcasting System, Inc., and subsidiaries reported for 1934 a consolidated net profit of \$2,274,120 after all deductions, equivalent to \$2.67 a share on 852,335 combined Class A and Class B shares of \$5 per value outstanding at the end of the year. This compares with \$923,794, or \$1.08 a share on the combined stocks, the year before.

Current assets at the end of the year were \$4,609,947, including \$784,936 cash and \$2,175,000 United States Treasury notes, comparing with \$2,933,881 current assets a year before while current liabilities were \$1,167,380, against \$662,493. Earned surplus was \$2,148,928 after transfer to capital of \$1,137,500 arising from change of no-par stock to \$5 per stock, against \$4,150,853 a year before. Total assets were \$7,156,092, compared with \$5,769,025 at December 31, 1933.

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## GOV'T CONSIDERS CONSOLIDATING DEPARTMENTAL COMMUNICATIONS

A committee, of which Capt. S. C. Hooper, Director of Naval Communications is Chairman, has been appointed, composed of representatives of various departments of the Government which operate communication systems. The purpose of the Committee is to study, (1) the practicability of using Government radio circuits in lieu of telegraph and teletype service; (2) the practicability of having one single unit of leased wire service which could be used by all departments of the Government; and (3) the cost of communications to the Government.

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## A POLITICAL RECEIVING SET

Manufacturers of radio sets usually lay great stress on the number of stations that a listener will be able to hear; their negative reception qualities are less frequently insisted on. Political considerations have now caused a new kind of receiver to be put on the Austrian market. It is learned by World-Radio, London, that Salzburg dealers are offering sets with the guarantee that all who use them will not be able to hear Munich, and will thus be spared the necessity of listening to German propaganda whether listeners will really appreciate them. If a dweller in Salzburg is unable to hear such a powerful neighboring station as Munich, he may lose a number of other stations at the same time.

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## "AMOS 'N' ANDY" AND NBC SUED FOR \$181,995

A suit for \$181,995 for breach of contract against Freeman Gosden and Charles Correll, known as "Amos 'n' Andy", and the National Broadcasting Company was disclosed in Supreme Court in New York yesterday when the plaintiff, Van Beuren Corporation, filed a note of issue for a jury trial. The defendants have put in counter claims for a total of \$254,000, it was revealed by the plaintiff's attorneys.

The complaint, according to the attorneys, alleges breach of a contract to make thirteen animated cartoons which were to have been synchronized with the voices of "Amos 'n' Andy". The contract was made in 1933 and only two cartoons were completed, it is alleged.

The counterclaims of \$190,000 by Gosden and Correll, and \$64,000 by the broadcasting company, were based on charges of failure by the plaintiff corporation to fulfill requirements, the attorneys said.

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## PRESS RADIO BUREAU COMPLETES FIRST YEAR

Enough news in its regular broadcasts to fill 61 hours of radio time was provided by the Press-Radio Bureau during the first year of its operation, according to James J. Barrett, editor of the Bureau. He was interviewed in connection with the first anniversary of the service, which has operated continuously since March 1, 1934, without a break in service. Mr. Barrett stressed the fact that the bureaus in New York and Los Angeles have been on duty virtually 24 hours a day.

At the end of its first month the bureau was serving 125 radio stations under the program adopted by representatives of the newspapers, leading radio networks and press associations in December, 1933. Today the bureau, including the West Coast division, is serving approximately 245 radio stations either by network, direct land wire or by messenger. The subscribers include 160 stations in the eastern and central time zones and 85 in the Pacific and mountain time zones.

Since March 1, 1934, the bureau has issued 2,370 special bulletins exclusive of the bulletins on the Hauptmann trial, which called for 2,300 bulletins of average size.

The following letter was received by Mr. Barrett from Richard C. Patterson, Jr., Executive Vice-President of the National Broadcasting Company:

3/19/35

"At the end of our first year under the Press-Radio agreement, I want to send you a word of thanks for your splendid cooperation in this new undertaking. I have just finished reading a memorandum from our Press Department covering your work for us, and we are all in accord that you have done a great job."

At present those interested in furtherance of the Bureau service are continuing efforts to break down what has been considered one of the biggest obstacles to the Bureau since its beginning, the matter of high cost of land transmission. To a station in the Chicago zone, for example, a single report might cost \$5 by time wire service, the cheapest daytime service. It has been suggested that this can be overcome by setting up a Chicago outlet serving stations from there instead of New York. Those in charge of the Bureau have had many letters from stations wanting the service, but which are unable to take it on because of transmission costs. Several attempts have been made by groups to get service by short wave, but there have not been enough members in the pool to bring the operation costs down to a figure acceptable to the smallest individual. The West Coast division was organized to get around the high cost of land wire service.

The Western Broadcast Co., operator of Station KNX, Los Angeles, last week filed two additional suits in superior court in its effort to collect damages for assertedly injurious statements made about the station when the Press-Radio Bureau was launched last spring.

The new suits are against the Don Lee Broadcasting System and its local station, KHJ, and against KMTR. Both stations are used by the Los Angeles Times for daily news broadcasts. The suits ask \$250,000 compensatory damages and \$250,000 exemplary damages from each station.

KNX charges that up to March 1, 1934, it was supplied with news for broadcasting purposes by the United Press, but on that date, in accordance with the Press-Radio agreement, the U.P. cancelled the contract. KNX thereupon was asked to join the Press-Radio Bureau, but refused. Local newspapers then dropped KNX program listings as part of a plan to "eliminate it as a broadcaster of up to the minute news and force it to take stale news in accordance with said press radio agreement", the complaint states.

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## "SILENT RADIOS" DESCRIBED BY O. H. CALDWELL

"Silent radios" will be the next step for the relief of the broadcast audience, enabling any one listener to hear his favorite program without imposing hardships and annoyances on other persons in the same room or house, declared Orestes H. Caldwell, former Radio Commissioner, and director of the new League for Noise Abatement, addressing the Cleveland Engineering Society at Cleveland, Ohio.

Future radio sets will have a simple means for connecting a light headphone or "bone oscillator" in place of the loudspeaker, on occasions when only one or two persons in a group desire a certain program. With such a bone-oscillator pressed against the skull or teeth, one hears perfectly, without any sound being present in the room.

A "radio armchair" is being developed with such an oscillator in the headrest, so that one merely presses his head back against the chair, and hears clearly the otherwise inaudible music or speech. An executive using such a chair in his private office, could get secret messages from an outside assistant, without anyone in his office becoming aware of the communication.

"Every business man should have a radio set in his office to get the important news of the world outside. It is as essential as his telephone. Even more so, for through the phone he can listen to one caller at a time, while through the radio he can listen to the news of the whole world. But many executives who would like to have a radio, feel somewhat sheepish about 'having a music box in the office'", continued Dr. Caldwell.

"I have solved this by arranging my own office radio in the form of an ordinary desk telephone set. Taking the 'receiver' off the hook, turns on the radio. Listening to a news period while holding the ordinary telephone receiver to the ear, one appears to be merely listening to a long-distance call! Hanging up the receiver shuts off the set.

"The bone oscillator connected to my radio is useful in another way, when a boresome visitor calls. By holding a pencil or pen thoughtfully against my teeth, and also in contact with the oscillator hidden in my hand, one can listen to sweet music from the silent radio set, while simulating polite attention to the bore's remarks."

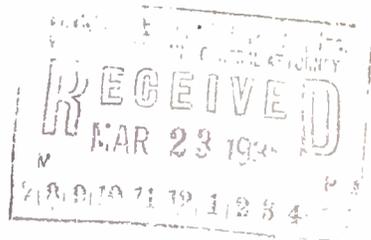
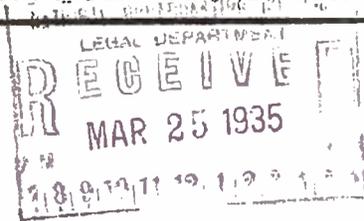
"The recent rapid growth in short-wave listening, also brings the headphone to the front as a welcome relief for the desperate family of the short-wave bug, to silence the crashes, musketry, machine-gun fire, squeals and howls that usually accompany the process of tuning through the short waves. Use of headphones during this period of search - followed by a switch-over to the loudspeaker only after the distant station is clearly tuned in - will convert evening turmoil into tranquility in many homes."

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL - Not for Publication**



*see file*

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No. 809

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## BELIEVE EDUCATIONAL-RELIGIOUS CONFERENCE WILL BE BRIEF

Although plans are still in the making, the belief is that the conference called by Anning S. Prall, Chairman of the Federal Communications Commission between the educational, religious and commercial broadcasters (i.e. profit and non-profit stations) for May 15 will not be the drawn out affair the hearings held on this subject were last Fall. They lasted from October 1st to November 12th.

