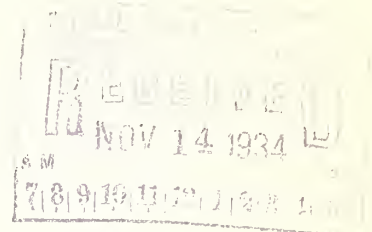


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

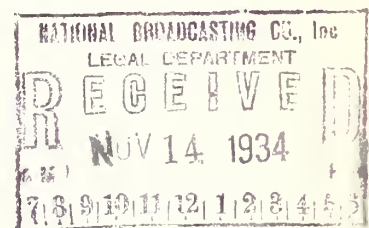
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INDEX TO ISSUE OF NOVEMBER 13, 1934.

Will Let British Try Television First.....	2
Results Considered Favorable At Lisbon Radio Conference.....	3
Increasing Popularity Of Radio In Mexico Reported.....	4
Radio Advertising Picks Up In September.....	5
Calls NRA Collapsed Balloon.....	6
Short Waves Efficient For Long Freight Trains.....	7
Educational Hearings Close - Labor Withdraws Resolutions.....	8 ✓
Clear Channels May Or May Not Be Broken Down.....	10 ✓
Canada Restricts News Broadcasts To One A Day.....	11
Hearing And Oral Argument Before FCC Telephone Division.....	11
Applications Granted By The FCC Broadcast Division.....	12

No. 774



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November 13, 1934.

WILL LET BRITISH TRY TELEVISION FIRST

At a dinner in Washington which the members of the Federal Communications Commission gave in honor of the four leaders in the communications field of Great Britain, who are visiting in the United States to study television, Judge E. O. Sykes, Chairman of the Communications Commission, said: "If you start television over there before we do here, we'll wait and profit by your mistakes."

The visitors said that Great Britain had immediately before it the question as to whether the country would or would not go in for television at this time. They explained that the erection of television stations were being contemplated by several European countries and the matter was up to them whether or not they would meet this competition.

If they decide to begin television, then comes the question as to how it is to be financed, "who is to pay the freight". Before making the big decision the committee was sent to this country to see how we were progressing with television and, if possible, to ascertain our plans for its development.

The Britishers, at the dinner, brought up the matter of international radio conferences past and present and felicitated us on the fact that the English speaking people had always stood together on these matters at Madrid and elsewhere, and expressed the hope that they would continue to do so. They assured us that we would continue to receive the moral support of the British nation.

It was made known at the dinner that the United States would be represented for the first time in all three branches of communications - radio, telegraph and telephone - at the International Communications Conference at Cairo, Egypt, next year.

The British delegation was composed of Lord Selsdon, F. W. Phillips, Col. A. S. Angwin and N. Ashbridge, of London, members of the Public Communications System of Great Britain, and the British Broadcasting Co., which is Government controlled.

Col. Thad H. Brown, Vice Chairman of the Broadcast Division of the U. S. Federal Communications Commission, was Chairman of arrangements for the dinner. Other members of the Commission present were Paul A. Walker, former Gov. Norman F. Case, of Rhode Island, Dr. Irvin Stewart, George Henry Payne and Hampson Gary.

The company present included also Paul D. P. Spearman, General Counsel of the Communications Commission; Dr. C. B. Jolliffe, Chief Engineer; Herbert L. Pettey, Secretary, and the

following other Commission officials: J. B. Reynolds, George Porter, Gerald Gross, Joseph E. Keller, Theodore Bartlett, John Hassler, John Killeen, Robert Bartley, Andrew Ring, A. G. Patterson, Lieut. L. K. Jett, U.S.N., W. G. H. Finch, Arnold C. Hansen, William D. Terrell, Capt. E. M. Webster, U.S.N., Judge Frank Roberson, William Massing and Henry M. Berry.

The British visitors spent two hours with Dr. Jolliffe and went into the technical details of our broadcasting system most thoroughly. Before coming to Washington, they visited the television laboratory of the RCA Victor Company at Camden, and were shown through the plant by David Sarnoff.

In New York, Lord Selsdon expressed surprise at the comparative cheapness of good American radio sets. He estimated that instruments of equal value would cost almost double in England.

