

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

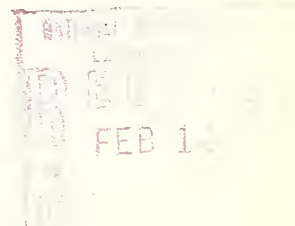
WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 798



February 12, 1935

EXPORTS OF RADIO EQUIPMENT IN 1934 ESTABLISH ALL-TIME RECORD

A new all-time record for exports of radio equipment from the United States was recorded in the calendar year 1934 when sales abroad were valued at \$24,856,898 compared with \$16,125,719 in 1933, an increase of \$8,731,179, or 54 per cent, according to Andrew W. Cruse, Chief, Electrical Equipment Division, Department of Commerce.

Overseas sales of radio equipment during the year exceeded by \$1,723,083 the former record sales of 1930, it was stated.

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

During the past few years the average unit value of radio receiving sets sold abroad from the United States has steadily decreased until 1933 when the value was recorded at \$18. This decrease, Mr. Cruse stated, has been occasioned by the increasing popularity of small receiving sets in foreign markets. All-wave sets are credited with the increase in 1934 to \$25.

The value of the export sales for the year evidences a recovery in foreign markets from the conditions which adversely affected sales abroad of American radio equipment in 1932 and 1933, according to Mr. Cruse.

While complete statistics showing the destination of exports during the year are not yet available, Mr. Cruse stated that it is quite evident that our current markets for radio equipment are in countries other than those to which such exports were consigned in the years prior to 1933.

Spain, the United Kingdom, Mexico and Brazil will undoubtedly be shown in the complete statistical compilation as first-ranking foreign markets for American radio equipment, it was stated.

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SETH PARKER SHIP TROUBLES KEEP WASHINGTON GUESSING

Inquiries poured in on the Federal Communications Commission asking what, if anything, it proposed to do by way of investigating the authenticity of the various calls for help sent out by the schooner "Seth Parker", 800 miles east of the Samoan Islands. Because the ship was manned by Philips Lord, the radio actor, and had been broadcasting programs enroute, it was suspected that the first calls for help might have been for publicity purposes. However, with the British cruiser "Australia", returning to the schooner a second time, and if, as reported, they rescued the crew, the aspect of the situation is decidedly changed.

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"Send out a false S O S is very serious business", a Navy Department official said. "We are a party to an international agreement to punish anyone guilty of doing this. The maximum punishment is 5 years imprisonment and \$5,000 fine."

"If commercial vessels had responded to the call, there might or might not have been an official report or complaint but with a British warship twice standing by and an American Naval vessel enroute to the scene, it is quite different and you may depend upon it that we will get the facts."

At the Navy Department it was said that there were few, if any, false S O S calls.

"Occasionally someone for the excitement of it, and with about the same complex as a person who turns in a false alarm of fire, sends one in but it is rare."

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Although Coast Guard officials would not quite acknowledge there was good grounds for believing that New England fishing boats had been "putting over" some S O S calls for commercial purposes.

"About a year ago it came to my ear that the fishing boats were using the Coast Guard to save money and here's one way that it was supposed to work", said Frank Jenkins, well known Boston radio editor. "A vessel would start out with fuel tanks half full or enough to take her to the fishing grounds and make a catch. Just after the catch was made the vessel would shout for help, all out of fuel, and ask the Coast Guard to tow her home."

"Lots of boats went out of here, I am told, with machinery badly in need of repair which usually broke down after the fish had been caught and it was another tow job for the Coast Guard."

It was said at the Federal Communications Commission that a report of the "Seth Parker" incident would doubtless be received either through the British or the American naval vessels and until then the Commission would reserve judgment in the case.

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URGES PRESS SUPPORT RADIO FREE SPEECH

It is the belief of E. H. Harris, Chairman of the Radio Committee of the American Newspaper Publishers' Association that when the guarantee of freedom of expression was placed in the Constitution the newspaper automatically became the protectors of the civil rights of the people.

