

HEINL RADIO BUSINESS LETTER

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No. 827

May 21, 1935

EDUCATORS-BROADCASTERS' COMMITTEE TO BEGIN SOON

Judge E. O. Sykes, Chairman of the Broadcast Division of the Federal Communications Commission, said that the Educators-Broadcasters' Committee, agreed upon at the conference in Washington last week, would doubtless be selected and ready to go to work within the next week or ten days. The Chairman of this committee, to which may be added representatives of the Communications Commission, will be John W. Studebaker, U. S. Commissioner of Education.

The selection of Mr. Studebaker will mark a closer working relation between the Office of Education and the Commission having jurisdiction over radio. Judge Sykes said that the exact number of the committee had not as yet been determined but that it could be depended upon to represent all the interests concerned. He said that the first meeting of the Committee would be called soon after the personnel had been selected. At that time the main question of how, under its existing arrangement, an agreement could be reached to better utilize the present radio facilities would be taken up.

The new Educators-Broadcasters' Committee will also consider the proposal made by Dr. Arthur G. Crane, President of the University of Wyoming, and Vice-Chairman of the Committee on Education by Radio of a system of radio broadcasting to supplement the present profit-sustained system which would give the American people a combined system embodying the desirable features of both public and private broadcasting.

"Listeners would have the privilege of turning either to programs such as we now have or to those which not only had been arranged by public boards interested in American culture, information, and entertainment, but were entirely free from advertising or from the influence of the advertiser", Dr. Crane explained in presenting his idea to last week's conference.

"With few exceptions, the countries of the world either operate all broadcasting as a public enterprise or provide a parallel publicly-operated system such as the one proposed for the United States. Broadcasting, except in America, has been appreciated and conserved as a great public instrument to serve the people's welfare and entertainment. The new proposal is a most promising and happy combination of the values inherent in both the European and American systems.

"The listener's freedom of choice would be increased by a supplemental, publicly-controlled broadcasting chain presenting programs paralleling the present commercial programs. This could

be effected without any hardship upon the existent system. The supplemental chain would interfere with the present broadcasters only insofar as a few of the existing air channels were allocated to and reserved for the government system. The band of frequencies reserved for the government system could undoubtedly take care of most of the present educational and non-profit broadcasting stations. By means of a proper allocation of channels, and their division among stations of varying power, the non-profit stations could probably serve the country better than at present and with less interference to those which are commercially operated."

"The cost of construction and operation by the people themselves of a broadcasting system would not be excessive.***** Financed by the Federal Government on a national basis, it would be negligible.

"There are several ways by which the cost of the public broadcasting system could be met. A manufacturers' tax on new equipment, supplies, and replacements has been suggested.

"An equitably adjusted license fee to be paid by all commercially operated stations could yield a sizeable return. Such a fee could be based upon the power of the station, the population of the primary area served, the time privileges, and the desirability of the channel allocated. Such a payment would be fair and reasonable in return for the protection which such stations now receive from the Federal Government. An offset to this fee would occur when the Government system buys time from a private station. Such charge could be credited to the station's license fee.

"At present the Federal Government spends large sums of money each year to protect private stations in a monopoly of the radio channels. The number of available channels is limited. These must be parcelled out by the Government. Each station must be protected in its rights against interference and against encroachments by other broadcasters. By this process the Federal Government is creating a monopoly of the air for each station within the allocation of time, power, and frequency accorded to the station. For this service, which is costing the Federal Government heavily, the station pays nothing in return."

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SHORT-RANGE RADIO FOR N. Y. STOCK QUOTATIONS

The radio set, which is to be carried by quotation boys on the New York Stock Exchange has what is said to be the shortest range designed for practical operation in the world. It covers only the ten-foot circle around the trading posts in which members congregate. Instead of working his way in and out of this melee, the quotation boy may, by use of the new set, broadcast prices from the edge of the crowd to a receiving and amplifying device at the top of his post. His voice is relayed from this point to the telephone operators on the fifteenth floor, who supply member firms, but member firms only, with quotations.