Chairman Prall probably sounded the keynote when he said that he wanted to get the Conference out of the way before the hot weather sets in. It is believed in such matters, because of his long legislative experience at the Capitol, that Mr. Prall will prove a fast worker. Already he is known to have been in touch with Lucy Dodge Milligan, of the Women's National Radio Committee, said to represent a federated club membership of 11,000,000 women; M. H. Aylesworth, President of the National Broadcasting Company, and William S. Paley, head of the Columbia Broadcasting System, with regard to the character of certain programs and to forestall any such criticism as the movies encountered from the Catholics.

The educational-religious conference which Mr. Prall has called for later this Spring will be a logical follow-up of the October hearings, the record of which Henry A. Bellows, Chairman of the Legislative Committee of the National Broadcasters' Association described as constituting the most significant statement ever made of the aims, purposes and methods of radio broadcasting as conducted on the basis of competitive private initiative. It covered 14,000 typewritten pages of testimony and a condensation. A brief which Mr. Bellows later presented in behalf of the Broadcasters was itself a large sized book of almost 100 pages and was a unique and valuable compilation which no doubt the Federal Communications Commissioners, as well as commercial and non-commercial broadcasters, will keep on their desks for years to come.

The opinion seems to be that the forthcoming educational-religious-commercial broadcasters hearing will avail itself fully of the testimony taken at the October hearings. Where the latter was based upon what already had been done, the May conference will have as its theme, "What is to be done?" It is likewise the idea that the May conference is likely to be conducted along the lines of the old Hoover Radio Conferences, that is to say, the breaking down of the conference into small group committees, each composed of representatives of all sides of the question, and then the committees to report back recommendations to the Conference as a whole. In any case the

May conference will mark one of the most important gatherings in the history of radio and is being looked forward to eagerly by all those who will be called upon to take part.

All hearings will be open to the public and an attendance of somewhere between 500 and 1000 broadcasters is expected.

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### CANADA TO SPEND \$1,000,000 TO CLEAR UP DEAD SPOTS

The Canadian Radio Commission contemplates a construction program involving an expenditure of approximately one million dollars to give more complete radio coverage throughout the Dominion and to eliminate those dead spots which exist in some sections of Canada at which radio reception is very difficult, and in some instances without effect, H. M. Bankhead, Commercial Attache, Ottawa, reports. The execution of the contemplated plans would eradicate the numerous complaints which are received from the various sections of Canada complaining of poor reception, or none at all. Modern stations of reasonable power would be erected in various sections where coverage has been inadequate. The surveys by the Commission show that these areas exist particularly in the Maritime Provinces, a section of Quebec, part of Ontario, Saskatchewan, part of Alberta, and a great part of British Columbia. With the construction of these new stations and extension of hours of national broadcasting, new and modern studios would be provided at points where most of the principal Commission programs are produced.

Up to date no special appropriation has been provided by Parliament for this extension, and it is not known here whether the Commission will have the necessary funds to carry out their proposed extensions.

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### PRALL TO GO ON AIR MARCH 30

Anning S. Prall, newly appointed Chairman of the Federal Communications Commission, successor of Judge E. O. Sykes, will explain some of the Commission's problems when he speaks over the WEAf network on Saturday, March 30, at 7:45 P.M. EST.

Prall, formerly Representative from New York, and friend of Senator Rob Wagner of that State, will be heard from the NBC studios in Washington in an interview by Martin Codel, editor of "Broadcasting."

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## BROADCASTERS GIRD FOR STATE TAX BATTLE

The question whether States can tax radio stations is a major question now facing commercial broadcasters. Legislation of this type is now pending in many States and in the opinion of Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, "may represent a new and added burden on the broadcasting industry amounting to far more than the total tribute now paid to the American Society of Composers." The issue as to whether or not all broadcasting is in fact interstate commerce, and hence not taxable as to its revenues by the States is due before long for a definite decision.

Legislation is pending in numerous States calling for 1 to 4 and 5 percent. If the courts should hold that these taxes are constitutional, it will readily be seen what an amount even a 2 percent tax would mean in 48 States. With the aggregate annual gross receipts of broadcasting about \$80,000,000, the yearly tax to broadcasters would be \$1,600,000.

Arizona provides for a general sales tax of 1 per cent on gross revenues, specifically including radio advertising.

Kansas provides for a general sales tax on services, specifically including radio broadcasting. This bill has just been stricken from the calendar but may be introduced again.

Missouri provides for a tax of 3 per cent on gross receipts, specifically including radio advertising.

In New Mexico a bill which has passed both houses, provides a 2 per cent sales tax on gross receipts, specifically including radio broadcasting.

Oklahoma provides for a 3 per cent tax on gross sales, specifically including broadcasting.

Pennsylvania just introduced a bill which provides for special taxes on telephone messages and broadcasting, the tax on broadcasting being 2 per cent of the gross receipts.

Texas provides for general sales taxes, including a tax of  $2\frac{3}{4}$  per cent on the gross receipts of radio broadcasting. As a further measure of control, Texas provides that every broadcasting station must file detailed semi-annual reports with the State Comptroller.

Washington already has a sales tax bill which, in its application to broadcasting, is now under consideration by the State Supreme Court. In addition, the Washington House on March 10th passed a general tax bill, including a tax on all

on all radio broadcasting stations amounting to 10 cents per watt of rated power annually.

West Virginia already has a tax on all amusement enterprises, including broadcasting, and two bills propose an amendment to this act making the tax  $\frac{1}{2}$  of 1 per cent on gross revenue. Broadcasting is specifically included in both these bills.

A development which the broadcasters are watching closely is the announcement that the United States Supreme Court will review the findings of the Supreme Court of Georgia in the case of City of Atlanta vs. Oglethorpe University. This case is of vital importance to the entire broadcasting industry.

The City of Atlanta imposed a license fee of \$300 per year on all broadcasting stations. Oglethorpe University, operating WJTL, went to the courts, and a first decision was rendered by the Supreme Court of Georgia on February 14, 1934. This decision held, in substance, that even though some of the messages from WJTL might go beyond State lines, that fact did not make the broadcasting of the station interstate commerce. After this first decision the case went back for trial to the lower court on the merits. The trial judge directed a verdict for the defendant, the City of Atlanta, and the case was again appealed to the Supreme Court of the State of Georgia. The decision of this Court, handed down January 23, 1935, sustained the trial judge in directing a verdict for the defendant.

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#### FCC CRACKS THE WHIP OVER THE BROADCASTERS

Declaring that there has been a general laxity on the part of licensees of broadcast stations with reference to the observance of the Rules and Regulations of the Federal Communications Commission, the Commission warns that hereafter these rules must be observed in their strictest form.

One of the things complained of by the Commission is that recently broadcasters have gotten the habit of coming in at the eleventh hour for the broadcast of special programs. Commission rules require that 10 days' notice be given in such cases. If this time stipulation is not adhered to hereafter, the Commission threatens to return the application without acting upon it.

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### NBC WASHINGTON STAFF MOURNS DEATH OF MISS WHITNEY

A mass of flowers which completely covered the casket and a part of the room was evidence of the sorrow of the Washington staff of the National Broadcasting Company in the death of Miss Ynes Whitney, long-time Assistant to Kenneth H. Berkeley, NBC Washington Manager. Miss Whitney who had been ill for 14 months died last Monday afternoon at Pinecrest Manor, Southern Pines, N. C.

Miss Whitney, who is survived by her mother, had been associated with broadcasting almost since its beginning in the National Capital. She was engaged many years ago by F. P. Guthrie, Washington head of R.C.A. Communications, who then also had Station WRC in his charge. In Miss Whitney's conscientious devotion to duty her strength was badly over-taxed. Her associates tried to persuade her to take things a little easier but to no avail.

Funeral services were held in Washington Wednesday afternoon. The pallbearers were Frank M. Russell, Vice-President of the National Broadcasting Company; Vincent F. Callahan, Assistant to Mr. Russell; Albert E. Johnson, NBC Washington Chief Engineer; Carlton Smith, Assistant Manager, WMAL, Washington, and Stanley Bell, NBC Announcer. The burial was in Cedar Hill, Washington.

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### NEW COPYRIGHT BILL TO BE INTRODUCED WITHIN WEEK

A new copyright bill, drafted by a committee of representatives of the Departments of State and Commerce and the Copyright Office of the Library of Congress, will be introduced in Congress early next week. Broadcasters, music publishers and others interested were given an opportunity to be heard by the interdepartmental group before the proposed copyright legislation was written.

"I haven't seen the new bill", Phil Loucks, Managing Director of the National Association of Broadcasters, said. "However I think it will probably be one the broadcasters will be able to support."

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## A BOUQUET FOR THE RADIO INSTITUTE OF AUDIBLE ARTS

This praise of the R.I.A.A., an organization headed by Pitts Sanborn, the well-known music critic, and sponsored by Philco, appeared March 21st in the column of Katherine Smith, Radio Editor of the Washington Post:

"If this column appears to fill too much space with news of the Radio Institute of Audible Arts, it's because that organization sends in, every week or so, new evidence that it is doing a grand job of critical radio analysis.

