

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF AUGUST 25, 1933.

Radio's Payroll Totals \$23,000,000.....	2
NBC Again Named In Suit.....	3
A. T. & T. Official Is Presidential Aide.....	3
Refuses To Close Radio Station.....	3
Flamm Secures Lucrative WMCA Lease.....	4
China Developing Communications Network.....	4
Hurricane Scare Through Broadcast Misinterpretation.....	5
RCA Victor Toes The Line.....	6
Latin America Has Advertising Ambitions.....	6
New Radio Publication Makes Its Bow.....	7
NRA Uses Transcriptions.....	7
Radio Employment Increases.....	8
Station Restricts Advertising.....	8
Protest Halts Belgian Radio Tax Rise.....	8
Commission Bans Toy Radio Units.....	8
New Zealand Imports Less Radio Sets But More Parts.....	9
Arnold To Tell Of Audience Reaction.....	10
Rudy Vallee In Car Crash.....	10
Sparks-Withington Gains.....	10
Decisions Of The Federal Radio Commission.....	11

RADIO'S PAYROLL TOTALS \$23,000,000

Radio broadcasting's big parade of progress around the United States during the last dozen years has created an industry affording livelihood to some 12,000 full-time employees, exclusive of artists, with an annual payroll which this year shall approach \$23,000,000.

Statistics covering the newest of the front rank industries for the first time have been computed in connection with the planned filing of a code for broadcasters with the Industrial Recovery Administration. Based on a survey conducted by the National Association of Broadcasters, which will file the code, the figures give an insight on the phenomenal growth of an industry, which in 1921 was considered a mere passing fad.

Broadcasting's magnitude as an industry, however, does not stop with its full-time employees and regular payroll. There are literally thousands of radio artists hired by program sponsors and by the networks who are not included in the full-time category.

The compilations were made by Dr. Herman S. Hettinger, professor of the Wharton School of Finance of the University of Pennsylvania. He is on leave of absence and is at present retained as research specialist of the N. A. B. His estimates were based on returns from 154 stations in all power categories.

Dr. Hettinger concluded that the total payroll of the 600 odd broadcasting stations, excluding networks, is approximately \$17,000,000 for the current year, distributed among 9,200 regular full-time employees. Add to this total the some 2,000 employees of the National Broadcasting Co. and Columbia Broadcasting System, plus the full-time employees of the miscellaneous networks, radio station representatives and field men, transcription companies and other small groups and the total employment figure should reach 12,000, the payroll would amount to \$23,000,000, since most of these network and special employees are in the higher salary executive brackets.

The average weekly wage in the industry, according to Dr. Hettinger, is \$33.72 and the average annual wage \$1,753. This compares with an annual wage for manufacturing employees in 1930 of approximately \$1,340 and for retail employees of \$1,315.

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NBC AGAIN NAMED IN SUIT

Gerald V. Moore, 1220 I St., N. W., in Washington, filed suit in District Supreme Court last Wednesday to compel the Federal Radio Commission to cancel the permit issued to the National Broadcasting Co. for operation of Station WMAL.

Moore's petition, filed through Attorney M. E. Stamen, charged the Company was found guilty of obtaining a monopoly for sale of radio apparatus by a Federal court in Delaware.

A similar suit to this was filed several months ago by C. Woods Arthur of the same address. Moore and Arthur are said to be friends. The suit of Arthur, however, was dismissed by the District Court. He had asked for a mandamus directing the Commission to cancel the licenses of the Radio Corporation and its subsidiaries on the ground that the Federal Court of Delaware had found the RCA guilty of a practice that tended to monopoly.

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A. T. & T. OFFICIAL IS PRESIDENTIAL AIDE

The first meeting of President Roosevelt's Science Advisory Board, his latest mobilization of brains, swung into action on the multiple-phased angles of the Government's scientific work. This Board, of which Dr. Frank B. Jewett, Vice-President of the American Telephone & Telegraph Co., and head of the Bell Laboratories, is a member, will work in conjunction with the National Academy of Sciences and the National Research Council. Problems which the new industrial era will create will form the special field of this council.

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REFUSES TO CLOSE RADIO STATION

Promising a fight to the finish, the Rev. Sam Morris of Stamford, Texas, one of nineteen persons charged with violations of Federal radio regulations, declares his small station will continue daily broadcasts. The Sunshine Radio Station, operated by the First Baptist Church, "will be on the air daily until the courts settle this case in the final stage", the minister declared.