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U. S. EXPLAINS EUROPEAN TELEVISION STUDY

The Commerce Department has given out the following statement with regard to the survey which it is now making on the television situation in Europe:

"Alert to the possibilities of selling television apparatus to the world with profit to the United States, the Bureau of Foreign and Domestic Commerce is to be represented during the next two months in each of the three foreign television capitals - London, Paris, and Berlin - by Andrew W. Cruse, Chief of the Bureau's Electrical Division.

"Functioning in close cooperation with radio exporters, the Division has been instrumental in aiding the development of the foreign markets for American radio apparatus, amounting in 1934 to nearly \$25,000,000. Foreign restrictions on importation, affecting the sales of American radio goods, failed to hold sales below a new record.

"Television promises a similar development, and although total units to be placed in use each year may not equal those for comparative years in the development of sound sets, a tremendous dollar volume of turnover will not greatly surprise the industry.

"Developments will necessarily be slower for television than for sound broadcasting, as transmitters are not yet capable of covering great distances and pending the discovery of improvements increasing effective range must be considered as local in effect.

"Television experimentation has been in progress in Europe for about the same length of time as in the United States. A greater proportion of this experiment has been in the form of transmissions for public reception, however, resulting in some practical problems of public relations which have as yet been studied only in theory in the United States. A principal problem is the question of making television self-supporting, utilizing experience in solving the same question regarding sound broadcasts.

"Mr. Cruse proposes to study the subject from all angles, but particularly in the matter of technical methods, program construction, and television financing, insofar as information on those subjects may be developed.

"The itinerary includes studies to be made in the television centers of England, Germany, and France. Mr. Cruse will return about June 30."

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B.B.C. TO ADD HIGHER POWER SHORT-WAVE TRANSMITTERS

The British Broadcasting Corporation announces that in view of the success achieved by the Empire Service, it has been decided to extend the station at Daventry by the addition of two short-wave transmitters, which will be of higher power than the two now in use.

There will also be extensions to the aerial system, based on the data collected in the experimental work which has been carried out at Daventry by the B.B.C. during the past two and a half years.

When the two new transmitters are in operation, the two existing transmitters will be combined to form one transmitter of higher power, making available three transmitters in all. Construction work on the building to accommodate the additional transmitters will begin shortly.

The present transmitters at Daventry are listed at 20,000 watts in the Commerce Department's "World Short-Wave Radiophone Transmitters".

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RCA ENTERS SALARY LIST WITH SECURITIES COMMISSION

The Radio Corporation of America paid to David Sarnoff, President, remuneration of \$52,330, and to Gen. James G. Harbord, Chairman of the Board, \$51,160, its registration statement has informed the Securities and Exchange Commission at Washington. Otto S. Schairer, Vice-President, got \$24,125. Rockefeller Center, Inc., was the largest security holder listed, with 100,000 of the "A" preferred as of March 22, comprising 20.2 per cent of the issue. G. E. Employees Securities Corporation owned 50,000 "A" preferred.

Shareholdings of officers and Directors included: General Harbord, 1,130 "B" preferred; Newton D. Baker, 10 common, 10 "A" preferred; Cornelius Bliss, 2,833 common; Arthur E. Braun, 19,532 common, 13,500 "A" preferred; Edward W. Harden, 1,000 common; Mr. Sarnoff, 2,000 common; James R. Sheffield, 1,193 common.

Westinghouse Electric and Manufacturing Company paid \$78,805 to A. W. Robertson, Chairman of the Board, and \$58,763 to F. A. Merrick, President. L. A. Osborne, Vice-President received \$33,436, and Walter Cary, Vice-President and President of the Westinghouse Lamp Co. got \$46,257 from the latter concern.

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WRVA WOODEN TOWER DECREASES FADING

Although it has only been in use a short time, a favorable report has been received with regard to the all-wood radio tower of Station WRVA, at Richmond, Va.