"Yesterday morning's mail brings a couple of new bits of useful information, including another of the Institute's series of pamphlets, 'Men and Radio Music', by Prof. Peter W. Dykeman, which is a polite plea to listen, learn and love the good music available through the radio. He gives brief directions for the analysis of individual listening - comments upon the fact that radio makes it possible for the audience to be entirely comfortable. 'They (the listeners) may dress as they please and stand or lie down or sit or walk about as the music plays.' He concludes with the observation that one's taste and joy in music will increase with added listening.

"Other welcome news from the Institute is that they are adding another leaflet to their weekly program services. This will be listings of 'Entertainment' programs, containing comedy and dramatic offerings, variety programs and the like. Their other leaflets are, you remember, on music and informative talks.

"There is one more service that would be appreciated. A listing of good programs for children would be useful in school and home, for the benefit of radio-minded teachers and parents. Such a service, including educational, musical and entertainment programs suitable for children of various ages, would fill a large need.

"Could the Radio Institute give us this service at some future date?"

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## NEW GERMAN RADIO RECEIVER DESCRIBED

A six-page single-spaced multigraphed supplement has just been issued by the Commerce Department. It describes in detail the new German radio receiving sets and is written by Vice-Consul, C. T. Zadawaki, in Berlin. The sub-titles of the supplement are:

Radio Tubes, Iron-Cored Coils, Insulating Materials, Condenser Insulation, Short-wave Reception, Tone Control, Tuning Scales, One-circuit Sets, Two-Circuit Sets, Four Tube Three-Circuit Sets, Superheterodynes, Five-Tube Superheterodynes, Battery and Special Sets, Loudspeakers, and Amplifiers.

Introducing the Supplement Mr. Jawadzki writes:

"Although no startling changes were introduced at the last German Radio Show, the new German receivers are superior to those of the previous season in that they possess better and higher selectivity as well as extreme ease of manipulation. Additional progress is represented by several universal sets, that is, sets permitting the use of direct or alternating current. An increase in long-range sensitivity was also attained through the use of new tubes, the iron-cored coil, and new insulating materials."

Copies of the report on the German receiving sets may be had by sending 25 cents to Andrew W. Cruse, Chief of the Electrical Division, Bureau of Foreign & Domestic Commerce, Washington, and asking for "Radio Market Supplement - Berlin - dated March 13, 1935).

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#### EDDIE - THE NEW RADIO CONSULTANT

Eddie Cantor, the comedian, has opened offices at 113 West 57th Street, New York, and announces himself as a "Radio Consultant" in full page advertisements in several magazines, the text of which follows:

"Advertisers and advertising agencies are now offered the benefit of my twenty-five years of theatrical experience.

"I am prepared to consult with users of radio, prescribing corrective treatment for increased efficiency, entertainment value and resultfulness from present and proposed programs.

"We are equipped to build an entire radio production or to assist advertisers and agencies in an advisory capacity on all phases of radio - script, continuity, casting and staging."

(Signed) Eddie Cantor

Radio Consultant

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## TELEGRAPH FRANKS AND FREE TELEGRAPH SERVICE

The Telegraph Division this week authorized the issuance of the following statement (Federal Communications Commission):

"On the basis of present information, the Telegraph Division is of the opinion that radio operators aboard ship may be considered employees or agents of the communication company which is the licensee of the ship's radio station within the meaning of Paragraph 13 of the Rules Governing the Issuance of Telegraph Franks adopted February 13, 1935, and of Section 210 of the Communications Act of 1934. It is further of the opinion that the officers and other personnel aboard ships may not be considered as employees or agents of the communication company and that franks issued to such officers or other personnel are governed by the rules mentioned, unless the radio station license is issued to the owner, or operator under charter, of the vessel.

"The rules governing telegraph franks do not apply to free service which any cable company may be bound to render pursuant to the obligations of its landing license."

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### I. T. & T. EARNINGS CONSIDERABLY HIGHER

The preliminary annual report of the International Telephone and Telegraph Corporation and associated companies for 1934, showed a consolidated net income of \$2,079,570, equal to 32½ cents a share on 6,399,002, no par, capital shares, compared with \$694,126, or 10.8 cents a share, in 1933.

Gross earnings were \$79,258,493, against \$73,959,948 in 1933, and net earnings, after operating expenses, were \$14,362,873, against \$12,430,301.

Most of the operating and manufacturing subsidiaries operated at a profit in 1934, Sosthenes Behn, President, said in his report. The two major exceptions were the Cuban Telephone Company, which had a loss of \$1,590,500 after similar charges.

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## SWISS RADIO MARKET PROMISING BUT QUOTAS WORK HARDSHIP

Switzerland, with a population of about 4 million, and with an average standard of living ranking among the highest in the world at the present day, offers an expanding market for radio sets, American Consul General A. C. Frost, Zurich, Switzerland, advises. This market has steadily grown year by year during the past decade and in the years since the depression the demand has expanded very rapidly, as shown by the number of licenses issued by the Swiss Federal Post and Telegraph Department. The following table gives the number of registered radio listeners from 1929 to date:

1929	81,800
1930	101,000
1931	150,000
1932	230,000
1933	300,000
1934	329,771 (1st 9 months)

It will be noted that at the end of September 1934 the total of registrations amounted to 329,771, or considerably less than one for each ten of the population. In Great Britain at present there is about one radio for every seven persons and Switzerland is still some distance from the saturation point. Of the number mentioned, only 298,882 represent registrations for radio apparatus, the rest consisting of 18,562 for telephone broadcasts and 12,387 for broadcast by a special telegraph wire installation. The Government fee for radio permits is 15 francs (all conversions made at the rate of 3 francs to the dollar), with some additional petty charges. The registration figures do not indicate the exact number of radios in use as they do not take into consideration obsolete sets or illicit listeners but these elements are considered small and the official figures represent a fairly close approximation. The market in 1934, in trade circles, is estimated at between 50,000 and 55,000 sets, of which number American sales account for not over 3,000 to 3,200, which represents about the maximum that may be imported under the arbitrary limitations of the contingent quota system.

On April 1, 1933, the first restrictive measures on radio imports were taken by increasing the duty on radios and parts from 60 francs to 200 francs for 100 kilograms gross weight.

Even with the large increase in duty and patent litigation, American radios would doubtless still have maintained a good share of the market were it not for the imposition of the quota system by the Swiss Government. Imports of American radios declined from 5,800,000 francs in 1932 to 1,938,900 in 1933 and to only 455,400 for the first three quarters of 1934.

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The quotas of the various countries not only vary from year to year but differ arbitrarily one from another. While the United States' quota was 13 percent of its entire imports of 1932, it is understood that the Netherlands received 28 percent, Great Britain 20 percent, Austria 5 percent, Belgium 50 percent, Hungary 90 percent, France 92 percent, and Italy 100 percent. Countries with low imports are given the higher quota. In the case of Italy it was 100 percent because there were no imports in 1932, but there are no Swiss distributors who had a quota in 1932. The actual amount of a quota is not final, however, but is the subject of constant change and readjustment, based on personal representations at Bern.

The subtitles of Consul Frost's report are as follows:

Expanding Market; Swiss Imports of Radios and Parts; Swiss Imports of Radio Apparatus and Parts by Countries of Origin; Swiss Radio Manufacture; Swiss Import Restrictions; Radio Tubes; Further Quota Restrictions; Wholesale and Retail Prices; Credit Terms; Slot Machine; Special Trade Handicaps; Broadcasting; Radio Clubs and Publications; Type of Entertainment; Telephone Broadcasting; Radio Broadcasting by Wire; Use of Radios in Automobiles.

Copies of the report on the Swiss radio market may be had by sending 25 cents to Andrew W. Cruse, Chief of the Electrical Division, Bureau of Foreign & Domestic Commerce, Washington, D. C., and asking for "Radio Markets Supplement - Switzerland" dated March 13, 1935.

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C O R R E C T I O N

A statement was made in our last issue in which Senator Huey Long was reported as saying that before he got through he would separate Herbert Pettey from one or both of the positions which Senator Long charged him with now holding (Secretary of the Federal Communications Commission and Broadcasting Director of the Democratic National Committee).

With regard to this a friend of Mr. Pettey's called up to say that Pettey had resigned from the Democratic National Committee position sometime ago.