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RESULTS CONSIDERED FAVORABLE AT LISBON RADIO CONFERENCE

Nearly all the United States delegates and company representatives to the third meeting of the CCIR (International Technical Consulting Conference) at Lisbon have now returned. Dr. J. H. Dellinger, of the U. S. Bureau of Standards, Chairman of the delegation, and most of his staff landed in New York from the "SS Manhattan" last Thursday, while J.C. McNary, National Association of Broadcasters' representative, and several others, landed at the same time from the "SS Saturnia."

The United States delegation was successful in many of its efforts to prevent the adoption of opinions by the conference which might not have been in complete agreement with our present practices. Our delegation had very little of a constructive nature to gain at the conference, but was vitally interested in a number of proposals which were considered by the various interests affected, as objectionable. No opinions were adopted on the subject of broadcasting which could be considered not in accord with present U. S. practices, although some of the original proposals were somewhat at variance with our position.

Among the subjects discussed, resulting in formal opinions, were single side band transmission for broadcasting, directive antennas, anti-fading antennas, frequency separation between broadcasting channels, short-wave broadcasting channels, wave propagation curves for all frequencies including broadcasting frequencies, receiver stability and selectivity characteristics, synchronized broadcasting, and standard frequency transmission. A number of other subjects were considered and resulted in additional formal opinions thereon.

The United States representation was characterized by almost complete agreement among the several delegates and company representatives on nearly all subjects. An exception was that of single side band transmission for broadcasting, which received the support of the American Telephone & Telegraph Company, although opposed by the National Association of Broadcasters.

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INCREASING POPULARITY OF RADIO IN MEXICO REPORTED

Improved economic conditions, better radio programs, and more continuous service rendered by local broadcasting stations have resulted in substantially expanding the market for radio receiving sets in Mexico, according to a report from Assistant Trade Commissioner R. Horton Henry, of Mexico City.

Imports of radio sets into the Republic in 1933 registered a 70 per cent increase over the preceding year, it is pointed out. During the first half of the current year United States exports of radio receiving sets to Mexico amounted to 17,445 units against 15,347 units for the corresponding period of 1933. American manufacturers hold a predominant position in the Mexican market, supplying in 1933 over 99 per cent of total sets imported.

The activities of Mexico's domestic radio industry are restricted to the construction of cabinets for imported chassis, and although this is a comparatively recent development, the production of cabinets of domestic manufacture has assumed considerable importance and is rapidly increasing. It is not unlikely, the report states, that in the near future Mexican-made cabinets will almost entirely displace the imported cabinets for the low and medium priced sets.

There is practically no demand at the present time in Mexico, according to the report, for crystal sets and the sale of battery sets is confined to districts where electric current is not available. The last two years have witnessed a notable increase in the sale of all-wave receiving sets, it being estimated that approximately 50 per cent of the current demand is for the all-wave receiver. Although the number of automobile sets in use is still limited, their popularity is growing and an increasing number of new taxis are being equipped with this service.

There are 58 broadcasting stations officially listed in Mexico, the report shows, with 16 of these stations located in Mexico City. Mexico's capital city, it is pointed out, having an altitude of more than 7,000 feet, offers an ideal location for broadcasting stations. It is reported that reception from even the low-powered stations of Mexico City is clear in certain sections of the United States, particularly in the Mississippi Valley.

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11/13/34

RADIO ADVERTISING PICKS UP IN SEPTEMBER

Broadcast advertising improved materially in volume during September. Total time sales amounted to \$4,576,223, a gain of 16.5% over August. Network advertising rose 13.8% during the month, regional network advertising 35.6%, national spot volume 30.3% and local broadcast advertising 13.1%.

Though the majority of this rise is due to seasonal factors, part of it is a reflection of fundamentally improved business. The September gain over the preceding month was considerably greater than in 1933, when an increase of but 6.9% was experienced.

Broadcast advertising during September of the current year was 15.7% greater in volume than in the same month of 1933. National network revenues were 21.7% above the 1933 level, regional network volume almost double, national spot advertising 19.5% greater, and local broadcast advertising approximately the same as in the preceding year. The fact that no great improvement in retail trade has occurred during the year is probably the explanation for the lag in local broadcast advertising.

