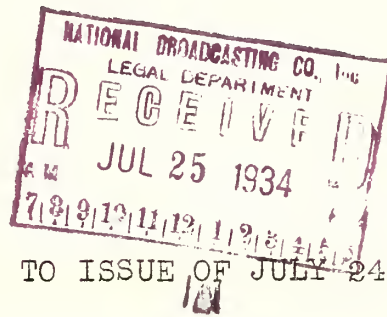
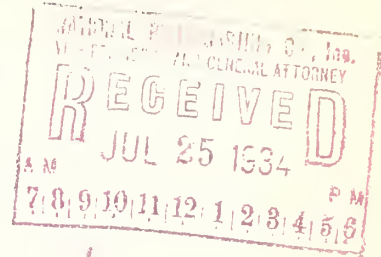


HEINL RADIO BUSINESS LETTER

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No. 743

BROADCAST ADVERTISING GAINS SUBSTANTIALLY

Gross sales of time over broadcasting stations and networks during May just reported on by the National Association of Broadcasters, amounted to \$6,922,395, a gain of 3.8% over the April level and closely approximating the March high point. Seasonal trends were in part offset by a cyclical upswing in various parts of the industry. National network declines were less than the usual amount to be expected at this time of the year. Individual stations revenues increased 9.7% partly due to seasonal and partly to cyclical reasons. Local station advertising rose 21.3%.

All sections of the country experienced gains in volume of non-network business, the heaviest increases occurring in the East and Middle West. Stations in the 5,000 watt and over class experienced an 11.7% increase in revenues, all other stations gaining except those in the 100 watt class. Electrical transcription volume dropped 15.9% due to national spot declines, while live talent volume rose 25.3%, marked gains occurring on both the national spot and local fields. This trend seems to indicate that the truly national users of spot broadcasting, who most consistently employ electrical transcriptions, are beginning to withdraw for the summer season.

Marked gains were experienced in a number of fields of sponsorship. Heaviest gains included a 23.1% rise in beverage advertising, an 18.8% increase in department and general store advertising, and marked rises in the automotive, accessory, soap and household supply and amusement fields. The automotive rise was due to a 60.7% in national spot business in this field. Amusement advertising, almost exclusively local rose 66.4% as compared with April. The May advertising follows:

National networks	\$3,728,481.00
Regional networks	44,559.00
Individual stations	<u>3,149,090.00</u>

Total \$6,922,395.00

Season tendencies are in evidence, though they are partly offset by a general seasonal upswing. The national network decline is considerably less than normal for May. On the other hand the 9.7% increase in individual station non-network revenue is probably considerably more than normal, station revenue seemingly tending to rise during May due to seasonal reasons. The individual station rise has been due to a 21.3% increase in local radio advertising sponsorship as compared with April. Regional network volume decrease approximately 28% due mainly to seasonal forces. National network volume during May is especially encouraging being 2.6% ahead of May 1932, and 64.0% higher than May, 1933.

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CAPT. SPARKS LEADS FIGHT FOR RADIO MANUFACTURERS' CODE

With the same assurance with which he commands his famous company of Zouaves, Capt. William Sparks, of Jackson, Mich., led a spirited fight for a separate Code for the Radio Manufacturers at the public hearing in Washington yesterday (Monday, July 23). Captain Sparks, dressed in a white linen suit, the only person in the room who kept his coat on during one of the Capital's hottest days, sat calmly in the thick of the fray, listening intently and seldom taking his eyes from his opponents.

At present the radio manufacturers are operating under the Electrical Code, the same as that governing the National Electrical Manufacturers' Association. In the effort to withdraw from the Electrical Code, Captain Sparks, as Chairman of the RMA Code Committee, met with opposition from representatives of the Electrical Manufacturers' Association so strong at the hearing that at times the exchanges became highly acrimonious.

Bond Geddes, Executive Vice-President of the RMA, and John W. Van Allen, General Counsel of the Association, likewise participated in the fireworks. A flareup between Mr. Van Allen and Frances E. Neagle, counsel for NEMA, caused by Judge Neagle turning on the former with, "Will counsel please quite interrupting me?" had to be calmed down by Deputy Administrator Cowling.

Among those in attendance representing the radio industry were A. S. Wells, Chicago, of the Wells-Gardner Company; Arthur Moss, New York, Electrad Company; Leslie F. Muter, President of the RMA; Arthur T. Murray, Springfield, Mass., United American Bosch Company; H. E. Ellig, Cincinnati, Crosley Radio Corporation; H. H. Eby, Philadelphia, Eby Company; George B. Deming, Philadelphia, Philco; and Fred D. Williams, Indianapolis, past President RMA.