"Therefore the press owes a duty to its citizens to do its full share in preserving radio broadcasting as a free medium for the presentation of the facts", Mr. Harris declared addressing the Southern Newspaper Publishers' Association.

"The best that can be said about radio broadcasting in the United States is that it is only half free, because it is operated under a license and is subject to the influences of the political party which is in power.

"No matter how insistently the government proclaims its belief in the doctrine of absolute freedom of expression, there is no definite assurance that this freedom extends to radio broadcasting. The threat to its freedom lurks in the fact that the license of any station may be revoked at the slightest provocation.

"The essential difference between news collected by a newspaper and news collected by a radio broadcasting station is that the press is a free institution and radio is a licensed medium, dependent for its existence upon a government grant.

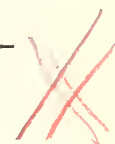
"The operator of the African tom-tom speaks with the authority of his chief. The Town Crier carried the authority of the town government. The modern broadcasting station must speak either with the authority of its government, or, as is the case in this country, with the authority of the regularly organized news agencies, which are accepted sources of authentic news. In speaking of authentic news sources, I refer to The Associated Press, the United Press, and the International News Service, three competing national press association, which function independently of each other and serve the American public through the daily newspapers.

"The American press associations are an asset of American democracy, because they enable our citizens to obtain the news of the world from unbiased sources.

"The contention of the newspapers is (1) that no agency directly or indirectly under government license should function as a news gathering organization; (2) that important news bulletins should be supplied to the broadcasters by the newspapers, in order that the general public may enjoy complete protection on news obtained from reliable sources; (3) that the broadcasters cannot sell these news bulletins to an advertiser, because this news service must be supplied by the broadcasters as a public service to the listeners."

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COLONEL ARNOLD HEADS FCC EXAMINERS

Col. Davis G. Arnold, of Rhode Island, has been appointed Chief Examiner of the Federal Communications Commission to head the Examiners' Division, a unit separate and distinct from the Law Department, and under the direct supervision of the Commission itself. 

Colonel Arnold, who joined the staff of the Commission as a Civil Service appointee, on September 1, 1934, as an attorney, is a native of Providence, R. I. Born in 1883, the son of Frank S. Arnold, a prominent Rhode Island lawyer, he received his education in the public schools of Providence and Cheltenham Military Academy, Pennsylvania. He was admitted to the Rhode Island bar May 6, 1907, and for nine years was engaged in the general practice of law in all the Rhode Island courts, in the United States Court of Appeals, First and Second Circuits, and the Supreme Court of the United States.

From 1916 until April, 1919, he devoted his time to military service on the Mexican Border and in France, serving with the rank of Major as a member of the AEF with the 26th and 42nd Divisions, chiefly in command of the Motor Transport Corps, where he was in charge of all transportation of the 26th Division, subsequently becoming Commanding Officer of Trains of the 42nd Division in France and Germany.

Upon his discharge from the army in France he was appointed Managing Director of the Near East Relief, where he had charge of its organization and service for a year in Turkey.

Shortly after his return to the United States in 1923, he became Assistant to Gen. John F. O'Ryan in the investigation of the then Veterans' Bureau by a United States Senate Committee, and obtained and presented to the grand jury the evidence which resulted in the conviction of Charles R. Forbes. Following this investigation it was at the suggestion of General O'Ryan and members of the Senate Committee that Colonel Arnold became an official of the Bureau, with which he continued after it became the Veterans' Administration, serving in various capacities for more than ten years. His work as Special Assistant to the Attorney General, and as Special Assistant to United States Attorneys in many jurisdictions in the prosecution as well as defense of provisions of the World War Veterans' Act brought him in close association with a large number of Judges throughout the country, whose comments upon his capabilities as an attorney and the uniform fairness of his presentation of cases bear witness of their high esteem. In 1931 he became Chief of the Field Division in the Solicitor's Office of the Veterans' Administration, where he became responsible for the supervision of all guardianship matters, and all field examinations or investigations, either as independent activities of the Administration or in cooperation with the Department of Justice.