The greatest increase in non-network business during the month occurred in the high powered regional and clear channel field, where revenues rose approximately one-third as compared with August. Regional station volume rose 15.5% and local 100 watt station volume 3.6%. As compared with last year, however, regional and local stations have made the better showing, being 27.6% and 32.7%, respectively, above September, 1933.

The New England-Middle Atlantic Area and the Pacific and Mountain Areas experienced the greatest rise in broadcast advertising during the month, volume in both districts increasing approximately 33.0%. Slighter gains were recorded elsewhere. As compared with September 1933, the New England-Middle Atlantic Area has gained 64.0%, the Middle West has made slight gains, the Pacific and Far West has lost approximately 10.0% and the South has lost nearly 40.0% in volume.

In the electrical transcription field, national spot volume rose 42.8% during the month, local volume remaining equal. National spot live talent volume rose 53.3% and local volume 15.0%. Both national spot and local announcement business increased approximately 13.0%. Compared with September 1933, national spot transcription volume is 13.6% greater, live talent 37.4% above the previous year, and announcement business 14.4% greater. Local volume has remained comparatively changed in all fields.

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CALLS NRA COLLAPSED BALLOON

Frank R. Kent in the Baltimore Sun declares in his famous column that the NRA's future "is all in the past" in the following article, which is all the more significant because it appears in the country's outstanding Democratic newspaper:

"It may be the fourteen or fifteen excellent gentlemen named by the President in September to resuscitate the exceedingly sick NRA are performing hidden miracles, and that soon a revitalized organization free of all impurities and bursting with health and beauty will be revealed. But hardly anyone believes that - not even the excellent gentlemen themselves.

"On the contrary, there is a pretty general conviction that the NRA is close to a comatose condition, much too far gone to be restored, and that the fourteen or fifteen excellent gentlemen named by the President on three separate boards are not physicians at all - merely pallbearers. A somewhat false pride seems to prevent this Administration from admitting the facts. When one recalls the tremendous ballyhoo back of the scheme and the glories it was to shower upon labor, industry and the world generally, this reluctance is easy to understand.

"It is, naturally, increased by the results of the election. To concede that one of the major New Deal policies has collapsed beyond repair, right on the heels of a great popular indorsement of New Deal policies, would be very bad medicine to take. In effect, it would say to the people that they had gotten a wrong idea of the situation; that instead of marching forward the New Deal was slipping back; that they had been misled by propaganda and fed a lot of doctored pap.

"It would take very big men, indeed, to make admissions of that sort - much bigger than are in this Administration, despite the advertisements. Its leaders are dealing with this NRA failure, not as the supermen some conceive them, but exactly as average politicians deal with such situations - to wit, by concealing the realities and utilizing every face-saving device upon which they can lay their hands.

"The truth is, the primary object of the NRA reorganization was to get the unfortunate General Johnson out. The point had been reached where the General, for a variety of reasons, had become a liability and there was danger the whole thing would blow up with a bang. The problem was to eliminate the General in such a way as to avoid an explosion and with a minimum of public disillusionment. After months of marking time, during which the morale of the machine went to pieces, Mr. Roosevelt succeeded in retiring the General, and named the fourteen or fifteen excellent gentlemen who were to reorganize, under the general direction of Mr. Donald Richberg, the great coordinator.

11/13/34

"Even on the surface, it did not seem a practical plan. Certainly, despite the periodical word that comes out of "progress", it is quite clear it is not working. Having got General Johnson out of the NRA, it was discovered that he was the NRA, and with him out all left is the shell. As things stand, the organization is in an incredible state of confusion, leaderless and leaking. It is without a fixed policy or a firm foundation. It is assailed on the one side by Industry, and the other by Labor. The United States Chamber of Commerce moves toward the scrapping of the Act, on the same day the American Federation of Labor reports code violation increasing on a large scale. Mr. Donald Richberg, the great coordinator, has made a number of speeches of such a fair, cautious, balanced and wholly judicial nature as to leave those who read at a loss as to what is the future NRA policy, and create in their minds doubt as to whether Mr. Richberg, the great coordinator, himself knows.