A number of telegrams addressed to Col. J. G. Cowling, Deputy Administrator, who presided at the hearing, were received from concerns favoring a separate Code for the radio industry. Among these were Atwater Kent, American Electric Metal Corporation, Hammerlin Mfg. Co., Pilot Radio Corporation, Ferguson Radio Corporation, Fairbanks Morse Home Appliance Division, R. K. Laboratories, Stewart-Warner, and the Continental Carbon Co.

The meeting was recessed subject to the call of the Administrator at about five o'clock in the afternoon, after having continued all day. No one would venture a guess as to when the NRA officials might reach a decision but the general opinion seemed to be that it would be at least two weeks and maybe considerably longer.

One got the idea, listening to the testimony, that the Electrical manufacturers were trying to use the Code Administration as a lever to increase their membership. At any rate,

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there were echoes of old differences which the two associations seemed to have had. Captain Sparks was heard to remark, "This is really a divorce trial." The analogy was completed by Mr. Geddes, who said, "RMA wants a divorce from NEMA and they will not give it to us."

Captain Sparks said that RMA membership numbers 110 companies and there are approximately 100 or more (mostly small) non-member concerns. By volume of sales the membership of the Radio Manufacturers' Association represents at least eighty to eighty-five per cent or more of domestic manufacturers of various radio and television products. Annual sales volume (retail value) of the industry's products in 1933 were over \$200,000,000. Between 40,000 and 50,000 persons are now employed in the industry.

The Jackson radio manufacturer took issue with NEMA by declaring that several years ago the organization voluntarily and entirely withdrew from the radio industry and has carried on no radio activities or services to members until it secured authority under the Code.

"The Radio Division of the NEMA was formally abolished about four or five years ago after negotiations between committees of NEMA and RMA", Captain Sparks continued. "Its original Radio Division never had more than twenty-five or thirty members as against a peak of 340 members in the RMA during the prosperous era of a few years ago. The only service ever instituted and not completed by the Radio Division of NEMA was partial work on radio standards, an unsuccessful attempt to secure industry statistics and an unsuccessful attempt to hold radio trade show exhibitions. The existence of the Radio Division was such a point of conflict between NEMA and RMA that in the interest of harmony between the electrical and radio industries and after negotiations of the joint committees, the NEMA Board of Governors abolished the NEMA Radio Division and entirely withdrew NEMA from all interests or activities in the radio industry, since left entirely to the jurisdiction and service of the RMA."

"We cannot now be said to be a self-governing industry because the Code Authority of the Electrical Manufacturing industry is the National Electrical Manufacturers' Association upon whose board the radio industry has no representatives nor do we have any voice in our own destination, nor vote in connection with any Code matters or its administration, the final authority resting with an Association with which we have no problems in common, nor would it be possible for the radio industry when combined with such large and diverse products as represented in the National Electrical Manufacturers' Association, to be any more than a small minority with no final authority in the determination of its own self-government. We would be but one of many (approximately 160) sections and groups."

Captain Sparks said that of 460 Codes, less than 30 were under 40 hours, yet the radio industry has to compete with this condition.

Mr. Cowling had read into the record a letter from former Deputy Administrator Allen in which he flatly denied ever having threatened the industry with an 18 or 21 hour week or that he ever used any "undue" influence to persuade them to place themselves under the Electrical Code, as Captain Sparks charged.

"The Radio Manufacturing Industry", said W. J. Donald, Executive Secretary of the Electrical Code, "and the definition proposed by the Association in a code which they propose to submit, providing they secure exemption from the Electrical Code, would make their Code a horizontal one, which would cut across the electrical manufacturing industry and also the furniture manufacturing industry in particular and a number of other codes such as metal stamping, screws, molded products, etc."

Mr. Donald said a substantial number of radio manufacturers would be adversely affected having to operate under two codes. He said the Radio Manufacturers' Association devoted itself almost entirely to trade shows and manufacturers exhibits.

"The RMA is not an industry", Mr. Donald declared, "but an aggregation of employers trying to take jurisdiction over products of the electrical and furniture industries. It takes more than a group of employers to constitute an industry. Without the cooperation of the electrical industry, the so-called radio industry could not exist."

Mr. Donald said the present Electrical Code was less expensive for the radio manufacturers than a separate Code would be. He criticized the "Buy RMA" campaign.

Judge Neagle, for NEMA, opened by attacking the annual sales volume of the industry, set at \$200,000,000 by the members of the Association. That, he said, was the retail volume and computed the sales volume of the manufacturers as about \$61,000,000.