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FLAMM SECURES LUCRATIVE WMCA LEASE

It has been learned on excellent authority that Donald Flamm is to receive \$150,000 a year rental for Station WMCA in New York which he has just leased to a group of wealthy New Yorkers including descendants of the Thomas Fortune Ryan and Whitney families. This new operating agency of WMCA is called the Federal Broadcasting Corporation.

Jack Adams, formerly head of the Judson Radio Program Bureau is the President of the new company, and associated with him as officers are Clendenin J. Ryan, Jr., Vice-President; Maj. Talbot O. Freeman, Vice-President and Secretary; James K. Norris, Treasurer; and as Directors, in addition to the above, Allen A. Ryan, Jr., Walter S. Mack, Jr., John Hay Whitney, A. Newbold Morris Howard G. Cushing, Robert H. Thayer, Paul H. Nitze, and Bethuel M. Webster, Jr. The last named was formerly Chief Counsel of the Federal Radio Commission and lives in Washington.

The general supposition is that WMCA may become the key station for a new chain. It is understood the WMCA lease has been informally approved by the Legal Division of the Federal Radio Commission but as yet has not been brought to the attention of the Commission.

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CHINA DEVELOPING COMMUNICATIONS NETWORK

A network of wireless stations established throughout China by the Ministry of Communications has served greatly to augment existing means of communication.

At the present time, according to Vice Consul Douglas Jenkins, Jr., there are 30 wireless stations in the larger cities, operating in connection with the land wire telegraph offices in transmitting commercial messages.

The first step in the establishment of this wireless system was taken by the government in the erection of stations in Nanking and Shanghai, to transmit commercial messages. This service proved so profitable that the government determined to expand the service throughout the entire country.

The fact that most of the material used in building these Chinese wireless stations has been of United States manufacture, it is pointed out, makes it reasonably certain that, with the continued development of this type of communication, a growing market for American radio materials will result.

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HURRICANE SCARE THROUGH BROADCAST MISINTERPRETATION

Misinterpreting a bulletin broadcast by Station WJSV in Washington to mean that the Capital was to be struck by a hurricane last Wednesday (August 23), the Weather Bureau, all radio stations and the newspaper offices were besieged by telephone calls for confirmation or denial of the report. Many Government employees were dismissed early from some of the temporary buildings with a warning to be off the streets 5 o'clock when it was reported that the "hurricane" was to strike. The misunderstanding arose during a terrific wind and rain storm, the tail end of the hurricane which swept the seaboard, and for a time caused much uneasiness.

With the intention of protecting small craft in the Potomac River from the high wind, Capt. John S. Arnold, of the Alexandria, Va. police telephoned Ted Church, acting manager of Station WJSV, that a hurricane was coming up the river, and asked him to warn owners of boats. He said the hurricane would strike Washington at about 2 o'clock and that he had received this information from the Coast Guard. Mr. Church lost no time in broadcasting the warning but tempered it by saying "high wind approaching hurricane intensity". Nevertheless the word "hurricane" touched off the populace.

K. H. Berkeley, Manager of WRC, immediately got in touch with the Weather Bureau and was told that the storm would probably not amount to more than gale proportions. Whereupon the Weather Bureau called up Mr. Church, who immediately began putting reassuring bulletins on the air.

However, in the meantime, the Weather Bureau, as well as broadcasting stations and newspaper offices became swamped with calls. So great was the telephone traffic that even the White House was unable to communicate with the Weather Bureau and Col. Louis McHenry Howe, worried about his father in their shore cottage, was obliged to telegraph to Forecaster C. L. Mitchell, although they were in the same city.

Mr. Church contended that his broadcast was entirely accurate in content regardless of misinterpretations and cries of "false alarm".

"We are a Virginia station, our transmitter being located just across the Potomac from Washington", Mr. Church said, "and we have always made it a point to cooperate with the police and other authorities. Accordingly when I received this request from the Alexandria police, I interrupted the regular routine at the station and gave it the right of way. I tempered the broadcast to the best of my judgment."

A curious thing in connection with the scare was a rumor which got about the city that a warning had been broadcast for the people "to turn out their lights" at 2 o'clock when the hurricane was supposed to be due to hit Washington. Mr. Church declared it was not a part of the Columbia broadcast.

