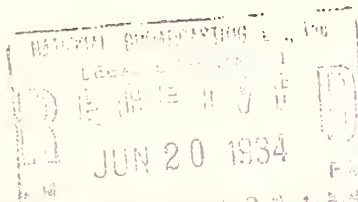


HEINL RADIO BUSINESS LETTER

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No. 733

Handwritten signature and initials, possibly "L. H. Jones" or similar, in the bottom left corner.

Tuesday, June 19, 1934

LONDON WIRED WIRELESS GOING CONCERN - 27,000 SUBSCRIBERS

It may be news to many that a so-called "wired wireless" system, distributing programs by wire, is proving a profitable venture in London. This is revealed in a report just submitted by H. Brent Grotrian, K.C., Chairman of the company which is known as the Broadcast Relay Service, Ltd.

Mr. Grotrian said that the directors had taken the opportunity of eliminating from the balance-sheet all intangible assets by writing off from general reserve the entire cost incurred in connection with their Debenture and Capital issue, as well as the balance of the obsolete single program system throughout. The operating profit for the past year amounted to £25,588, which was in excess of the estimate foreshadowed in the prospectus, and the directors now recommend a final dividend of 12 per cent, (making 20 per cent for the year), leaving £4,372 to be carried forward. This result the directors regarded as eminently satisfactory, and especially so in view of the fact that all the losses of their subsidiary companies to the date of the balance-sheet had been written off. Taking the position as revealed by the balance-sheet, he felt sure it would be regarded as satisfactory.

Explaining the nature of their business, the Chairman said that the Company installed at its central receiving stations, the most modern equipment that science could produce and connected its subscribers to this equipment by means of wire, so that all those connected to their service had available at their fingertips, by means of a simple switch and a loud-speaker, a continuous and alternative choice of program. In his opinion, they had launched a new industry with a great future. The Company now occupied the leading position in the development of this modern method of home entertainment in Great Britain, and their service was gaining in popularity throughout the country on account of its reliability, simplicity, and low cost.

During the year they had extended their operations to Margate, and through subsidiaries, were now operating in Newcastle, Rotherham, Wallasey, St. Helens, Newport, and Swansea, in which group of towns they now had already over 9,500 subscribers connected to the service, making a total of 27,100 subscribers in all. So far this current year, their business was growing at a greater rate than during the corresponding period last year, and the Directors had every confidence that this expansion would continue and result in additional profits to the Company. It had always been their policy to work in close cooperation with the Post Office, as well as with the British Broadcasting Corporation, who took a close interest in the development of this new industry.

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EDITOR SITS DOWN ON RADIO COMMISSION

Ogden Reid, editor of the New York Herald-Tribune, sent a lengthy reply to a resolution adopted by the Federal Radio Commission on May 18 in which The Herald-Tribune was asked to submit "any facts or other material" in support of editorial comment on May 12 that "the radio, controlled by the administration through its licensing power, was made the spokesman of the New Deal and largely restricted to government propaganda."

Mr. Reid's letter said:

"My first inclination was, and indeed my preference would be, to disregard the manifest impropriety and unauthorized character of the resolution and the attempted indirect press censorship involved; to furnish the facts supporting our opinion (but, of course, without disclosing names of confidential informants) and to begin the recital of the proofs by reminding the Federal Radio Commission of its warning to those within reach of its 'licensing power.'

"On Aug. 14, 1933, the Commission issued a statement which began as follows:

"It is the patriotic, if not the bounden and legal duty of all licensees of radio broadcasting stations, to deny their facilities to advertisers who are disposed to defy, ignore, or modify the codes established by the NRA, Commissioner Harold A. Lafount declared today in a statement.'

"The statement then quoted Commissioner Lafount as follows:

"Under the Radio Act the Commission has no right to take into consideration the kind of programs broadcast when licensees apply for renewals. * * * It is to be hoped that radio stations, using valuable facilities loaned to them temporarily by the Government, will not unwittingly be placed in an embarrassing position because of the greed or lack of patriotism on the part of unscrupulous advertisers.'