He charged more than once that the statements in the proponent brief were misleading and said once, "RMA should be ashamed of itself for making such statements."

Judge Neagle submitted that 60 percent of everything in a radio set is electrical.

"All the RMA is, is an assembler of products", Judge Neagle went on. "Of the 30 members of the RMA Board, 23 are small or medium sized manufacturers. The difficulty is not with the Electrical Code but with RMA's desire to get out from under."

"RMA is not in any sense representative of the parts going to make up a radio set. NEMA, on the other hand, is representative of the parts which go to make up a set."

To the latter Judge Van Allen, for RMA, shot back:

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"I assume the NRA Board hearing this case is not so stupid as to know what Atwater Kent makes, what Crosley makes, and what RCA Victor makes!"

"If RMA became a subdivision of NEMA, what autonomy could you give it", Deputy Administrator Cowling inquired.

"There is no method to provide for membership by associations", Judge Neagle replied. "A section of NEMA is largely autonomous and largely operates as a trade association.

David A. Trilling, of Philadelphia, President of the Radio Wholesalers, urged that the exemption be granted RMA for the sake of the whole industry.

Joseph G. Mitton and Samuel Nesin, speaking for organized labor in the industry, also urged approval of the exemption request, basing their pleas on the wage provisions of the Electrical Code, and making it evident that they hoped for better minimum wage provisions from a code to be submitted by the radio manufacturers if their exemption request is granted.

W. C. Holden, speaking for the Metal Trades Division of the American Federation of Labor, urged a separate code on the grounds that such an all-embracing code as that for the electrical industry did not provide for adequate protection for labor in any subdivisions which might be formed.

Mr. Geddes, in response to questions by the Deputy Administrator, estimated that the difference in cost of code administration to his industry as a separate entity or as part of the electrical industry was the difference between \$45,000 and from \$100,000 and \$150,000.

A. T. Murray, administrative officer for the radio group, told Mr. Cowling that he had been one of those at first in favor of placing the industry under the Electrical Code, but that the past nine months have shown him his mistake. Speaking of the cost of code administration, he stated emphatically that there would have to be rank extravagance if the annual cost of administering a code for the radio manufacturing industry was to exceed \$5,000.

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WORLD HAS 42,540,239 RADIO SETS; 18,500,000 IN U. S.

The United States far outdistances any other world political subdivision in the number of radio broadcasting stations and radio receiving sets being credited with 585 of the world's 1,497 medium wave stations and 18,500,000 of the estimated 42,540,239 radio receiving sets throughout the world, according to a study by Lawrence D. Batson, Electrical Equipment Division, Department of Commerce.

The regional distribution of radio receiving sets throughout the world shows North America first-ranking with a total of 19,769,045. Europe is second-ranking with 18,594,605 sets and is followed in order by Asia, 1,982,712; South America, 909,867; Oceania, 639,338; Europe-Asia (Russia and Turkey) 605,500; and Africa, 93,072.

The United Kingdom with 6,124,000 radio receiving sets ranks second to the United States and is followed by Germany with 5,424,755; Japan, 1,739,160; France, 1,554,295; Canada, 1,100,000; Spain, 700,000; Sweden, 666,368; Czechoslovakia, 620,000; Argentina, 600,000; Russia, 600,000; Denmark, 551,681; Austria, 507,459; and Australia, 500,341.

Medium wave broadcasting stations are shown by the study to number 805 in North America; 215 in Europe, 199 in South Africa; 115 in Asia; 94 in Oceania; 52 in Europe-Asia; and 17 in Africa.

Canada is showing ranking next to the United States in the number of stations operated with 75 being credited to the province. China is shown with 72 stations and is followed in order by Mexico, 64; Australia, 61; Chile, 57; Russia, 52; Cuba, 49; Brazil, 42; Argentina, 40; Uruguay, 35; New Zealand, 32; France, 29; Sweden, 28; and Germany, 26.

The study records the existence of 140 short wave broadcasting stations throughout the world.

Figures for radio receiving sets used in the study are trade estimates and are believed to represent a possible minimum. Mr. Batson stated that it is believed impossible to arrive at a strictly accurate figure for receiving sets because of the use of many unlicensed, and consequently unrecorded, receiving sets in those countries where a listeners' license is required.

Exports of radio equipment from the United States during 1933 were valued at \$16,125,729, Commerce Department statistics show.

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COMMISSION PERSONNEL CHANGES MAY GO OVER UNTIL AUGUST

Due to the fact that Commissioner Paul Walker has gone to his home in Oklahoma and probably because of the absence from the city of Postmaster General Farley, who generally approves patronage positions, it is believed that further major changes in personnel at the Federal Communications Commission will not be made before August 15th.