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APPLICATIONS GRANTED BY COMMISSION

WELL, Enquirer-News Company, Battle Creek, Mich., C.P. to move transmitter and studio locally; make changes in equipment, and increase power from 50 to 100 watts; WBOW, Banks of Wabash, Inc., Terre Haute, Ind., C.P. to make changes in equipment and change power to 100 watts night, 250 watts day, unlimited time; KGMB, The Honolulu Broadcasting Co., Ltd., Honolulu, T. H., C.P. to move studio and transmitter locally and increase power from 250 watts to 1 KW; WCOL, WCOL, Inc., Columbus, Ohio, C.P. to make changes in equipment and move transmitter locally; New, Louis Wasmer, Inc., Mobile (Spokane, Wash.) 2 C.P.s (Gen. Exp. Station), frequencies 31100, 34600, 37600, 40600 kc., 2 watts; WAWZ, Pillar of Fire, Zarepath, N. J., authority to install automatic frequency control; WAIM, Wilton E. Hall, Anderson, S.C., modification of C.P. to move studio and transmitter locally and make changes in equipment; KPLC, Calcasieu Broadcasting Co., Lake Charles, La., modification of C.P. to make changes in equipment and make change in studio and transmitter locally.

Also, WQER, Georgia School of Tech., Atlanta, Ga., license to cover C.P. (Temp. broadcast pickup station), frequencies 1646, 2090, 2190, 2830 kc., 5 watts; WQET, Same, same except 10 watts power; KLO, Interstate Broadcasting Corp., Ogden, Utah, license covering C.P. authorizing changes in equipment; WTAX, WTAX, Inc., Springfield, Ill., modification of license to change hours of operation from sharing with WCBS to unlimited; KFH, Radio Station KFH Co., Wichita, Kans., modification of license to move studio location to Hotel Lassen, Wichita, Kans.; KGIW, Leonard E. Wilson, Alamosa, Colo., modification of license to change hours of operation from sharing with KIDW to specified hours; KIDW, The Lamar Broadcasting Co., Lamar, Colo., modification of license to change hours of operation from sharing with KGIW to specified; New, Florida Capitol Broadcasters, Inc., Tallahassee, Fla., C.P. for a new station to operate on 1310 kc., 100 watts, unlimited time; WCBA, B. Bryan Musselman, Allentown, Pa., extension of special exp. authorization to operate with 250 watts additional power for 90 days; WSAN, WSAN, Inc., Allentown, Pa., same as for WCBA.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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TECHNICAL RADIO SOCIETIES TO MEET JOINTLY IN APRIL

A joint meeting of the Institute of Radio Engineers and the American Section of the International Scientific Radio Union will be held in Washington on Friday, April 26. There will be two sessions at the National Academy of Sciences, beginning at 10 A.M. and 2 P.M. Papers will be limited to 15 minutes each to allow time for discussion. The following are listed:

"The London General Assembly of the International Scientific Radio Union", by J. H. Dellinger, National Bureau of Standards.

"Further Results of a Study of Ultra-Short-Wave Transmission Phenomena", by C. R. Englund, A. B. Crawford, and W. W. Mumford, Bell Telephone Laboratories.

"Experiments with Ultra-High-Frequency Transmitting Antenna in Close Proximity to the Ground", by H. Diamond and F. W. Dunmore, National Bureau of Standards.

"Ionospheres Measurements during the Partial Eclipse of the Sun of February 3, 1935", by J. P. Schafer and W. M. Goodall, Bell Telephone Laboratories.

"The Graphical Analysis of a 10,000-hour Kennelly-Heaviside Layer Record", by Harry Rowe Mimno, Harvard University.

"Recent Ionosphere Measurements in the Southern Hemisphere", by L. V. Berkner, H. W. Wells, and S. L. Seaton, Carnegie Institution of Washington.

"Some Continued Observations of Ultra-High-Frequency Signals over Long Indirect Paths", by Ross A. Hull, American Radio Relay League.

"Terrestrial Magnetism and Its Relation to World-Wide Short-Wave Communications", by Henry E. Hallborg, RCA Communications, Inc.

"Radio Propagation Over Spherical Earth", by C. R. Burrows, Bell Telephone Laboratories.

"Direction-Finding of Atmospheric, by John T. Henderson, National Research Council of Canada.

"Theoretical Explanation of Published Measurements of Vertical Plane Radiation Characteristics of High Vertical Radiators", by K. A. MacKinnon, Canadian Radio Broadcasting Commission.

"Some Developments in Low Loss Inductances", by F. E. Terman, Stanford University.

"Measurement of High-Frequency Impedance with Networks Simulating Lines", by W. L. Barrow, Massachusetts Institute of Technology.

"The Accuracy of the Low-Voltage Cathode-Ray Tube for Oscillographic Radio Measurements", by L. E. Swedlund, Westinghouse Electric and Manufacturing Co.

"The Detection of Frequency Modulated Waves", by J. G. Chaffee, Bell Telephone Laboratories.

"A Novel Modulation Meter", by H. N. Kozanowski, Westinghouse Electric and Manufacturing Co.

"On the Nature of Transmitter Key Clicks and Their Suppression", by A. Hoyt Taylor and L. C. Young, U. S. Naval Research Laboratory.

"Grid Dissipation as a Limiting Factor in Vacuum Tube Operation", by I. E. Mouromtseff and H. N. Kozanowski, Westinghouse Electric & Manufacturing Co.

Supplementary program papers will be presented as follows if time permits:

"A Graphical Aid in the Design of Networks for Distortion Correction", by E. A. Guillemin, Massachusetts Institute of Technology.

"The Directive Antenna of KYW Station" by R. N. Harmon, Westinghouse Electric & Manufacturing Co.

"Industrial High Frequency Generators Using Vacuum Tubes", by H. V. Noble, Westinghouse Electric & Manufacturing Co.

"A Method of Measuring the Inductants of an Air Condenser at Frequencies Ranging from 1 to 5 Mc" by R. F. Field, General Radio Company.

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#### PRESS RADIO REPORTS LITTLE UNFAVORABLE CRITICISM

Summarization of the Press-Radio Bureau's fan mail, solicited March 1 on the bureau's first anniversary, reveals that 1,748 responses were received up to March 18, only 15 of which contained adverse criticism. Since March 18 several hundred more answers have been received, but have not been tabulated.

Of the total tabulated, 315 were letters and 1,433 post-cards; of these, 971 came from cities and 775 from rural districts. The National Broadcasting Company and its affiliated stations contributed 1,577 pieces of the mail, and the Columbia Broadcasting System 162 pieces.

The regional distribution was as follows: New York City, 124; Middle Atlantic States outside of New York City, 570; New England States, 205; Southern States, 383; Midwestern States, 423; Mountain States, 26; Pacific Coast States, 1; Canada, 11; Foreign, 4.

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### NEW IONIZED LAYER 450 MILES ABOVE EARTH DISCOVERED

A new ionized layer in the atmosphere, at a height of approximately 450 miles above the earth's surface, has been discovered by scientists in the radio section of the National Bureau of Standards, who for 18 months made weekly measurements of the virtual heights and critical frequencies of the ionosphere.

This new layer, which returns radio energy from a greater virtual height than the  $F_2$  layer, has been tentatively called the G layer. It appears after the frequency of the signals from the sending station has been increased above the critical frequency for the  $F_2$  layer. The radio signals then penetrate the  $F_2$  layer and are returned to the recording apparatus by the still higher G layer, it was stated.

In these studies, the seasonal and diurnal variations of the critical penetration frequencies for the three major layers of the ionosphere, the E.F.1 and  $F_2$  layers, received particular attention. There appears to be no doubt, according to the Standards Bureau, that the ionizing force of the sun exerts a major effect in the formation of these layers during the daytime but the complete behavior of these layers is complex and their ionization is not always simply related to this force.

A seasonal variation of the  $F_2$  critical has been found, with maximum noon penetration frequencies about November 1 and March 1. The frequent absence of critical frequencies for this layer, above 5,000 kilocycles per second during mid-day in Summer, may be the result of a transfer of ions from the  $F_2$  to the  $F_1$  layer.

A "sporadic E" layer has also been noted. This appears with a pulse retardation approximately that of the E layer, but for much higher frequencies. Energy from this layer is believed to be returned by reflection rather than refraction. A theory that the "sporadic E" layer was formed by the strong electric fields of nearby thunderstorms had been advanced in England. A comparison was made of the occurrences of local thunderstorms and "Sporadic E" layer but no correlation was found, it was stated.

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## BROADCASTERS FAVOR MEAD REVISE, BUT NOT COPELAND BILL

There have been several important developments in the Food and Drug Bill situation. President Roosevelt in a special message to Congress urged that a new pure food act be passed. At the same time, by a vote of 9 to 6, the Senate Commerce Committee favorably reported the Copeland Bill. Almost at the same time, Representative Mead (D), of New York, offered a revised version of a Food and Drug Bill he had previously introduced. While President Roosevelt did not specify the Copeland Bill or any other measure, it is the belief that while the Senate may pass the Copeland Bill, the House will pass the Mead Bill.

Broadcasters continue to oppose the former bill and would much prefer to see the latter enacted.