"On further consideration, I have concluded that preference should yield to principle.

"One of the principles involved is expressed - and it may serve a useful purpose to quote it to the Federal Radio Commission here - in the First Amendment to the Constitution of the United States as follows:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.'

"Another of those principles is that inherent in the freedom of speech or of the press is the right of all citizens, including eventhose who wish to use radio communications, to express opinions upon matters of public concern.

"It is his own opinion that a citizen has a right to express; he is not bound to hold or express opinions favorable to the policies of the government or acceptable to those for the time being in office and is not, or should not be, accountable to the government, or any of its agencies, if he ventures to express adverse sentiments.

"Those rights, as we believe, were among those which Congress intended to preserve when it forbade the Federal Radio Commission to 'interfere with the right of free speech.'

"I am well aware that your resolution is phrased as a 'request', that the requests of a licensing power are likely to be viewed as commands by those within reach of the power and periodically in need of renewals of licenses and that, fortunately for the public, no licensing or other censoring jurisdiction over the press is or can be constitutionally vested in any government commission.

"Moreover, the most important time to stand upon such principles is when they are, on the one hand, being subjected to attempts at direct and indirect invasion and are, on the other hand, being made the subject of denials of invasion and disclaimers of intentional invasion.

"Accordingly, I respectfully decline to render you an account concerning our editorial comment, which expressed our reasoned and sincere conviction."

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MORE CHURCH AND SCHOOL STATIONS EXEMPTED

An order was announced on June 15 by which Division Administrator Sol A. Rosenblatt of the NRA exempts from the code of fair competition for the Radio Broadcasting Industry, the following additional educational and religious stations:

WDAH, El Paso, Texas; WCAL, St. Olaf College, Northfield, Minn.; WOS, Missouri State Highway Patrol, Jefferson City, Mo.; WNAD, The University of Oklahoma, Norman, Okla; KFCG, The Biblical College, Boone, Iowa; WCAC, Connecticut State College, Storrs, Conn.

Thus far about 30 stations in this class have been eliminated by the Code Authority.

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AMERICAN RADIO MFRS. FACE AUSTRALIAN FIGHT

Australian manufacturers of radio apparatus are making a determined effort to capture a larger share of the New Zealand market, according to a report from Vice Consul Walter W. Hoffman, Wellington. During the past year, he points out, they have succeeded in reducing to a considerable extent the number of American sets imported into that Dominion.

There are, however, Hoffman states, a number of American makes so well known and popular throughout New Zealand that it is believed that neither Australian or European producers will be able to undermine their position. Radio manufacturing in the Dominion, the report shows, is confined almost entirely to cabinets and assembling.

Imports of radio apparatus into New Zealand have remained constant during recent months. During the first quarter of 1934 total receipts were valued at £49,094 compared with £52,417 for the corresponding period of 1933. Of the 1934 imports, United States products represented £25,763 compared with £27,000 in the 1933 period. Although the total amount of imports from the United States during the current year shows a slight decline, the report points out that the percentage of American goods has increased, being $52\frac{1}{2}$ per cent this year against $51\frac{1}{2}$ per cent in 1933. This increase, Vice Consul Hoffman declares, is rather gratifying in view of the development of the local industry which is assembling sets from home-made and imported parts.

The number of licensed receiving sets in New Zealand at the end of March of the current year was 118,580 compared with 93,914 on the corresponding date of 1933.

Referring to broadcasting in New Zealand, the report points out that the Government, through the Broadcasting Board has taken almost complete control over the broadcasting stations and has thereby left but little scope for private enterprise. One new station has recently been opened at Auckland, having a frequency of 1,090 kilocycles and an antenna power of 200 watts.