This will no doubt include the appointment of aides by Paul Spearman, General Counsel, Herbert L. Pettey, Secretary, and the position of Director of the Broadcasting Division. Also the question as to whether or not Dr. C. B. Jolliffe will be appointed to Chief Engineer of the Commission still remains in status quo. Regardless of the political angle, it is not believed any important appointments will be acted upon during the absence of Commissioner Walker.

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BROADCASTING DIVISION ACTS ON ROUTINE MATTERS ONLY

No matters of policy were taken up by the Broadcasting Division of the Federal Communications Commission at its meeting Tuesday. The Division confined itself entirely to the consideration of routine applications and took the following action:

Applications Granted

WLBL, State of Wisconsin, Dept. of Agr. & Markets, Stevens Point, Wis., modification of license to change hours of operation from 6 A.M. to 12 M. to: 8 A.M. to 12 M.; KGNF, Great Plains Broadcasting Co., N. Platte, Neb., authority to install automatic frequency control equipment; KSD, The Pulitzer Publishing Co., St. Louis, Mo., authority to determine operating power by direct measurement of antenna; Westinghouse Electric & Manufacturing Co., (New), Pittsburgh, Pa., C.P. and license (Spec. experimental), 60000 kc., 150 watts.

Action On Examiners' Reports

New, E. L. Landsberg & K. V. Martin, Las Vegas, Nevada, denied C.P. for new station to operate on 1420 kc., 100 watts, unlimited time, sustaining Examiner R. L. Walker; KGIX, J. M. Heaton, Las Vegas, Nev., granted renewal of license to operate on 1420 kc., 100 watts, specified hours, Examiner Walker sustained; New, Frank Wilburn, Prescott, Ariz., denied C.P. for new station to operate on 1500 kc., 100 watts, unlimited time (facilities of KPJM), sustaining Examiner Walker; KPJM, d/b as Scott & Sturm, Prescott, Ariz., renewal of license granted, 1500 kc., 100 watts, unlimited time, Examiner Walker sustained.

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GROUND BROKEN FOR NEW WOR 50 KW PLANT

Ground was broken for the new WOR 50,000-watt transmitter at Carteret, N. J., yesterday, July 23. Employing a crew of sixty mechanics and technicians in its construction under direction of J. R. Poppelle, Chief Engineer of WOR, the plant will be ready to go on the air toward the end of November. Engineering surveys concluded after months of research indicate that the \$300,000 station will have three times greater coverage of large population areas.

The site adjacent to the Rahway River, is twelve miles from Newark, and eighteen miles from Columbus Circle, N. Y.

The building, a one-story structure 60 foot by 66 feet, will house in addition the 5,000-watt set now in use, for auxiliary purposes, airway radio-beacons and a short-wave transmitter.

Two radio towers, each 385 feet high, form what is known as a "three array" antenna system, a new development having its first application in other than short-wave transmission at this time. One tower is located in Carteret and the other in Woodbridge. They will be equipped with special lights approved by the Department of Commerce to guide aviators. On the roof of the building is to be an electric sign, visible for miles, also to guide fliers, bearing the letters, "WOR, Carteret, N. J.", and an arrow pointing due north.

The entire plant, including aerial and ground installations, will occupy thirty-four acres. The network of ground wires also will cover ten acres, part of which will be laid in the Rahway River.

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URGES SYNCHRONIZED BROADCASTING

Expressing the hope that the new Communications Commission will be more receptive to new ideas and technical developments than was the old FRC, O. H. Caldwell, former Radio Commissioner advocates the synchronization of broadcasting stations.

"Today equipment is all ready, complete experiments have been made, and several successful individual installations are in use", Mr. Caldwell said. "Synchronizing is now a demonstrated fact.

"Synchronizing, indeed, seems the only ultimate avenue for solution of a whole group of problems that are facing broadcasting. Here are some of the needs for which synchronizing

supplies prompt answers:

"Wider channels (15 to 20 kc.) for high-fidelity broadcasting; Efficient use of broadcast channels; Channels to meet demands of Canada, Mexico and Cuba; Common-frequency broadcasting by chain stations with high fidelity; Positions in the spectrum for stations requiring good local coverage; Higher wattage on channels, but distributed among synchronized transmitters.

"In fact, all the present 'headaches' of broadcasting seem to find their solution in this panacea of synchronizing, intelligently applied."