"What we hear from our listeners in many sections is most encouraging", said C. T. Lucy, in charge of the station, "and we are particularly impressed with the fact that fading has been materially decreased.

"Reception at points which heretofore have had difficulty listening to us with any satisfaction is also noteworthy, and it is expected that changes in our present ground system will show further marked improvement."

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U.P. AND I.N.S. ADD NEW RADIO CLIENTS

The muddled radio "newscasting" situation began to smooth out this week as definite programs for supplying news to radio stations were being shaped up by the United Press and the International News Service. With staff men being added to supply specially prepared broadcasts, the entry of the commercial news gathering agencies upon a new phase of their history appeared to be an accomplished fact, according to Editor & Publisher.

That this move was hastened by pressure from newspaper owned stations was further indicated in several sections last week. The Associated Press reported inquires from papers in nine cities seeking to know what use they may make of A.P. news. The answer, varying only in minor detail, has been that until some program is adopted, A.P. members owning radio stations may meet their competition, where necessary, by making up newscasts from the A.P. wire. No commercialization will be permitted, and the member is charged with the responsibility for protecting the integrity of the A.P. news.

The United Press has adopted a policy of selling its news specially prepared in program form. Webb Artz, U.P. mail editor, was detailed this week to Philadelphia to organize preparation of a newscast for Station WCAU and then to Boston where U.P. has sold Station WEEI.

The major chains, having failed to exercise leadership in carrying out the Press-Radio agreement, were reported as the key to the situation in the fight between Trans-Radio and the newspaper news gathering agencies. The U.P., according to Mr. Baillie, President of the U.P., has decided, for the present, not to sell news for chain broadcast as such.

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BELLOWS NOT A CANDIDATE TO SUCCEED LOUCKS

Henry A. Bellows, who has been suggested as a possible candidate to succeed Philip G. Loucks, who will resign as Managing Director of the National Association of Broadcasters next July, states very positively that he does not seek the position.

"I would like to make it perfectly clear that I am not a candidate for this office", Mr. Bellows writes, setting forth his views on the subject.

"As you will recall at the Cincinnati convention, I very urgently advised the Association to enlarge its Washington staff in order to provide adequately for certain services which the Managing Director, no matter who or how efficient he may be, cannot possibly maintain in connection with his other duties. I specifically urged the maintenance of a Federal and State legislative service on a permanent basis and a material expansion in the public relations and educational work of the Association.

"As a specific example of the importance of such work, I may point out that in connection with the hearings before the Broadcast Division of the Federal Communications Commission last Fall, it was necessary for the Association to take on an additional full time employee and secretary, who worked for three months exclusively on the presentation of material and the preparation of the brief in connection with these hearings. Since January 1 the maintenance of an adequate State legislative service has been very nearly a full time job. Wholly irrespective of any personal connection, I feel more strongly than ever that the National Association of Broadcasters urgently needs to increase its permanent personnel to care for such matters as these. This is particularly true in the light of the investigation to be carried on by the new Federal Committee under the Chairmanship of Dr. Studebaker. It is perfectly apparent that the Managing Director of the Association cannot, without seriously neglecting the regular duties of his office, give anything like adequate attention to such legislative, educational and public relations activities as these.

"I have, frankly, been glad to serve the Association in such capacities as I have indicated, and I am ready to continue to do so if the Association, recognizing the need, really desires to expand its activities in the directions I have suggested, and wants me to carry on this kind of work. I do not feel, however, that this sort of thing can be adequately done by any Managing Director on the present basis of organization, nor do I feel that it can best be done by the Managing Director even with an enlargement of the staff. For many reasons, therefore, I do not care to be regarded as a possible candidate for the position which will be left vacant by the resignation of Mr. Loucks. I have too high an appreciation of the splendid work he has done to feel that it could possibly be carried on satisfactorily by anyone whose primary interests in the broadcasting industry are in legislative, educational and public relations fields.