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WMCA WASHINGTON OUTLET GETS POWER INCREASE

The Federal Radio Commission has granted Station WOL, Washington, authority to increase its daytime broadcasting power from 100 to 250 watts. Its nighttime power will remain at 100 watts. LeRoy Mark, owner and operator of WOL, said the transmitter would have to be remodeled before the station can use the increased power. The work is expected to take several months.

WOL is the Washington outlet of the new American Broadcasting Company, the Storer-WMCA network, which absorbed the General Broadcasting System, the ill-fated venture of Ed Wynn.

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SUPREME COURT JUSTICE HOLDS UP DeFOREST DECISION

A setback to their victory on important radio patents has been met by the Radio Corporation of America, American Telephone and Telegraph Company and DeForest Radio Company, with the result that the Supreme Court's recent decision must remain suspended until the court reconvenes in October.

Notice that a stay of the court's mandate had been granted by Justice Cardozo last Thursday, at Rye, N. Y. was received in Washington by court attaches. His action followed a petition for rehearing, filed with the court on the previous day by Radio Engineering Laboratories, Inc., loser under the court's ruling.

The petition declares that the decision, written by Justice Cardozo, was based on an error of scientific fact, and that the court's holding as to presumption and burden of proof in patent cases "is a radical departure from the established rule" and unless corrected "will become a dangerous precedent."

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CENSORING BANNED BY FLORIDA JUDGE

An injunction was granted in the Federal Court at Tampa, Fla., ordering radio station WFLA, at Clearwater, to allow Morris Givens, candidate for State Attorney or someone designated by him to speak over the station four nights previous to the primary election June 26, without censoring the speeches.

Givens had been notified by WFLA, through Charles G. Baskerville by letter, that all remarks relating to Col. Peter O. Knight and C. Jay Hardee, who was named County Solicitor by Governor Sholtz after Givens had been ousted by the Governor, had to be deleted.

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MADRID TREATY NOW IN EFFECT

The International Telecommunication Convention of Madrid, 1932, and the General Radio Regulations annexed thereto, which were recently ratified by the United States, became effective June 12, 1934, superseding the International Radiotelegraph Convention and General Regulations of Washington, 1927.

Copies of the Convention and the Regulations may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C., at thirty cents per copy.

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PRESIDENT DELAYS SIGNING COMMUNICATIONS BILL

Although the Congressional Conferees agreed on the Bill Friday June 8th, and it was signed by the Speaker of the House and Vice-President Garner on Monday, June 11th, and supposed to have been sent to the White House on the same day, President Roosevelt at this writing,-- Tuesday afternoon, June 19th - has not yet signed the Communications Bill. No explanation was given for the delay except that the President has about two hundred bills to sign and has ten days from the date of passage of each in which to sign them. Evidently, it was explained, he has not as yet gotten around to the Communications Bill.

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SENATOR WARNS PRESS AGAINST WIRE-CONTROL BILL

The Communications Bill is the new wedge to censorship of the press in the United States, Senator Schall of Minnesota declared.

"Under its provisions a committee of Congress is to report back to the next session Roosevelt's idea of wire control. This bill places telegraph and telephone companies under the same restrictions as the radio. Everyone knows that the radio is censored by the Roosevelt administration", he continued.

"The President desires censorship even more than he did in the first session when he demanded passage of the Sumner bill which made publishers liable to \$10,000 fine and 10 years in prison for printing news matter not first approved by the President or his duly authorized agents. Even more now because if the truth is told to the people from now until election there will be returned an anti-Roosevelt Congress. Since the committee appointed under the Dill-Rayburn Bill will be named by his agents, its report can be forecast in advance as favoring censorship of press dispatches."

Whereupon Senator Robinson, of Arkansas, replied:

"I think I ought to take this occasion to say that from time to time the Senator from Minnesota (Mr. Schall) has been rising in his place here and making statements, or having read at the desk bitter and, in my judgment, unwarranted and unreasonable attacks on the President and on the administration for interfering with the freedom of the press.