"As a matter of fact, he does not. As a matter of fact, neither do any of the other excellent gentlemen. As a matter of fact, the NRA's future is all in the past. It is a collapsed balloon which cannot be rebuilt. All that can be done is keep up the propaganda about retaining its conceded "good features" in permanent form; continue playing on the Child Labor and Sweat Shop keys, and refuse to admit that what the excellent gentlemen are now doing is embalming the NRA for burial - that the most that can be hoped is it will live again in shriveled shape - and popular attention to the tragic collapse of this giddy scheme continues to be diverted by other things."

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SHORT WAVES EFFICIENT FOR LONG FREIGHT TRAINS

Headed by H. A. Sheparā, General Superintendent of Electrical Transmission and Communications of the New York, New Haven & Hartford Railroad, a party of officials witnessed last Saturday a test of radio communication between engine and caboose on a freight train which ran from Springfield, Mass., to New Haven, Conn. The apparatus enabled engine and caboose crews to converse without the usual waving of hands and blowing of whistles.

The apparatus was produced by the Westinghouse Electric & Manufacturing Co. Walter C. Evans, Radio Division Manager of the Company, said the demonstration showed that ultra short radio waves were efficient and convenient in this form of railroad service.

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EDUCATIONAL HEARINGS CLOSE - LABOR WITHDRAWS RESOLUTIONS

After five weeks of inquiry, the hearings conducted by the Broadcast Division of the Federal Communications Commission as to whether or not a fixed percentage of all radio facilities shall be allocated to educational, religious and other non-profit stations, were brought to a close. It is believed that it may be several months before the report and recommendations to Congress have finally been concluded but even if the work is done before this time, the results will not be made public until the report is submitted to Congress on or shortly before February 1st. A complication may arise if, as generally reported, Representative Prall, of New York, is to succeed Commissioner Hampson Gary January 1st, as it is doubtful if Mr. Gary, head of the Broadcast Division, who has presided at the hearings, will have completed writing the report by that time.

Henry A. Bellows, of the National Association of Broadcasters, who was in charge of the broadcasters' side of the case, said that the hearings comprised the most extensive and comprehensive study of broadcasting made in radio's history.

The concluding witnesses included William Green, President of the American Federation of Labor, Edward N. Nockels, Secretary of the Chicago Federation of Labor, Douglas Griesemer, National Red Cross, Anton Koeber, of the Peoples Pulpit Association, Dr. Harry W. Chase, Chairman of the National Advisory Council on Radio in Education, Miss Alice Keith, who is now employed by the National Symphony Orchestra, forming women's committees and lecturing to the schools; Dr. Cornelius Deeney, S.J., University of Santa Clara, Calif.; Irving Caesar, librettist and publisher; William C. Hushing, National Legislative Representative of the American Federation of Labor; Dr. John Ward, U. S. Commissioner of Education; Morse Salisbury, Chief of Radio Service, Department of Agriculture; J. Clyde Marquis, Chief of the Information Division of the Agricultural Department, and Dr. L. S. Rowe of the Pan American Union.

Mr. Green asked that the testimony of Mr. Hushing be disregarded insofar as Resolutions No. 55, 171 and 200 of the San Francisco American Federation of Labor convention were concerned. No. 55 was to the effect that the American Federation of Labor expected to put on 30 radio programs a year to build up the A.F.L.; No. 171 that the AFL insist that not less than 50 percent of all radio facilities be allocated to organizations operating on a non-profit basis, and No. 200 that the AFL register their protest against the continuance in office of any members of the Federal Communications Commission who vote to surrender more than 50 percent of the radio facilities to commercial stations.

"Mr. Hushing was not informed as to the action of the Executive Council following the adjournment of the Convention", Mr. Green explained. "The Council, after giving consideration to the resolutions and the action of the Convention, referred them

to me, as President, and for such action as I might decide to take.

"I had decided, in conformity with that decision of the Executive Council, to withhold the submission of these resolutions to the Commission. For that reason I now wish to formally withdraw these resolutions from further consideration by the Commission."