"The form in which the Copeland Bill was reported favorably to the Senate by the Committee on Commerce shows very little change from the draft which was considered at the hearings before the subcommittee", Henry A. Bellows, Chairman of the Legislative Committee of the National Association of Broadcasters, said when his views on the subject were sought. "Among the points specifically covered in testimony on behalf of the broadcasting industry, the one which provides that a retail dealer doing a purely local business may not be prosecuted under this Act for any advertising except by radio broadcasting, remains unchanged. This is a direct and utterly unjust discrimination against radio. It is obviously useless, since broadcasting is interstate commerce, and thus every advertisement by radio necessarily falls within the provisions of this Act. Apparently the Committee, acting on the suggestions of local newspapers has simply tried to suggest to local advertisers that they may get into trouble if they use radio but they can safely use any other kind of advertising including the United States mail. The broadcasters will beyond question vigorously oppose the Copeland Bill as long as this unjust discrimination remains in it.

"The most important improvement in the latest draft of the Copeland Bill from the standpoint of broadcasting, is the elimination of the provision in the earlier draft that the Secretary of Agriculture might at any time extend the list of diseases for which claims of therapeutic value could be made for drugs. This provision would have given the Secretary of Agriculture, or some subordinate in the Department, practically unlimited authority over all advertising of drugs, and the broadcasters protested against it on that ground.

"The revised version of the Mead Bill is not fundamentally changed from the earlier draft, but contains certain conditions suggested by the Federal Trade Commission. From the standpoint of the broadcasters the main difference between the Mead and the Copeland Bills is that the Mead Bill has clearer and more accurate definitions, and that it provides the existing

machinery of the Federal Trade Commission for the enforcement of the regulations against false advertising instead of setting up a new and utterly untried system. Since the Copeland Bill does not deprive the Federal Trade Commission of any of its present authority, its enactment would simply mean that broadcasting would be subject to a third regulatory body in addition to the two, the Federal Communications Commission and the Federal Trade Commission, which now have authority to regulate it."

The vote on the question of reporting the bill to the Senate was:

For - Copeland, Fletcher, Shepard, Maloney and Radcliffe, Democrats; McNary, Vandenberg, White and Gibson, Republicans.

Against - Bailey, Clark, Murphy, Bachmann, Donahey and Guffey, all Democrats.

Senator Bennett Champ Clark, of Missouri, protested so early a vote and reserved the right to file a minority report.

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#### DON FLAMM GETS UNDREAMED OF SUSTAINER

The New York Cheese Club last Monday at its weekly luncheon had a turnout including David Sarnoff, M. H. Aylewsoth, A. J. McCosker and Donald Flamm.

"Since Flamm's WMCA broadcasts all Cheesers' luncheons", Variety reports, "The WMCA president observed in his speech:

"'I never thought I'd live to see the head of RCA, the president of NBC and the president of WOR doing a sustaining on WMCA.'

"The gag broke up the lunch."

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#### ALL-TIME RECORD SALES OF RADIO SETS IN 1934

Reaching for new records in domestic sales of home and auto radio receivers, and attaining a new all-time high point in total set sales, as well as in exports to other lands, the American radio industry forged ahead in 1934 in a most encouraging and impressive manner. Complete statistics in Electronics for March show that nearly 4,700,000 sets were made and sold by American manufacturers during the year just past. Of these slightly over 4,000,000 went into domestic homes and automobiles, and something over 600,000 went abroad. The sum total of sets manufactured

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during the year is the best figure attained in any year since the birth of the industry in 1920 - not excepting the momentous year of 1929.

American manufacturers made 65,000,000 tubes of which 10,000,000 went abroad. The average radio purchased in 1934 cost the buyer \$45.50 - this included 6.5 tubes at an average price of \$1.30. Thus the manufacture and sale of radio sets produced a total retail volume of business amounting to over \$200,000,000. Tube sales amounted to \$70,000,000, and with sales of other radio apparatus brought the total amount of annual radio business in 1934 to approximately \$300,000,000.

According to Dun & Bradstreet, October 1934 showed the highest sales in broadcast history up to that month (they may have been exceeded since), when the income was \$4,527,000, a gain of over 50 per cent over the year before. For the first ten months of 1934 total sales amounted to \$33,780,000 (major networks only) or 38.8 per cent ahead of 1933, and actually 2.2 per cent ahead of 1932 when the figure reached a previous all-time high.

The only downward pointing curve is the sale of tubes for domestic replacements. The figures shown in the tables given were arrived at in the following way: data from all sources show that 6.5 tubes went into every new American radio set; 5 into each set that went abroad. Thus for initial equipment 36,240,000 tubes were required, leaving 28,642,000 tubes for replacement purposes, a smaller number than were sold in 1933 for the same purpose.

Dun & Bradstreet report that failures were less in 1934. For the first eleven months of 1934 only 6 manufacturers failed with liabilities of about one-half million dollars; in 1933 there were 25 failures involving \$3,719,519.

Sales of automobile radio sets during 1934 totaled 780,000, just about duplicating the sales of auto radio in the preceding year.

The outlook for auto-radio sets for 1935 is about the same as for 1934, three-quarters of a million sets, with half or more of these sold to the automobile makers for initial installation when the cars are built.

A new all-time record for exports of radio equipment from the United States was recorded for 1934 when sales abroad were valued at \$24,856,898 compared with \$16,125,719 in 1933. Overseas sales of radio equipment during the year exceeded by \$1,723,083 the former record sales of 1930, it was stated.

Exports of all classes of radio equipment during 1934 increased compared with 1933. Foreign sales of radio transmitting sets, parts and tubes were valued at \$1,090,269 compared with \$743,423 in the preceding year, an increase of 47 per cent; receiving sets were valued at \$15,338,143 against \$9,323,535, or 65 per cent; components, \$4,358,350 against \$2,783,730, or 56 per cent; receiving tubes \$3,210,729 against \$2,623,261, or 22 per cent; loudspeakers, \$361,076 against \$338,055, or 7 per cent, and other accessories, \$498,331 against \$313,725, 59 per cent.

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### GERMANY TRIES OUT TELEVISION

Advices from Berlin are that the Germans began television transmission last Saturday (March 23). A previous dispatch had announced that the transmitting station would be located in the Berlin Exhibition grounds in the suburbs and that it would operate three evenings a week within a 30-mile radius.

Plans for the proposed television broadcasts were set forth as follows:

"Receiving sets already are on sale at some radio stores. The government will place sets at central points to familiarize the public with the experiment. One will be at the Reich Postal Museum, on a busy corner in the centre of the city.

"Programs will consist of news reels and old films retired from use in moving-picture houses.

"The experimental group will also have at its disposal a radio film car to visit various parts of the city to record significant events and Nazi demonstrations. The films will be rushed to the sending station.

"There is some discussion of a plan by which all Central Germany could be served by placing a station at Brocken, the highest point in the Hartz Mountains, connected with the Berlin control room."

Having broadcast the name of Hitler into practically every home, the idea seems to be to do the same thing with his picture.

Dr. Paul J. Goebbels, Minister of Propaganda, has announced that after October 1st the broadcasting of advertising from radio stations will not be permitted. Dr. Goebbels said the reason for this was because of the "incompatibility" of radio advertising with the political and more important newspaper advertising and window display. He added that the elimination of advertising would allow the stations to concentrate "on the cultural tasks of broadcasting."

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## RMA ANNUAL CONVENTION SET FOR JUNE IN CHICAGO

The Eleventh Annual Convention of the Radio Manufacturers' Association will be held June 11 and 12 in Chicago, the Board of Directors decided at their New York meeting last Thursday. Paul B. Klugh, of Chicago, will again be Chairman of the convention and entertainment committee.

A general policy regarding public radio and electrical shows was adopted by the RMA Board under which the Radio Manufacturers' Association will not sponsor or support any public radio and electrical show in any city.

"While strictly 'local' radio shows are not disapproved", Bond Geddes, Executive Vice-President of the RMA, states, "it is felt that Association sponsorship of any show carries with it a national character, attracts distributors and dealers, and the result is that sales before the show period are retarded with a resultant loss of business."

The Board's policy is advisory to members but leaves each company free to take such action as it may desire regarding show exhibits.

As a result of this, Bond Geddes advises that the Association has declined to sponsor either the National Electrical and Radio Exposition at Grand Central Palace next September or the Radio Show in Madison Square Garden.

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## FCC HEAD CONGRATULATES BOWES ON AMATEUR HOUR

Showing that he is taking some notice of programs Chairman Anning S. Prall, of the Federal Communications Commission, sent a telegram of congratulation to Major Bowes on the inauguration of Amateur Night last Sunday.

Gene Buck, President of the American Society of Composers, got the big laugh of the evening by sending Major Bowes a wire which read:

"Congratulations but don't forget that as master of ceremonies you are only the punk that lights the fireworks."

More than 160 persons and 250 telephone trunk lines were required to handle the calls received in New York and Chicago during this Amateur Hour.