"It is not appropriate to prolong the session of the Senate by a full discussion of this subject, but I do deem it proper to state that in my judgment there is no basis for the attack which the Senator from Minnesota has made and which he has so often repeated.

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"The President does not interfere with the press. I put in the Record the other day an article from the pen of Mr. Raymond Clapper, entitled 'Why Reporters Like Roosevelt', and in the course of that article it was disclosed that the President has won the esteem and the affection of press reporters in Washington.

"Neither the Congress nor the President has done anything to interfere with the freedom of the press. And that there is absolute freedom of expression here is evidenced by the fact that day after day the Senator from Minnesota has exercised that liberty to the extent that if he made anywhere else the statements which he makes here he would be liable to prosecution for libel or for slander."

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PRESIDENT WILL MAKE NO APPOINTMENTS UNTIL JUNE 26

It was said at the White House that President Roosevelt would not appoint the members of the new Communications Commission, or make any other appointments until he returns to Washington, Tuesday, June 26, prior to his departure for Hawaii.

In the meantime, conjecture is at a white heat as to who he may appoint. The favorites in the guessing match are Judge E.O. Sykes, the present Chairman of the Radio Commission; Capt. S. C. Hooper, Chief of Naval Communications; Col. Thad Brown, or Commissioner Harold A. Lafount (maybe both); Homer Hoch, of the Kansas Public Service Commission, and Milo R. Maltbie, Chairman of the New York Public Service Commission. It seems to be the opinion that Representative Prall, of New York, will be appointed to the new Commission. One interpretation of the Constitutional provision is that he will not be eligible to serve until January 1st when his Congressional term expires. A prominent lawyer in Washington declared yesterday that he believed Prall would be ineligible to serve at any time, himself (Prall) having been a member of the Congress which created the Commission.

Former Congressman John Edward Nelson, Republican, of Maine, is understood to have been among the latest candidates for the Commission proposed to President Roosevelt.

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RADIO MANUFACTURERS VOTE TO HAVE SEPARATE CODE

Unanimous decision of the radio industry to withdraw from the NRA Electrical Code and operate under a Radio Industry Code, featured the tenth annual convention of the Radio Manufacturers' Association at Chicago. An excellent, separate code for the Radio Manufacturing Industry was drafted, approved not only by the RMA Board of Directors, but also unanimously by its entire membership in convention session and is being submitted immediately to the National Recovery Administration at Washington.

A Committee of leading radio manufacturers was appointed to present the new Radio Industry Code to the NRA. Capt. William Sparks, of Jackson, Michigan, is Chairman, and James M. Skinner, of Philadelphia; A. S. Wells, of Chicago, S. W. Muldowny, and Arthur Moss, of New York, are members of the Code Committee.

Leslie F. Muter, of Chicago, former Vice-President and Treasurer, and for many years a Director of the RMA, was elected President of the Association for the ensuing year.

The Vice-Presidents of the RMA are Arthur T. Murray, of Springfield, Mass., now NRA Code Supervisory Agency for receiving sets; S. W. Muldowny, of New York, NRA Code Supervisory Agency for tubes; Arthur Moss, of New York, and Richard A. O'Connor, of Fort Wayne, Ind..

New members elected to the RMA Board of Directors are Benjamin Abrams, of New York; Dr. W. R. G. Baker, of Camden, N. J., and Paul V. Galvin, of Chicago; Ben G. Erskine, of New York, and J. C. Warner, of Harrison, N. J., and N. P. Bloom, of Louisville, Ky.

Bond Geddes was reelected Executive Vice President and General Manager and also Secretary of the Association, and John W. Van Allen, of Buffalo, New York, General Counsel.

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NEW YORK NEWSPAPER GRILLS COMMISSION

As a follow-up of the letter which appears on pages 3 and 4 of this issue, addressed to the Federal Radio Commission by Ogden Reid, Editor of the New York Herald-Tribune, the Herald-Tribune, beginning Monday, June 18th, started a daily series of four articles attacking the Commission on its alleged methods of censorship. Extracts of these articles will appear in our next issue.