At any rate within a few minutes the Potomac Electric Power Company switchboard was besieged with telephone calls. To be told "to turn out their lights" seemed to terrify many and they pleaded for the reason of this, what seemed to them, extreme measure.

"It wouldn't have made a bit of difference whether the lights were on or off", C. Melvin Sharpe of the company said, discussing the incident, "and I can't for the life of me see how such a thing got started. It spread like wildfire and while it is laughable as we look back, it was quite serious at the time. I really believe this alarmed the people more than anything else in connection with the hurricane scare."

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RCA VICTOR TOES THE LINE

E. T. Cunningham, President of the RCA Victor Co., Inc., of Camden, N. J. said that the company had signed the President's Agreement pending revision and final acceptance of a code for the radio industry. The RCA Victor Company, Inc., employs approximately 6,500 persons in its factory, laboratory and offices at Camden.

Mr. Cunningham declared he was heartily in agreement with the President's recovery program and welcomed the opportunity to enroll the RCA Victor Company under the banner of the Blue Eagle.

The RCA Radiotron Co., of Harrison, N. J., with 4,000 employees, has also signed the Agreement.

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LATIN AMERICA HAS ADVERTISING AMBITIONS

The North American Radio Conference recently held in Mexico City is said to have put the idea into the heads of various Latin-American countries that some day it may be possible for them to erect powerful broadcasting stations and advertise their products, such as coffee and fruits and other commodities, direct to the United States.

This is said to be one of the reasons so many of these little countries demanded clear channels at the Conference and which proved a stumbling block.

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NEW RADIO PUBLICATION MAKES ITS BOW

There appeared this week the first issue of "Radio Business", which was described as the National weekly newspaper of broadcasting. It is published at 310 E. 44th St., New York City. Harold E. Tillotson is the President and General Manager, and H. P. Brown is the Editor. Mr. Brown was for many years editor of the "Radio Digest" in Chicago and New York.

In a leading article, "Radio Business" reiterates the assertion which has been made from time to time that Curtis Dall, son-in-law of President Roosevelt, is now Chairman of the Board of the Amalgamated Broadcasting System, Ed Wynn's new chain.

"Other members of the Roosevelt family are interested in the new third chain - and in Ed Wynn personally", the new magazine goes on. "It is up to the Radio Commission to help make the third chain a success.

"With time largely sold over the two oldest chains for the coming season, it is argued that this is the psychological time to introduce a third chain. Ed Wynn has been fostering this pet for nearly a year. Now it is ready to fly. The commercial interests have asked for more power so the stations, as individuals, are after that power. Currently there is filed before the Commission a request from WDEL, Wilmington, one of the ABS stations, for power increase from 200 to 500 watts, and WPEN in Philadelphia has asked permission to double its power and for unlimited time."

The magazine also asserts that the Amalgamated System has decided to utilize the facilities of the A. T. & T. instead of the Western Union but Mr. LeRoy Mark, of Station WOL in Washington, the Ed Wynn outlet in the Capital, said that testing was going ahead satisfactorily with Western Union lines and he had not heard of the proposed change to telephone wires.

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NRA USES TRANSCRIPTIONS

The NRA going in for electrical transcriptions is a logical follow-up of "personal appearance" broadcasts over the networks. The first of the recorded series, which will soon be heard on independent stations throughout the United States, was made in the National Sound Studios in Washington from a broadcast of Thomas S. Hammond, Executive Director of the President's Re-employment Program. Bob Trout of Columbia was the announcer. Up to now only scripts have been sent out to be read over the stations.

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RADIO EMPLOYMENT INCREASES

July employment index number for the radio industry was 94.1 compared with 92.1 for June, and 62.5 for July of last year, taking 1926 at 100, according to the Bureau of Labor Statistics, Department of Labor. The payroll index for July was 55.7 compared with 65.5 for June and 47.8 for July of last year.

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STATION RESTRICTS ADVERTISING

Station KQW, San Francisco, is using advertising in the San Francisco Examiner stating that it carries wholesome advertising only; that advertisers of questionable merchandise, liquors, beer gardens and tobaccos cannot buy time on KQW, which is doing its part in "Keeping the Air Clean".

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PROTEST HALTS BELGIAN RADIO TAX RISE

Protests from radio listeners caused the Belgian government to abandon its intention of raising annual license fees (\$1.71 for valve and 57½¢ for crystal sets), which yields about \$571,430 a year, and goes to the National Institute of Radiodiffusion.