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## A. T. &amp; T. DENIES LEASED WIRES HURT TELEGRAPH BUSINESS

C. F. Craig, General Manager of the Ling Lines Department of the A. T. & T. denied that the growth of their leased wire had interfered with the telegraph business, at the telegraph hearing held at the Communications Commission yesterday (Monday).

Mr. Craig said that from one private line, in 1887, the leased wire service had grown to more than 1,000. Morse and teletype machines were used in practically every business and widely among government departments.

Howard L. Kern, counsel for the Postal, and J. C. Willever, Vice-President of the Western Union, criticized the leased wire principle, the latter declaring that if telegraph companies were to continue to render a comprehensive and satisfactory telegraph service, they should "be protected from the undue dilution of their traffic, which can only be done through the adoption of adequate restrictions against misuse of the leased wire principle."

Chairman Stewart of the Commission announced that a study of the press leased wire system would not start until after that on private leased wire contracts had been concluded, probably not until early next week.

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## STRIKE AT CROSLEY RADIO PLANT

A strike began at the Crosley Radio plant in Cincinnati Monday morning. By nightfall two persons had been reported injured, a striker had been arrested, and scuffles had become numerous as workers sought to get home through throngs of strikers and sympathizers, according to an Associated Press dispatch.

B. A. Hoff, leader of the Radio and Refrigerator Workers' Union, estimated the strikers at 3,000.

The union, he said, seeks recognition as a bargaining agency, a 36-hour week with time and a half for overtime, granting of seniority rights and work guarantees.

Lewis Crosley, Vice-President and General Manager, countered that the concern "is complying both with the letter and the spirit of the law" and asserted it had made no efforts to interfere with union organization of its employees. He said that 1040 of the plant's normal force of 3400 remained at their jobs.

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 ::::INDUSTRY NOTES::::  
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An increase in the value of inventories from \$45,467,409 to \$51,313,973 in 1934 was the principal reason for a rise in current assets of the General Electric Company, which stood at \$177,269,050 at the end of 1934, compared with \$175,314,394 a year before, according to the annual report.

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A net loss of \$7,751,548 is reported by the Western Electric Company, Inc., in its report for 1934, comparing with a loss of \$13,772,504 in 1933. Total sales were \$91,807,396, against \$69,510,882, while costs, taxes and depreciation were \$98,481,160, against \$81,905,161, resulting in an operating loss of \$6,673,764, compared with \$12,394,279 net loss on sales in 1933.

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The annual report of the Arcturus Radio Tube Company for 1934 shows a net loss after taxes, depreciation and other charges, \$52,004, against \$26,142 loss in 1933.

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Following a reorganization Linus Travers, Director of Commercial Productions of the Yankee Network will supervise the network's Artists Bureau, and Van D. Shelton will be its Director.

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The full text of the British Television Commission report is printed in the March issue of Electronics.

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The Commerce Department has issued "Radio Markets Supplements" for India, El Salvador and Danzig. These may be had for 25¢ each by writing to Andrew W. Cruse, Chief of Electrical Division, Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C.

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David Sarnoff and M. H. Aylesworth have been reelected Directors of the Motion Picture Producers and Distributors' Association.

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## "WGY NEWS" MAKES ITS BOW

A new house organ, the "WGY News" has just been started. The "News" has for its slogan, "50,000 Watts in the Heart of the Great Northeast". It is tabloid size, is illustrated and the first issue was four pages.

A typical item from the "News" follows:

"We can't say the people of the WGY market are 'bloated plutocrats.' Very few of them are fabulously rich. But altogether they represent a pretty healthy buying power. In fact, it's 39 per cent higher than the United States average, and represents a tune on the retail cash registers of this area of 1,680,000,000 dollar notes every year. Why not try that tune on YOUR piano, or whatever it is you sell!"

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## COLUMBIA NEW ACCOUNTS

Kleenex Company, Chicago, Ill., (Kleenex tissues and Quest deodorant); Starts - April 2, 1935; Monday to Friday, inclusive, 11:15 to 11:30 A.M. EST and 11:45 to 12 noon EST; Network - April 2 to June 3) Baltimore, Boston, Buffalo, New York, Philadelphia, 11:15 to 11:30 A.M.) Providence, Syracuse, Washington - 8 stations; April 2 and thereafter 11:45 to 12 noon - 27 stations coast to coast; June 4 - all stations above at 11:45 time no 11:15 A.M. broadcast after June 3; Originates - WBBM, Chicago; Program - Mary Marlin - dramatic sketch; Agency - Lord & Thomas, Chicago, Ill.

Household Finance Corp. of New York, Chicago, Ill., Starts April 1, 1935, Monday and Wednesday, 6:30 to 6:45 P.M. EST, WABC only; Originates WCAU, Philadelphia; Program - Concert orchestra under direction Anthony Candelori and male soloist; Agency - Charles Daniel Frey Co., Chicago, Ill.

(Renewal) Ford Motor Company, Detroit, Mich., Starts April 7, 1935; Air time - Sunday - 9 to 10 P.M. EST; Network - 90 stations coast to coast; Originates - Orchestra Hall, Detroit, Mich., Program - Ford Symphony Orchestra conducted by Victor Kolar; Agency - N. W. Ayer & Son, Inc., New York.

(Renewal) Sterling Products, Inc., Wheeling, W. Va.; (Bayer's Aspirin and Phillips Dental Magnesia); Starts April 2, 1935; Tuesday - 8 to 9 P.M. EST; Network: Bayer's Aspirin 8 to 8:30 22 stations; Magnesia 8:30 to 9 P.M. - 25 stations; Originates WABC, New York; Program - Bayer's Lavender and Old Lace, Frank Munn, Bernice Clair, Gus Haenschen Orchestra; Magnesia - Melodiana - Vivienne Segal, Oliver Smith, Abe Lyman's orchestra; Agency - Blackett-Sample-Hummert, Inc., New York.

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# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

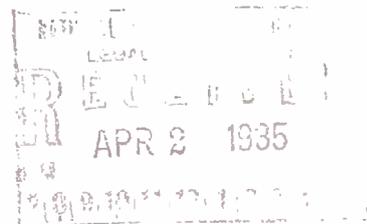
WASHINGTON, D. C.

**CONFIDENTIAL — Not for Publication**

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No. 811



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## I.R.C.C. REPORT PAVES WAY TO 1938 CAIRO CONFERENCE

A report of the work of the International Radio Consulting Committee made to Secretary of State Hull will form the technical basis of the International Radio Conference to be held in Cairo in 1938. The Committee which met in Lisbon, Portugal, last Fall has just completed its findings.

The Delegation of the United States comprised the following:

Dr. John Howard Dellinger, National Bureau of Standards, Chairman; Capt. Stanford C. Hooper, Director, Naval Communications, Vice Chairman; Maj. Roger B. Colton, Signal Corps, United States Army; Gerald C. Gross, Federal Communications Commission, and William V. Whittington, Treaty Division, Department of State.

All of the opinions expressed in the report are of a technical nature and from that angle no fundamental changes are suggested which would affect the general radio public of the United States.

All phases of radio communication are covered and furnish a thorough account of the present state of the art, including broadcasting, point-to-point telegraph, marine and other mobile communication.

The CCIR considered the establishment of radio communication facilities for small boats including fishing craft, and the setting aside of a high frequency calling wave for marine broadcasting. The opinions regarding broadcasting are concerned largely with factors affecting the allocation of facilities. They include comments on synchronized operation, directional antennas, frequency separation between broadcast channels and single side-band transmission. All the opinions are favorable to the position taken by the American delegates.

The main report consists of 45 typewritten pages and the appendix 70 pages. It is hoped that it may be printed within the next two or three months depending upon how fast the machinery of the State Department and the Government Printing Office moves.

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## WLW BEGIN TESTS SOON HOPING TO AVOID CANADIAN INTERFERENCE

Tests are expected to be made within the next two weeks on the new directional antenna which is being erected by WLW at Cincinnati in the hope of eliminating interference with Station CFRB at Toronto. According to advices reaching Washington, the towers are now well up and should be completed in a short time.

Forced to reduce its nighttime power from 500,000 watts to 50,000 watts on February 18, when the U. S. Court of Appeals of the District of Columbia dissolved a stay order procured the preceding month, WLW immediately began the installation of a new type of directional antenna which might make possible the restoration of 500,000 watts at night. The antenna arrangement is designed to simulate in the direction of Toronto the intensity of a 50,000 watt station, with the power in all other directions of 500,000 watts. The Canadian complaint was that CFRB, operating with a licensed power of 10,000 watts on the adjacent channel of 690 kc. was blanketed at night.