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BIG ROUNDUP FOR RANCH HOUSE STUDIOS DEDICATION

Styled the "First Roundup", 4,000 persons helped dedicate the new Ranch House studios of Station KRGV, at Weslaco, Texas. The station crew was in appropriate regalia, with a "chuck wagon" and all of the things to make a true Western setting. Needless to add, this included six shooters, chaps, spurs, 2-gallon hats, lassos, and everything necessary for riding herd.

"Great interest has been displayed in the station since the move, and a nice increase in business has already been evidenced, to say nothing of the clearly improved financial condition this move placed us in", M. S. Niles, President of KRGV writes, sounding an optimistic note. "Barring any more catastrophies, such as floods and hurricanes, and with the gradually improving economic conditions, we feel that KRGV will again come into its own now as it is in smooth water.

"At the present time, the cotton crop of the Lower Rio Grande Valley looks the most promising of any we have had in eight years, and if we can escape any heavy rains from the next four to six weeks, this crop will tide us over nicely through the Summer."

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The studio building of STAR, Norfolk, Va., was all ready for NBC even before the station became associated with the networks. Door panels and elevator boys' uniforms alike were adorned with NBC monograms. Advance information of the coming network affiliation was not the cause, however. It was due to the fact that the new studios of WTAR are located in the National Bank of Commerce building in Norfolk.

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PROVIDE PRINTING SYSTEM FOR POLICE RADIO

At a meeting of the Radio Club of America in New York, the first public disclosure of a simple automatic printer for police radio service was made by W. H. G. Finch.

Mr. Finch's work has developed out of his extended research into printing telegraph systems for the daily newspapers which have in successful operation a number of radio circuits on a basis providing competition with existing wire circuits, transmitting daily thousands of words of press matter.

The device of particular interest to police, or other mobile services, because it provides a permanent record, is a printer weighing 8 pounds, operating from the 6-volt automobile car battery, printing 35-40 words per minute on a tape. Thus the officer in the car need not worry about local audible interference; and his memory need not be taxed or handicapped by other local circumstances. This device, when properly actuated by the distant transmitter, will print out the message from headquarters and retain it as permanent proof that it was actually received in the car.

This printed tape record, proceeding behind a simple lens or other projection system, is magnified so that it can be easily read by those in the police car.

Signals from the transmitter, which need be no more powerful than present voice-modulated apparatus, may be coded automatically, changed from day to day if desirable, and decoded automatically at the receiver in the mobile installation. Others listening in could not unravel any of the messages from headquarters, insuring secrecy with advantages to the police system that are obvious.

The applications, as an automatic printer, to the dissemination of weather reports to aircraft in flight, or to inter-vessel communication in a fleet, such as the fishing fleet off Grand Banks, or among Naval vessels or Army networks -- in other words to all mobile or stationary points to which teletype might be employed are but natural extensions of the police radio usage.

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MAY ASK CODE AUTHORITY TO STOP SONG PLUGGING GRAFT

The Music Publishers' Protective Association has carried its campaign against song plugging bribery to the band leaders themselves, Variety asserts.

"John G. Paine, Chairman of the MPPA Board, has notified some 15 bandmen that unless they cease the practice of insisting on gratuities for playing a tune over the air, complaints against them will be filed with the Radio Code Authority and stations through which they clear their programs", the theatrical magazine goes on.

"In his letter to these leaders, Paine declared that unless he was immediately assured, in writing, that they were prepared to cooperate with the publishers toward the elimination of bribery practices, he would take whatever enforcement steps he deemed necessary under clause 4a of the trade practice provisions of the Radio Code. This clause stipulates that 'no broadcaster or network shall accept or knowingly permit any performer, singer, musician, or orchestra leader to accept any money, gift, bonus, refund, rebate, royalty service, favor or any other thing of value from any music publishers, composer, author, copyright owner, or the agents or assignees of any such persons, for performing, or having performed, any musical or other composition for any broadcaster or network when purpose is to induce such persons to sing, play or perform, or to have sung, played or performed such works.'"

Still aiming to curb song plugging, the Music Code to be considered at the hearing July 26, would prohibit series of hotly-argued trade practices over which wide disagreement developed last year. Proposed agreement would bar publishers from paying for plugging; purchasing of benefit tickets or advertising for purpose of influencing performers to plug songs; publishing special arrangements without written okay of copyright owners; paying royalties to performers who are not bona fide composers, arrangers or writers; publishing books, pamphlets or sheets of songs or lyrics without special permission of various copyright holders, and from abusing privilege of sampling.

Two code authorities would be established to heal the breach between major factions, each having five members. A co-ordinating committee would be composed of two members from standard and two from popular divisions with a fifth member named by this group, forming a super-code authority.

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