Mr. Caesar said he represented no organization, when Mr. Bellows asked for his identification, but it was said by broadcasters present that his name was listed as one of the defendants in the answer filed by the American Society of Composers in the Government anti-monopoly suit. Caesar said that he proposed to move that the cost of the so-called "free show" provided by radio is out of all sound ratio to value received.

"For one hour each day, an average of 15,000,000 people on one network alone are busy at their dials; while thus engaged, they cannot walk down the shop-lined streets, wear out their shoes or wearing apparel, nor can they ride the highways in their automobiles, with the attendant consumption of gasoline, tires, wear on engines and so on", Mr. Caesar declared.

"The life of a pair of shoes being 2500 hours, the shoe industry has lost 6,000 pairs of shoes. That is the price the shoe industry is paying for one hour's radio entertainment on one network. On the basis of an audience of 15,000,000 listening for one hour, and taking as the average life of a \$15 suit as 3,000 hours, the clothing industry loses a potential replacement demand of 5,000 suits valued at \$75,000.

"Assuming that of the 15,000,000 radio audience, a million car owners have kept their machines inactive during that one radio hour, the gasoline industry loses a potential demand to replace about 2,000,000 gallons of gasoline, which in the ordinary course of events, would have been consumed."

And so Mr. Caesar went on down the line declaring that "Amos 'n' Andy" are said to have commanded the attention of an audience of 50,000,000 over a period of many months and that the night a big fight was broadcast, the moving picture theatre receipts dropped to \$100 when the average nightly business was \$3,000.

Dr. Chase said the real question is whether an enormously powerful instrument is being most effectively used, and if not, how it can be used.

"In facing that question", Dr. Chase said, addressing the Broadcast Division of the Commission, "you should realize that you are considering the regulation of a device, not out of which money can be made, but rather on which the cultural

and spiritual well being and entire well being of an entire nation may depend. That is your responsibility and it transcends any commercial or political considerations."

Chairman Gary said that all parties to the hearings will have until November 26th in which to file briefs.

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CLEAR CHANNELS MAY OR MAY NOT BE BROKEN DOWN

Although it seems to be a foregone conclusion that the plans for a survey of the clear channels foreshadows the breaking down of these channels, quite a different view of this was taken by an official of the Communications Commission, who said:

"I have no doubt many believe that the survey will be used as a justification of breaking down the clear channels but we think it may serve the opposite purpose."

This official added, however, that the attitude of Government officials naturally had to be an impartial one. He said that the clear channel survey would be an unbiased one. Its purpose, as he explained it, would be to gain complete engineering knowledge of stations which served rural listeners and what proportion of these stations depended upon clear channels. He said that if it was ascertained that there was no good engineering reason why the clear channels should be maintained, or if it was shown that there was great need for clear channels, those making the report would be governed accordingly.

Following a meeting of the representatives of the clear channel stations at the suggestion of the Broadcast Division of the Communications Commission last Friday, another conference by the same group will be held Friday, November 23rd.

The Commission proposed that a complete survey of service rendered by clear channel, regional and local stations be made during the coming Winter months and extending into the next Spring season.

The tentative plan as suggested by the Engineering Division of the Commission involves four lines of endeavor, as follows - Continuous field intensity recordings of clear channel stations, the records to be made at distances varying from 1000 to 3000 miles; an analysis of duplicated clear channels (such as 790 kilocycles occupied by WGY and KGO), with complete determination of radiation characteristics of the individual stations as well as determination of the field intensities and service rendered in the areas between stations; Field intensity measurements made in rural districts throughout the United States with correlation with listener habits as determined by personal investigation, and listener habit survey of rural audiences to be conducted by mail, by the Commission.

It is planned that individual stations may participate in the survey, although all data will be coordinated and compiled by the Commission staff. It is understood that the survey is not definitely limited to clear channel measurements, but may include measurements, in some cases, of service rendered by regional and local stations.

Among the stations which offered cooperation in the form of field intensity measuring or recording apparatus, trucks, personnel, etc., were WSM WSB WLW WGN WSPD KYW KFI WJR WWL WFLA KNX WHAM WCAU WFAA WSB WGY WLS WOAI, and the Yankee Network and Jansky & Bailey.