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N. Y. MAYOR PUTS WNYC ON PROBATION

Mayor LaGuardia has given Station WNYC, the New York Municipal Station, until January 1st to justify its existence. Apparently he had thought of abandoning the station. The Mayor expressed displeasure over advertising he heard in a program and said that he objected to the city selling advertising time. Several offers had been made to him by private interests desiring to acquire the station, Mayor LaGuardia said.

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RMA OPPOSES LABOR LEGISLATION

The Radio Manufacturers' Association joined with the National Association of Manufacturers and other organizations in successfully preventing action, before Congress adjourned, on the Wagner Labor Bill. Chairman Paul B. Klugh, of the RMA Legislative Committee, brought the original Wagner Bill before the Association's Board of Directors on June 11 and telegrams of protest were sent to Vice President Garner and Speaker Rainey for consideration of the Congressional Committees.

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I. T. & T. IN QUARTER EARNED \$898,767

The International Telephone and Telegraph Corporation reported last week for the first quarter of 1934, a consolidated net income of \$898,767 after all charges, taxes and depreciation. This was equal to 14 cents a share on 6,399,002 no-par capital shares in the hands of the public. It contrasted with a net loss of \$854,251 for the same period of 1933. Net profit in the final quarter of 1933 was \$933,348.

Notes and loans payable to banks were reduced about \$2,300,000 between January 1, and May 31, amounting to \$32,419,400 at the latter date, the statement said.

Gross earnings for the first quarter were \$20,047,078, against \$15,539,853 for the 1933 period. Of the total in the first quarter this year, \$17,960,590 consisted of operating revenues of communications companies and gross profits on sales of manufacturing companies; \$1,056,596 was interest and dividends received from the Spanish Telephone Company, and the balance was other interest, dividends and miscellaneous revenue.

Operating expenses were \$16,012,578, compared with \$13,550,023 in the 1933 period, leaving net earnings of \$4,034,499 against \$1,988,930 for the first quarter last year.

The Postal Telegraph and Cable Corporation reported a loss of \$176,710 for the first quarter of 1934, comparing with a loss of \$766,833 in the same period last year. Gross earnings were \$7,234,763, against \$6,230,668, and net earnings after taxes and depreciation were \$529,706, contrasted with an operating loss of \$79,028 a year before.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

WCBD, Wilbur Glenn Voliva, Waukegan, Ill., authority to use transmitter of WMBI at Addison, Ill., for period not exceeding 90 days, while repairing own transmitter; WINS, American Radio News Corp., New York, modification of license to increase power from 500 w. night, 1 KW day, to 1 KW day and night (no change in hours of operation); KTSA, Southwest Broadcasting Co., San Antonio, Texas, special authority (experimental) to change frequency from 1290 kc. to 550 kc., and increase day power from 1 KW to 2½ KW for period ending October 1, 1934; WGST, Ga. School of Technology, Atlanta, Ga., modification of license to increase power from 250 watts night, 1 KW day, to 500 w. night, 1 KW day; KGER, Cons. Broadcasting Corp., Ltd., Long Beach, Cal., C.P. to move transmitter locally and make changes in equipment; KLUF, Geo. Roy Clough, Galveston, Texas, special experimental authority to increase daytime power from 100 to 250 watts, for period of 6 months;

Also, WSMB, WSMB, Inc., New Orleans, La., modification of license to increase power from 500 w. to 1 KW; KGGF, Powell & Platz, Coffeyville, Kans., special temporary authority to operate Tuesdays and Thursdays from 7:15 to 9:15 P.M. Wed. from 8:15 to 9:15 P.M. CST, for period July 8 to August 7, 1934, provided WNAD remains silent; KFJB, Marshall Electric Co., Inc., Marshalltown, Ia., special temporary authority to operate from 9 A.M. to 12 noon; 3 to 6 P.M. and 9 P.M. to 12 midnight, CST, June 26 and 27; WHAT, Independence Broadcasting Co., Inc., Philadelphia, Pa., special temporary authority to remain silent from 5 P.M. to 12 midnight, EST, July 4.