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RMA ORGANIZES TO ELIMINATE UNNECESSARY INTERFERENCE

Organization by the Radio Manufacturers' Association of an inter-industry committee on radio interference has been effected. Dr. Alfred N. Goldsmith, of New York, prominent radio engineer, is Chairman of the committee which includes representatives of the U. S. and Canadian government commissions, associated radio and also electrical organizations. Bond Geddes, Executive Vice-President of the Radio Manufacturers will assist in the work. Reducation of man-made noises which interfere with radio reception is the objective of the committee.

The first meeting of the committee will be held March 8 at the Hotel New Yorker in New York. Last November at a general "interference conference" at Rochester, the RMA, through its Engineering Division of which Dr. W. R. G. Baker, of Camden, N. J. is Chairman, arranged for the inter-industry committee. Invitations were sent to the leading organizations in the radio, electrical and allied fields, and acceptance of membership on the committee of a distinguished group of leading organizations augurs well for the future activities and success of the committee. Their participation promises broad cooperation of the radio and electrical industries for the benefit of radio listeners. The following constitutes the present list of organizations on the committee:

Federal Communications Commission, U. S. Bureau of Standards, Canadian Department of Marine; RMA of Canada; National Association of Broadcasters; Society of Automotive Engineers; National Electrical Manufacturers' Association; American Institute of Electrical Engineers; Institute of Radio Engineers; Radio Wholesalers' Association; American Radio Relay League; Institute of Radio Service Men; Radio Club of America; Dr. O. H. Caldwell (Member at Large) and R. D. Duncan, Jr. (Guest Member).

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COURT ALLOWS WLW ADDITIONAL WEEK ON 500 KW

After hearing arguments as to whether or not a stay order should be granted to prevent the cutting of the power of WLW, of Cincinnati, from 500,000 watts because of complaints that it interfered with Station CFRB, at Toronto, the District Court of Appeals extended authority for WLW to continue using 500,000 watts until next Monday, February 18th. In the meantime further briefs have been submitted by Paul D. P. Spearman, General Counsel of the FCC and Louis G. Caldwell, representing WLW and the Court will study the case further.

It is believed because of the international aspects of the situation that the Court will act with all speed in the matter.

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U.S.-CHINA SERVICE SHORT WAVE DIRECTION FINDERS

The Pan American Airways have applied to the Federal Communications Commission to license communications stations on its new California-China service. This will include a system of direction finders using short wave transmission with a service range of 1800 miles.

Using long waves, 1,200 to 1,500 meters, polarization effects at sunrise, sunset and during the hours of darkness have made ordinary loop or radio compass direction finders subject to serious errors during these periods and limited their consistent range to thirty miles. The new apparatus, however, has made a number of successful records in directing aircraft at night on frequencies as high as 6,000 kilocycles or 50 meter wave length. By overlapping the range of two stations a range of 3,600 miles, or a distance equivalent to that between New York and London, can be attained.

Seven new radio stations, complete from individual power plants to aerial towers and combining both direction finding and communications equipment will be assembled on the Pacific Coast within the next ten days, it was said. The application submitted to the Federal Radio Commission was to cover ground control stations in California, Hawaii, Wake Island, Midway Island and the Philippines.

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FCC WRESTLES WITH BOSTON CLEAR CHANNEL PROBLEM

Station WHDH, Boston, Monday withdrew its application for unlimited time on 830 kc. clearing the way for favorable action on the application of WNAC which desires to change its frequency from 1230 kc. to 830 kc. and to operate unlimited time with 5 KW power. At the present time WNAC is licensed to use 1 KW, night and $2\frac{1}{2}$ KW day.

In withdrawing its application for night time on the 830 kc band, WHDH, through its attorney, James Hanley, former member of the Radio Commission, expressed the hope that the Communications Commission can see its way clear to grant that station full time on 1230 kc, with enough power to insure a good, reliable signal for Boston and vicinity.

"That is a matter entirely in the hands of the Commission", Judge E. O. Sykes, who was presiding, said. "Attorneys cannot arrange deals among themselves like that. The Commission will have to pass on it."