Government proposes, instead, to make the Institute do with less and is taking a first contribution of \$14,285 to swell the tourist propaganda fund.

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COMMISSION BANS TOY RADIO UNITS

It is understood that the Federal Radio Commission will put its foot down on the manufacture of toy radio stations, a novelty which was expected to be offered to the public during the forthcoming Christmas season. One manufacturer is said to have already constructed several thousand of these sets in anticipation of the holiday demand. This man is reported to have shown these little toy transmitters to Commissioner Harold A. Lafount when the latter was making an inspection trip to the Pacific Coast last month and visited the radio manufacturer. These, he told Commissioner Lafount, would sell for a few dollars and would be a "sure-fire" Christmas product.

Mr. Lafount expressed deep concern. He knew the radio law, which specifies that no radio station, regardless of size, can be built without a "construction permit" from the Commission and that no station can be operated without a license. He learned that several other coast manufacturers had invaded the same line of manufacture.

The case was presented to the Commission's lawyers. There wasn't any legal question about it. The fact that the baby sets use "fly" powder didn't matter. They transmit impulses, admittedly, only a few hundred feet. But that transmission, says the law, constitutes "interstate commerce" and interstate commerce means Federal supervision by the Radio Commission.

Theoretically, a station, no matter how small, can cause interference in a neighboring State. While the signal itself cannot be heard, the inaudible carrier wave can set up a brand of commotion with regularly licensed stations that impairs reception for the listener.

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NEW ZEALAND IMPORTS LESS RADIO SETS BUT MORE PARTS

The high cost of landing complete radio sets in New Zealand has resulted in curtailing imports of sets in cabinets and raising imports of radio parts, according to a report from Vice Consul W. W. Orebough, Wellington.

The report, which is based on recently issued customs statistics for May last, shows that in that month sets imported numbered 655 as compared with 910 in April but that on the other hand the value of parts and unmounted sets rose from 11,423 lbs. sterling to 22,528 pounds. Imports from the United States in May amounted to 586 sets valued at 3,000 pounds sterling and parts valued at 7,000 pounds sterling.

Customs duties, combined with adverse rates of exchange between New Zealand and the countries from which it purchases radios, account for the excessively high cost of landing complete sets, it is pointed out. The United States is the country most affected as it has long been the largest supplier of complete receivers to New Zealand.

Many firms handling American radio sets have been forced to sever their connections with the United States as they were unable to pass on to the buyer the increase in price occasioned by the higher landing cost. However, the report points out, with an improvement in the exchange, a better volume of trade from the American standpoint is looked for.

The protective tariff on radios has greatly stimulated local manufacture, notwithstanding the higher production costs inevitable in small manufacturing units. There are now on the market several lines of New Zealand - built sets which appear to be meeting with a fair amount of sales.

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ARNOLD TO TELL OF AUDIENCE REACTION

Frank A. Arnold, Vice-President of Albert Frank-Guenther Law, Inc. will be a guest speaker over a WEAf network of 36 stations on Monday, August 28th. His subject, "Radio, A Social Force", is based on the reactions he has obtained from audience groups throughout the United States during the six years he was engaged in field work for the National Broadcasting Co.

Mr. Arnold has been the guest of 32 of the 36 stations on the WEAf network and has spoken from the public platform in each of the cities represented.

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RUDY VALLEE IN CAR CRASH

Rudy Vallee, singer and orchestra leader, escaped injury, but Miss Alice Faye, a dancer with his orchestra, suffered a cut over the right eye and body bruises early last Monday night when their automobile skidded during a heavy rainstorm and upset near Greenwood, Del.

Miss Faye was taken to the office of a physician at Bridgeville by Vallee and other members of the orchestra. After she was treated, the party continued on its way from Atlantic City to Virginia Beach, Miss Faye and Vallee riding with other musicians in their cars.

Vallee estimated the damage to his car, which was left at a Bridgeville garage for repairs, at \$2,000.