Also, Elmira Radio Amateur Association, Edward Lewis, President, Big Flats, New York, C.P. and license (General Experimental) 31600, 35600, 41000 kc., 5 watts power; Same - Portable & Mobile, license (general experimental) same frequencies as above, 20 watts power; Same - in a Glider, 8 licenses, same frequencies as above, 1 watt power; Ralph W. Kenyon, Portable - Mobile, two C.P.s frequencies 31600, 35600, 38600, 41000 kc., .5 watts, also licenses covering same; Greenleaf Whittier Pickard, Seabrook Beach, N. H., C.P., frequencies 41000, 53000, 60500 kc., 2 watts power; City of Richmond, Va., Dept. of Public Safety, C.P. for emergency police service, 2450 kc., 150 watts; KGHU, City of Austin, Texas, Police Dept., C.P. emergency police service to increase power from 25 to 100 watts; KGZA, City of Fresno, Fresno,

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California, C.P. to increase power from 100 to 500 watts; Sun Oil Co.: KILM, Portable (Shooting Station), geophysical license, 1652 kc., 5 watts, A1 and A2 emission; KILG, Portable #1, same, except A1 emission only; KILH, Portable #2, and KILI, Portable #3 geophysical licenses, 1652 kc., 5 watts, A1 emission only; W2XDK, Central Hudson Gas & Electric Corp., Portable, license, 31600, 35600, 38600, 41000 kc., 20 watts; also granted modification of C.P. to increase power from 5 to 20 watts and change frequencies from 60000-65000 kc. to 31600, 35600, 38600, 41000 kc.; W3XH, City of Ventnor City, Portable-Mobile, general experimental license, 30100, 33100, 37100, 40100, 86000-400000, 401000 kc., and above, 4.5 watts.

Also, Press Wireless, Inc.: WJM, WRDB, Press Wireless, Inc., Washington, D. C., modification of C.P. extending completion date from July 1, 1934 to Jan. 1, 1935; WAFJ, WAFN WHT WHV WHY WAFM WHS WHU WHX WJA WJC, Same, near Elgin, Ill., extension of completion date from July 1, 1934 to Jan. 1, 1935; New - San Francisco, Cal., license to use transmitter already licensed under call letters KJAD, KMB, KJJ, KOP, 13790 and 13840 kc., 1500 watts; New - Same except 17440 kc., 1500 watts; WAFH, Hicksville, N. Y., modification of license to add as secondary point of communication any multiple address receiving range of this station within the continental limits of U. S. and Canada; Same for WCX, and WJS.

Also, Globe Wireless, Inc.: KDO, Keana Point, T. H., KGH, Musselrock, Cal., KRS, Cypress, Cal., KVS, Edmonds, Wash., modification of license to add frequency 9365 kc.; also same stations plus KFU, Guam, M. I., and WGP, Garden City, L. I., except to add frequency 18730 kc.; WLOXAP, National Broadcasting Co., Inc., Portable-Mobile, modification of license to add frequency 27100 kc.; WLXW, Albert F. Sise, Milton, Mass., renewal and modification of license, change in class of station from general to special experimental so station may continue on frequency 60600 kc., 50 watts.

Miscellaneous

WIBG, WIBG, Inc., Glenside, Pa., granted regular license to expire Nov. 1, 1934. Application for renewal was designated for hearing on April 27, because of pending application of Chas. Dixon Gentsch which has just been dismissed; Martin C. McIntyre, Bradford, Pa., C.P. for new station, 1420 kc., 100 w. unlimited time, heretofore designated for hearing, was dismissed at request of applicant; General Television Corp., Boston, Mass., C. P. (Exp. Serv), heretofore set for hearing, was dismissed at request of applicants.

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