John M. Littlepage, attorney for WNAC, explained to the Broadcast Division of the Commission, which is holding a hearing on the applications from Boston and elsewhere involving the frequencies 830 kc. and 1230 kc., that his client feels that the proposed change in frequencies will insure much better radio reception from WNAC in Boston and its environs.

To meet the objections of KOA, at Denver, which is a high powered station operating on 830 kc., a clear channel, Mr. Littlepage said if its application is granted, WNAC will install a directional antenna to divert the signal from going in the direction of Denver. He argued the change will insure a very intense and reliable signal from WNAC for listeners in the Boston area without shutting down the service area of the Denver station.

It appears that WNAC's chief problem is to offset the application of WEEU, Reading, Pa. which also desires unlimited time on 830 kc.

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HEARST SEEKS TO ERECT ALBANY STATION

An application for a permit to erect a new station at Albany, N. Y. to operate on 970 kilocycles with 1000 watts power has been made by Hearst Radio, Inc.

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RADIO AIDS HOUSING

The Federal Housing Administration is receiving 98 per cent cooperation in broadcasts from the radio stations of the United States, according to statistics compiled by the Federal Housing Administration.

The 2 per cent who are not cooperating, it has been found, are in sympathy with the program, but are restricted from lending assistance due to limited air time or some similar cause. Since the inception of the better housing program there have been 25,000 spot announcements and 26,637 broadcasts of Federal Housing Administration programs, addresses, playlets and other messages.

A widespread radio series is now in effect to carry on into the Spring.

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Mr. and Mrs. David Sarnoff were among those who waited over in Washington in order to take the Congressional Limited in its first trip from Washington to New York on the new Pennsylvania electrically operated system.

The tenth annual convention of the Institute of Radio Engineers will be held July 1-3 at the Hotel Statler in Detroit.

If, as reported, Dr. J. R. Brinkley, the goat gland specialist, has bought another Mexican broadcasting station (dispatches say that it is XEAW at Reynosa, across from Allen, Texas, that he paid \$50,000 for it and will establish a hospital at Allen), he may find an additional opponent on the Federal Communications Commission. It is Dr. Irvin Stewart who handled the State Department negotiations in squelching the other Brinkley station in Mexico and who is now a full-fledged Commissioner.

The Commission closed down Brinkley's station in Kansas and if Brinkley takes over the Reynosa station he will probably lose no time on endeavoring to have the Mexican Government close that down also.

Battery sets enjoyed an increased sale during 1934 according to information secured by the Radio Manufacturers' Association. Sales of battery sets last year aggregated about 300,000, according to the best information available and are regarded as another evidence of increased rural purchasing power.

Robert L. Stone, former production and sound effects man at NBC, is now Production Manager at WOR.

Arthur D. McIlvaine is a new addition to WOR's sales promotional department. He succeeds Al Rose in the post.

Although the auto smash in which F.C. Commissioner Anning Prall and Senator Robert Wagner, of New York, were in happened several months ago, it is still necessary for Mr. Prall to go to the doctor's each morning to have his injuries treated. As a result of this, meetings of the Broadcast Division are held at 11:30 o'clock in the morning instead of at 10 o'clock.

Also out of deference to Commissioner Prall, hearings which heretofore have been held in the morning are sometimes postponed until after luncheon. An instance of this was the hearing of the Boston stations which was originally scheduled for mornings.

The best time for those who have business with Commissioner Prall is to see him at his office late in the afternoon.

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A. T. & T. LONG LINES INCREASED REVENUE

The operations report of the long lines of the American Telephone and Telegraph Company to the Federal Communications Commission for 1934 shows gross operating revenues of \$89,447,908, compared with \$86,695,109 in 1933 and with \$88,158,782 in 1932. The high record was \$114,560,866 in 1930.

Net operating income, after depreciation, taxes and expenses, amounted to \$14,509,906, compared with \$13,653,460 in 1933 and with \$7,900,492 in 1932 and a high of \$40,110,018 in 1927. The report includes no income from dividends, interest and other sources, nor rental and charges paid for non-operating purposes.