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SPARKS-WITHINGTON GAINS

The following is a financial report of the Sparks-Withington Co. for the year ended June 30:

Net loss after taxes, depreciation and other charges, \$285,137, compared with \$1,930,514 net loss in preceding year. Six months ended June 30: Net loss after above charges, \$84,141, compared with \$1,437,857 loss in first half of 1932.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

APPLICATIONS GRANTED (August 25, 1933)

KUOA, KUOA, Inc., Fayetteville, Ark., modification of C.P. to make changes in equipment and approval of transmitter site at Mount Sequoyah, Fayetteville, Ark.; WACO, Central Texas Broadcasting Co., Inc., Waco, Tex., license covering installation of new equipment, moving station locally and change in frequency power and hours of operation: 1420 kc., 100 watts, specified hours; KLX, The Tribune Publishing Co., Oakland, Cal., consent to voluntary assignment of license to Tribune Building Co.; KGA, Northwest Broadcasting System, Inc., Spokane, Wash., consent to Voluntary assignment of license to Louis Wasmer (lessee); KEX, Western Broadcasting Co., Portland, Ore., consent to voluntary assignment of license to The Oregonian Publishing Co.; WMBH, WMBH Broadcasting Co., Joplin, Mo., authority to broadcast all World Series Baseball games when dates and hours become known; WEBR, Howell Broadcasting Co., Inc., Buffalo, N. Y., authority to remain silent Labor Day Sept. 4, in order to give employees a holiday; KDFW, Donald Lewis Hathaway, Casper, Wyo., C.P. to move station locally in Casper, and change antenna system.

Also, Lehigh Valley Railroad Co., portable mobile for use on trains, two general experimental C.P.'s, frequency 34600, 41000, 51400, 60000-400000 kc., 4.5 watts; City of Fort Worth, Tex. general experimental C.P. 34600 kc., 15 watts; Gillette Rubber Co. Portable, Eau Claire, Wis., general experimental C.P., frequency 60000 to 400000 kc., 5 watts; WPEH, City of Somerville, Somerville, Mass., license for police service, 1712 kc., 100 watts; WAEF, Aeronautical Radio, Inc., Newark, N. J., aviation-Aero. license, frequencies 2906, 2072.5, 3088, 4967.5, 4987.5, 5662.5, 5692.5 kc. unlimited, 400 watts; WEEW, American Radio News Corp., Carlstadt, N. J., modification of license to include Mexico City as additional point of communication.

Also, W8XAR, Westinghouse Electric & Manufacturing Co. south of Saxonburg, Pa., renewal of special experimental license in accordance with existing license; Sigurd Hopstad, Akiak, Alaska, authority to operate point-to-point telg. station at Akiak, Alaska, frequency 425 kc., 10 watts to communicate with Bethel and other point-to-point telg. stations in the vicinity; for period of 6 months, pending action on formal application for C.P.; also granted authority to operate station for 6 months without formal operator's license pending examination.

Amateur Licenses

The Commission also granted 202 amateur licenses, of which 148 were new and 54 modifications.

Set For Hearing

WHDL, Tupper Lake Broadcasting Co., Inc., Tupper Lake, N. Y., C.P. to move transmitter from Tupper Lake to Lake Clear, N. Y., make changes in equipment, change frequency from 1420 to 1290 kc., and change power from 100 to 250 watts (facilities of WNBZ); WJAR, The Outlet Co., Providence, R. I., modification of license to increase operating night power from 250 to 500 watts, remove exp. clause relative to additional 250 watt on exp. basis; KWWG, Frank P. Jackson, Brownsville, Tex., renewal of license, facilities of station are being requested.

Application Denied

Lebanon Broadcasting Corp., Lebanon, Pa., C.P. for new station to operate on 1500 kc., 50 watts, daytime, heretofore set for hearing was denied because applicant failed to enter appearance within time allowed.

Action on Examiner's Report

KVOA, Robert M. Riculfi, Tucson, Ariz., granted renewal of license to operate on 1260 kc., 500 watts, specified hours; also granted voluntary assignment of license to Arizona Broadcasting Co., Inc., reversing Examiner Pratt.

Oral Arguments Granted

Oral arguments were granted, to be held September 27th, involving stations WFEA, Manchester, N. H., WDRO, Augusta, Maine, WQDM, St. Albans, Vt. The Portland Maine Publishing Co., and Casco Bay Broadcasting Co., Portland, Maine; Also Station WILL, Urbana, Ill.

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The entire fleet of the Black Diamond Steamship Corp. is being equipped with Kilster Radio Direction Finders supplied and installed by Mackay Radio which also provides the radio service for the ships of this line. The Black Diamond Line operates between Atlantic ports and Holland and Belgium.

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