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## ALTHOUGH 2,000,000 RADIOS IN AUTOS, NO ACCIDENTS SAYS GEDDES

In opposing the anti-radio bill introduced in the Connecticut Legislature by State Senator Harwood providing a prohibitory penalty of \$50 for equipping an automobile with radio or "other device of diversion", with police cars exempted, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, declared that about 2,000,000 automobiles are equipped with radio, with a public investment of nearly \$75,000,000 and his records do not show a single major traffic accident attributive to automotive radio.

Next Tuesday afternoon, April 2, the Connecticut Senate Committee on Motor Vehicles will hold a public hearing on the bill at Hartford. Personal appearance will be made for the RMA and also by the Automobile Manufacturers' Association and other automotive interests.

"Defeat of the Connecticut bill is important because it would be a precedent. No city or state has yet prohibited automobile radio although a few states prohibit short-wave automotive sets", Mr. Geddes said.

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## TELEPHONE BROADCASTING IN SWITZERLAND

Telephone broadcasting was introduced in Switzerland at the end of 1931 and the distribution is entirely in the hands of the Swiss Federal Telegraph and Telephone Administration, the telegraph and telephone services being public monopolies in this country, Andrew W. Cruse, Chief of the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce, reports.

This type of transmission has been quite popular in Switzerland as the reception is very clear and free from static and atmospheric disturbances from which wireless radio particularly suffers, especially in the cities. The "wired" wireless, while not comparable in use with the regular radio, is increasing quite rapidly. At the end of 1932 there were about 6,000 licensed sets and at the end of 1934, or in two years, the number, it is estimated, will be about 20,000. The charge for this service is 36 francs a year, as compared with 15 francs for the regular radio.

The reception is limited to three broadcasting stations, the two chief Swiss stations and one foreign station, such as Vienna, Paris, Stuttgart, or some other European station, principally French or German. Before the end of 1934 another station is to be added, so that owners of the telephone will have a total of four stations to select from. The service is charged on the telephone bill and is paid for as part of the telephone service.

There are a number of receiving sets for telephone broadcasting, prices ranging from francs 220 to 230 (\$73-77), the only sets sold being entirely of Swiss manufacture. If the telephone service is discontinued the telephone set is likewise stopped.

Another interesting development is broadcasting by telephone wire for those without telephonic connections. In February 1932 two companies were licensed by the Swiss Post and Telegraph Department to introduce this new kind of broadcasting. One company covers the cities of Zurich, St. Gall and Lausanne, the other Basel and Bern, and other cities are expected to be added in the near future. The company connects the house with the cable free of charge, the only cost being made for the loudspeaker. The price of the loudspeaker varies from 52 to 147 francs (\$17-49) and in addition there is an annual fee of 15 francs (\$5), as in the case of the ordinary radio, plus a weekly rental charge of 1.20 francs (\$0.40).

This system has the advantage that the initial expense is very slight and even the loudspeaker may be rented so that this type of broadcasting may be had without any initial outlay and with a moderate service charge. The program is the same as

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the two principal broadcasting stations, Beromunster and Sottens, together with one foreign station. This so-called rediffusion system has another advantage in that one program not desired will upon request be changed by the studio, the replacement consisting mostly of phonograph records from the studio. This wired broadcasting system has also done very well for an innovation and in two years has acquired about 12,500 clients so that future development seems fairly assured.

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#### CROSLY STRIKE SETTLEMENT HELD LIKELY

Early settlement of the strike of radio workers at plants of the Crosley Radio Corporation was held a probability Friday, as strike leaders conferred with Howard T. Colvin, U. S. Commissioner of Conciliation. The strike, called Monday after negotiations between company officials and the workers union had broken down, brought complete cessation of work at the Crosley plant. Lewis M. Crosley, Vice-President and General Manager, ordered the factories closed. He said the closing order was issued because of a fear that the violence which had attended the strike would spread.

After the plants had closed, Colvin, who went to Cincinnati from Washington to attend negotiations between company and union officials, renewed his efforts to bring leaders of both sides together. Although he did not succeed in arranging an immediate conference, Colvin did talk with Mr. Crosley and other company officials.

"There is no doubt whatever that the vast majority of our employees want to work", Mr. Crosley said. "This was demonstrated yesterday when 800 more employees came back than the day before, believing that the statement made by the strikers that no violence would be undertaken was true. However the violence which occurred and resulted in the injuries to several employees has indicated that any pledge of this sort is not to be relied on."

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POWER INCREASE FOR N. C. STATION REPORTED UNFAVORABLY

An adverse report has been submitted by R. H. Hyde, Federal Communications Commission Examiner, with regard to the application of Station WBIG at Greensboro, N. C., which is seeking to have its nighttime power increased from 500 to 1000 watts.

"It is disclosed that the granting of this new application would have the effect of allocating additional facilities to a zone now assigned 27% more facilities than the mathematical quota of the Zone as determined by the Commission's regulations and that it would increase the facilities of a State now assigned 6% more facilities than the exact quota due the State", Examiner Hyde concludes. "In view of this, it is doubted that the granting of the application would serve the public interest."

Julius C. Smith appeared in behalf of WBIG and John M. Littlepage appeared for Station WDNC, of Durham, N. C., and opposed the granting of the increase.

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BRITISH WESTERN CANADIAN PROGRAMS ALSO O.K. FOR U. S.

The first of a new series of test transmissions of the British Broadcasting Corporation (Transmission 6) on two frequencies, GSL (49.1 m., 6110 kc/s) and GSC (31.32 m., 9580 kc/s) was radiated from Daventry between 2:30 A.M., London Time, and 3:30 A.M., on Friday, March 1 (9:30 to 10:30 P.M. E.S.T. Feb. 28).

These tests, which have been inaugurated with a view to determining the practicability of providing a regular service, principally for reception in Western Canada, will continue on Sundays, Tuesdays and Thursdays at 10 P.M. EST until further notice. The programs are clearly received in the United States and furnish an excellent late evening program for the American audience.

The frequencies and time will be subject to alteration in the light of reports received from observers in Western Canada.

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 : : : : INDUSTRY NOTES : : : : :  
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Unofficial figures are that the National Broadcasting Company in New York and Chicago received nearly 30,000 telephone calls in connection with Major Bowes' first Amateur Hour Sunday night. Major Bowes is said to have received as high as 10,000 phone messages from voters on his WHN, New York, Amateur Hour. This was for a single broadcast over only one station.

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When last heard from Phillips Lord, radio entertainer, was on board the liner "Mariposa" bound from Samoa to Hawaii with the expressed intention of selling his schooner "Seth Parker", which was towed to Tutuila after her wireless calls for help last month.

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A financial report of the Utah Radio Products Company shows for 1934 a net loss after taxes, interest, depreciation, amortization, loss on sale of investments, subsidiary preferred dividends and other charges, but exclusive of extraordinary charges made against surplus account, \$100,528, compared with \$34,174 loss in 1933, after interest, depreciation, development expenses, loss on investments, minority interest and other charges, but before subsidiary preferred dividends.

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Prof. Arthur H. Compton, of Chicago, Nobel prize winner in physics, utilizing his recently perfected miniature radio-controlled stratosphere balloons, plans to make tests of cosmic rays of various altitudes from the equator to the Arctic Circle.

The radio-controlled "toy balloons" are sent into the stratosphere. They are equipped with radio-controlled scientific devices and flash back to observers on the ground the readings at various altitudes.

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The application of the Harris County Broadcasting Co. at Houston, Texas, for a construction permit to build a 500 watt station, specifying frequencies of 9510, 11770, and 15150 kc. has been withdrawn.

The application of the South Broadcasting Co. of Chattanooga for a 100 watt station on 1420 kc. has been allowed to go by default.

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## TELEGRAPH DIVISION CITES FRANK EXCEPTION

The Telegraph Division pursuant to the provisions of Sections 203 and 210 of the Communications Act of 1934, the provisions of the rules issued on February 13, 1935, governing telegraph franks, and the provisions of the General Radio Regulations annexed to the Telecommunication Convention of Madrid, 1932, is of the opinion that telegraph carriers subject to the Act may furnish so-called ship position reports (sometimes referred to as TR or PTR reports) only pursuant to lawful schedules of charges duly filed with the Commission; provided, however, that when such reports are exchanged between stations in the maritime mobile service for their own use they may be construed as service advices and not subject to the rules governing telegraph franks.

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## CANADA BARS SUNDAY RADIO SALES TALKS

The Canadian Radio Commission yesterday (Thursday) decided to prohibit sales talks or spot advertising on Sundays over Canadian stations, according to a Canadian Press Association dispatch.

The date when the new order will take effect has not been fixed. The regulation will shut out sales talks on Sundays over outlets in Canada of the National Broadcasting Company and the Columbia Broadcasting System. It was explained the mere sponsoring of a program by an advertiser would not be prevented when the new rule comes into effect.

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## FRENCH LEGION OF HONOR CROSS TO SARNOFF

The Cross of the Legion of Honor was conferred this week by Consul General Charles de Fontnouvelle, of France, upon David Sarnoff, President of the Radio Corporation of America and pioneer in the science of radio. The presentation took place in the Consulate General in La Maison Francaise, Rockefeller Center.