For December, gross revenue was \$7,577,284, against \$7,426,636 a year ago and \$6,771,623 two years ago, and with a high mark of \$9,789,579 in 1929. Net operating income was \$1,696,065, against \$1,844,931 in 1933, \$849,814 in 1932, and a high mark of \$3,414,208 in 1926.

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DIRECTIONAL ANTENNA FOR NEW WOR 50 KW TRANSMITTER

The directional antenna system, said to be the first of its kind to be used by a commercial radio broadcasting station will be one of the outstanding features of the new WOR 50,000 watt transmitter to be in operation in early March.

The transmitter which is located at Carteret, New Jersey, has two towers each 385 feet high and 790 feet apart

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and uses a three array directional antenna system with a cable suspended between the two towers forming the third antenna. The field of radiation takes the form of an hour glass, with Carteret and surrounding communities falling within the neck of the glass, and with the bulbs enclosing the New York and Philadelphia areas.

The primary purpose of the antenna system is to focus its greatest power where the largest number of listeners reside, and to diminish the signals over the mountainous sections and other thinly settled areas. The importance of obtaining this focus of power lies in the fact more electrical noises and disturbances are produced in congested areas than in sparsely populated sections, therefore stronger signals are necessary in cities. Another important function of the directional antenna will be to re-direct the signal from the Atlantic Ocean to the thickly populated Atlantic seaboard.

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SARNOFF WOULD CONTINUE ON RCA SUBSIDIARIES BOARDS

Upholding the views of other communications officials who asked the Communications Commission last week to approve applications for them to serve upon more than one directorate, in the interest of the investor, and general public, David Sarnoff, President of the Radio Corporation of America, asked last Saturday that he be permitted to serve on the Boards of R.C.A. Communications, Inc., and the Radio Marine Corporation of America.

He said that R.C.A., parent of the two other organizations, was owned by about 271,000 stockholders, but the public generally did not own a single share of the subsidiary stock.

"As president of the Radio Corporation of America", he said, "I am responsible to these stockholders for the company's success or failure and, therefore, I must be responsible to them for the management and operations of the subsidiary companies."

He contended that the services of the subsidiary companies, if not coordinated, would not be as economically or efficiently performed as they are now carried out.

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WHEELER FOR PRESIDENT IN 1936?

Democratic politicians are wondering about Senator Burton K. Wheeler, of Montana, Raymond Clapper writes in the Washington Post.

"In 1924 he left the Democratic Party to run on an independent national ticket. Will he do so again next year?

"There is a suspicion in some Democratic quarters that he may, or rather that he is working himself into a strategic position, where he can do so if a propitious opportunity presents itself.

"Some Democratic leaders sought to head Wheeler off from the chairmanship of the powerful Senate Interstate Commerce Committee. They tried to persuade Senator Ellison Smith, of South Carolina, a former Chairman of the Committee, to return to that post, but he preferred to keep the key seat on the Agriculture Committee instead. After that, Wheeler inherited the chairmanship by seniority.

"This places him in a position to actively and effectively champion Government ownership of railroads, to which the Administration is opposed. The tall Montanan has extended his reach also by adding to his committee Senator Homer Bone, of Washington, one of the most aggressive champions of Government ownership in the country.

"Senator Wheeler is renewing his agitation for monetary inflation lending his support to the group now in session here which has the purpose of goading the Administration to a more venturesome currency policy. As a silverite, Wheeler once was somewhat aloof from the paper inflationists led by Elmer Thomas. He is playing with the entire inflationist group now much more than formerly.

"A certain amount of forward passing has taken place between Wheeler and Senator Huey Long. Wheeler opposed the Administration in his last campaign to the extent of campaigning for Governor Olson, the Minnesota Farmer-Laborite, and Senator Bronson Cutting, left-wing Republican. No one of these various circumstances would stamp a Democrat as heading definitely off of the reservation, but the combination of them all is sufficient to give rise to such a suspicion in some Democratic quarters.

"Wheeler was the elder La Follette's vice presidential running mate on the Progressive Party ticket in 1924. It would be curious if a younger LaFollette were his running-mate in 1936, on a third party ticket.

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