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CANADA RESTRICTS NEWS BROADCASTS TO ONE A DAY

One news broadcast each night will be Canada's allotment in the future. This decision was taken at a conference between Directors of the Canadian Press and officers of the Canadian Radio Broadcasting Commission held in Montreal recently.

Ten o'clock Eastern Standard Time was the hour agreed upon, and the broadcast will last 15 minutes. Some newspaper publishers asked that the broadcast be sent over all Canadian stations, but Hector Charles, Chairman of the Commission, said this would interfere with commercial programmes already arranged. Any station willing to carry it will, however, be furnished with the news broadcast.

Mr. Charlesworth asked for specific instances of news pirating by private stations which had been complained of, and said the Commission would act on them.

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HEARING AND ORAL ARGUMENT BEFORE FCC TELEPHONE DIVISION

A hearing and oral argument before the Telephone Division of the Federal Communications Commission will be, or rather is, scheduled for Friday morning, November 16 at 10 A.M. At this time Orders No. 7 and 7-A, re: Accounting Rules for Telephone Companies, Interstate Commerce Commission, and Order No. 10, re: Depreciation Charges of Telephone Companies, Interstate Commerce Commission will be taken up.

In the case of Orders No. 7 and 7-A, exceptions have been filed by: Michigan Public Utilities Commission, Railroad Commission of California, National Association of Railroad & Utilities Commissioners, Bell System Telephone Companies, United States Independent Telephone Association, Public Utilities

Commission of the District of Columbia, Railroad Commission of Florida, Public Service Commission of Louisiana, Public Utilities Commission of Maine, Public Service Commission of Maryland, Department of Public Utilities of Massachusetts, Public Service Commission of New Hampshire, Public Service Commission of New York, Public Utilities Commissioner of Oregon, Public Utilities Commission of Utah, Public Service Commission of Vermont, Department of Public Works of Washington.

The Order of appearance at the hearing will be:

(1) Representatives of the State Commission and of the National Association and Utilities Commissioners; (2) representatives of the Bell Systems Telephone Companies; (3) representatives of the United States Independent Telephone Association; (4) rebuttal argument if requested.

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APPLICATIONS GRANTED BY THE FCC BROADCAST DIVISION

New - J. H. Speck, Santa Fe, N. Mex., C.P. for new station to operate on 1310 kc., 100 watts, unlimited time (site to be determined); WKRC, WKRC, Inc., Cincinnati, Ohio, modification of C.P. extending commencement date to Oct. 29, 1934 and completion date to Jan. 29, 1935; WPHR, WLBG, Inc., Petersburg, Va., modification of C.P. extending commencement date to Dec. 15, 1934 and completion date to Jan. 15, 1935; KYW, Westinghouse Electric & Machine Co., Whitemarsh Twp., Pa., modification of C.P. extending completion date to Jan. 10, 1935.

Also, W9XK, University of Iowa, Iowa City, Ia., C.P. to add another transmitter and change frequencies to include 42000-56000, 60000-86000 kc., and increase power to 100 watts; also granted modification of license to include the frequencies in C.P. above; W1XCW, Regan & Bostwick, Portable (St. Albans, Vt.) modification of general experimental C.P. to change equipment to crystal control and change frequency to 31100 kc. in lieu of 40600 kc., increase power to 20 watts, and extend construction period to 90 days after commencement of construction; W9XAI, Stromberg-Carlson Tel. Mfg. Co., Rochester, N. Y., modification of C.P. to extend completion date to December 1, 1934.

Miscellaneous

New, Joseph M. Kirby, Boston, Mass., reconsidered and granted in part application for C.P. for a new radio station to operate daytime only on 1120 kc., 500 watts. The part requesting 250 watts night was left on the hearing docket; this action was taken on a motion by Commissioner Sykes, seconded by Commissioner Brown and was carried unanimously; New, Patrick H. Goode, New Haven, Conn., granted amended application to erect new broadcasting station to operate on 900 kc., 500 watts, daytime only; this action was taken as above.

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