In presenting the Cross and the Diploma of the Legion of Honor, M. Fontnouvelle said:

"It is my great pleasure to inform you that the President of the French Republic has bestowed upon you the Cross of Knight of the Legion of Honor, in recognition of your pioneering and great accomplishments in the science of radio."

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## TEETH PUT INTO CONTRIBUTION SECTION OF BROADCASTING CODE

A new section has been inserted in the Broadcasting Code which makes it mandatory that each member of the industry share in the expenses of the administration of the Broadcasting Code. If they do not, this section, which has just been approved by Administrator W. A. Harriman of the NRA and Sol Rosenblatt, Division Administrator, gives James W. Baldwin, Code officer, authority to institute legal proceedings.

The new provision, which is a substitute for the present Section 8 in the Broadcasting Code, follows:

"8(a) It being found necessary in order to support the administration of the Broadcasters Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the Code Authority is authorized:

"(1) To incur any just and reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code;

"(2) To submit to the National Industrial Recovery Board, for its approval, subject to such notice an opportunity to be heard as it may deem necessary, (1) an itemized budget of its estimated expenses for the foregoing purposes, and, (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry;

"(3) After such budget and basis of contribution have been approved by the National Industrial Recovery Board to determine and obtain equitable contribution as above set forth by all members of the Industry and to that end, if necessary, to institute legal proceedings therefor in its own name.

"8(b) Each member of the industry shall pay his or its equitable contribution to the expenses of the maintenance of the Code Authority determined as hereinabove provided and subject to rules and regulations pertaining thereto issued by the National Recovery Board. Only members of the Industry complying with the Code and contributing to the expenses of the administration, as hereinabove provided, (unless duly exempted from making such contribution), shall be entitled to participate in the selection of members of the Code Authority or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the NRA.

"8(c) The Code Authority shall neither incur nor pay any obligation substantially in excess of the amount thereof as estimated in its approved budget, and shall in no event exceed the total amount contained in the approved budget, except upon

approval of the National Industrial Recovery Board; and no substantial budget shall contain any deficiency item or expenditures in excess of prior budget estimates except those which the National Industrial Recovery Board shall so have approved."

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WIP, PHILADELPHIA, BUYS TRANSRADIO NEWS SERVICE

WIP, Philadelphia, owned by Gimbel Brothers, department store merchants, has bought Transradio Press news service, the opposition service of the Press-Radio Bureau, sponsored by the networks and press associations. Thereby Philadelphia press-radio relations, never very cordial, become further involved, while at the same time WIP strengthens its competition to WOR, Newark station, which has been knocking at Philly's advertising doors since its 50,000-watt transmitter started service a month ago.

The action of the Gimbel station resembles that of WOR in buying Transradio, WOR being the first major Eastern station to do so, as both have department store ownership. Gimbel's is the largest Philadelphia space buyer in the dailies. Macy's in New York, is also in that class and opinion is that reaction on the part of the dailies will be tempered accordingly. Philadelphia papers accord radio scant space other than program listings.

A. A. Cormier, now General Manager of WIP, held that same position with WOR. Gimbel station is spotting its Transradio broadcasts immediately before the WOR periods go on the air, to meet the competition. Philadelphia is well sprinkled with WOR billboards advertising its new power.

WOR has already secured three sponsors for its Transradio Press Service - General Mills, Inc., makers of Cal Aspirin; Educator Biscuit Company, and Waitt-Bond Company, manufacturers of Blackstone cigars. The first two will use it every day except Saturday, and Sunday, and the latter three times a week.

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NO JOKE TO OLD GENERAL GREELY

When the Congressional Medal of Honor was presented to Maj. Gen. A. W. Greely, 91 years old last week, former Chief of the Army Signal Corps, Gen. William Mitchell in recounting some of General Greely's valorous deeds, said:

"In 1903, Greely proposed and organized the first international radio conference, when many were thinking that radio-telegraphy was a joke."

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A SPRING EDITION OF "AROUND THE WORLD 'VIA RCA'"

A Spring edition of "Around the World 'Via RCA'" has just been issued under the direction of William Winterbottom, Vice-President and General Manager of R.C.A. Communications. In addition to other features carried in the earlier compilation, such as a history of radio, a description of the RCA Photoradio Service, additional chapters are devoted to the "Frequency Measuring Service", the "Domestic Radio Telegraph Service", the "Program Transmission Service", and other RCA services.

The former chapter reads:

"The exacting requirements of the Federal Communications Commission covering frequency variation of any radio transmitter make imperative a close supervision of the frequency of its emitted energy. Every broadcasting station, for example, must keep its wave-length within extremely narrow limits to avoid interference with other stations. In order to maintain the required accuracy of operation some means of periodically checking the calibration of the transmitter control equipment is essential. To meet this need the laboratories of the R.C.A. Communications, Inc. render an unexcelled service of frequency measurement of all types of radio transmitting stations.

"Many broadcasting, police and commercial radio stations throughout the United States rely with confidence upon this RCA service for periodic frequency measurements, and call upon it in emergencies for aid in adjusting their control equipment and in calibrating their own local measuring equipment."

With regard to the Domestic Radio Service, the booklet says, in part:

"By engaging in this service RCA brings to the domestic telegraph field that wealth of experience gained during fifteen years in the field of international radio telegraph communications. Through saving business men here and abroad \$70,000,000 in telegraph tolls in fifteen years, RCA has demonstrated that fast, accurate service need not command premium rates and it is further upholding its reputation for economical telegraph service through predicating its rate on its domestic network on the theory that the long established minimum of ten words is not logical by making a fifteen word minimum for the usual wire-line charge for ten words. Fifteen words provide fifty percent more opportunity to transmit complete specifications, detailed quotations and other information so essential in modern business."

Referring to the Program Transmission Service, the new edition reads:

"R.C.A. Communications' program facilities are used to carry programs by short wave to and from points all around the world. Perhaps, you tuned in to Marconi's yacht 'Electra' cruising in the Mediterranean, Pope Pius XI speaking from the Vatican, the Oxford-Cambridge Boat Race, or the Eucharistic Congress from Buenos Aires. The California-Olympic Games were transmitted in Japanese to Tokio. RCA's Program Transmission Service gives you the feeling of a seasonal globe trotter without your leaving your fireside."

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APPLICATIONS GRANTED BY FCC BROADCAST DIV.

WGAR, The WGAR Broadcasting Co., Cleveland, O., authority to determine operating power by direct measurement of antenna; KTRH, KTRH Broadcasting Co., Houston, Tex., C.P. to make changes in equipment, change freq. from 1330 to 1290 kc. and increase power from 1 KW night 2½ KW day to 1 KW night, 5 KW day; KTSA, Southwest Broadcasting Co., San Antonio, Tex., Mod. of Lic. to change freq. to 550 kc. and power to 1 KW night, 5 KW day (formerly licensed on 1290 kc., 1 KW); New, The Monocacy Broadcasting Co., Frederick, Md., C.P. for a new station to operate on 900 kc, 500 watts day, daytime hours; WMAZ, Southeastern Brdcstg. Co., Inc., Macon, Ga., license covering CP, authorizing changes in eqpt; move of transmitter, incr. power from 500 w. night and day to 1 KW night and day, Ltd. time on 1180 kc.; KWK, Thomas Patrick, Inc., St. Louis, Mo., license to cover CP, authorizing changes in eqpt. and increase in day power to 5 KW, 1350 kc., 1 KW night, unlt'd. time.

Also, KIT, Carl E. Haymond, Yakima, Wash., license to cover CP authorizing changes in eqpt. and increase in daytime power from 100 to 250 w., 1310 kc., 100 w. night, unlimited time; KGIR, KGIR, Inc., Butte, Mont., license to cover CP, authorizing changes in eqpt. and increase in day power from 1 to 2½ KW, 1360 kc., 1 KW night, Unlt'd. time, subject to further Order of the Court and the Commission, pending determination of the issues raised by appeal in Cause No. 6218, Radio Serv. Corp. (KSEI) v. FCC; WAWZ, Pillar of Fire, Zarepath, N. J., Mod. of License to increase power from 250 w. night, 500 w. day to 500 w. night, 1 KW day; KMJ, James McClatchy Co., Fresno, Cal., mod. of license to increase daytime power from 500 w. to 1 KW; KSTP, Natl. Battery Brdcstg. Co., St. Paul, Minn., extension of special exp. authorization to operate with 25 KW from 6 AM to LS, on permanent basis for the regular license period; New, Benson Polytechnic School, Portland, Ore., Portable-Mobile; Gen. Exp. CP, freqs. 31100, 34600, 37600, 40600 and 86000-400,000 kc., 25 watts, also authority to communicate as a broadcast pickup station in the temporary service on an exp. basis only.

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