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ASHBY BECOMES OFFICER OF BAR ASSOCIATION

A. L. Ashby, Vice President and General Attorney of the National Broadcasting Company, was elected last week as one of the Directors of the New York County Lawyers' Association. This Association was organized by Charles Strauss and among its officers have been such distinguished lawyers as Charles Evans Hughes, John W. Davis, Charles A. Boston, Samuel Seabury, William M. Cromwell, and others.

Mr. Ashby was elected for a term of three years. He is also Chairman of the Committee of Communications.

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WOR SHOWS 30% INCREASE IN BUSINESS

Since the installation of WOR's new 50,000 watt high-fidelity transmitter, the number of commercially sponsored hours broadcast over WOR increased 30% the first four months of the year over last year, according to a statement from WOR's Press Department, which continues:

"During this period 68 new sponsors came on the air, thus raising the total commercial time for the first third of the year to 838 hours - a 30% increase over commercial hours broadcast during the corresponding period last year. Commercial time on the station during April was larger than any other month of 1935.

"A total of 247 hours were sponsored by 87 different advertisers, compared with 68 advertisers using WOR in April, 1934. During April, the independent 50,000-watt broadcast 247 hours of commercial time, a 9.5% increase over the March 1935 total and 56.8% gain over sponsored time in April 1934.

Part of this increase may be attributable to the affiliation of WOR with the Mutual Broadcasting System which started operation last September. Also a greater use of local or spot programs on the part of national advertisers is indicated. In this respect about 80% of WOR's commercial time is sponsored by national advertisers.

"WOR has contracts for Summer use of the station by sponsors which show a definite increase of business of 40% over the Summer of 1934."

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 :::INDUSTRY NOTES:::
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The Securities and Exchange Commission has set May 24th at 10 A.M. for a hearing to give the American Radio and Television Corporation of New York City an opportunity to appear and show cause why effectiveness of registration statement filed May 1, 1935, should not be suspended because the Commission finds reasonable grounds for believing that the facing sheet, twenty items, three exhibits, and the prospectus contain untrue statements or omit to state certain required material facts.

A favorable report has been submitted to the Communications Commission by Examiner Ralph L. Walker on the application of the Riverside Broadcasting Co., of Riverside, Cal., for a construction permit for a 250 watts station, daytime operation on 820 kc.

The telephone which President Walter Gifford, of the American Telephone and Telegraph Co., used in the first round-the-world conversation has been presented to the Smithsonian Institution in Washington. Those who took part in the presentation were: Dr. C. G. Abbot, Smithsonian Secretary; Dr. William Chauncey Langdon, of the A. T. & T.; Mrs. Gilbert Grosvenor, daughter of the late Alexander Graham Bell, who made the presentation, and Dr. Gilbert Grosvenor, head of the National Geographic Society.

Examiner Melvin H. Dalbert has recommended that the application of the Helena Broadcasting Co., of Helena, Mont. for a construction permit of 100 watts station, 1420 kc., unlimited hours of operation, be granted. He has reported unfavorably upon the Montana Broadcasting Company at Boulder, Mont., and E.B. Craney, of Helena, who sought the same frequency.

Three broadcasting stations are to begin almost immediately an investigation of transmission on the ultra-high frequencies, the Associated Press reported from New York. Broadcasters to install the necessary equipment are KDKA, of Pittsburgh, KYW, of Philadelphia, and WBZ, of Boston.

Herman Paley and Jack Klotz have joined the WOR Artist Bureau staff. Paley will represent artists for motion pictures, musical comedy and dramatic productions, and will also sell talent to advertising agencies. Klotz will represent WOR artists for vaudeville engagements, presentation houses and night clubs.

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DISCOUNTS IMPROPER NEW DEAL RADIO USE

Manipulation of the radio by President Roosevelt and the New Deal is taken lightly by Elmer Davis of the New York Times in reviewing the book "Handout", which was expected to "blow the roof off of Washington", in its expose of the New Deal usage of publicity.

"It is in the chapters on radio and movies that the neurosis breaks all bounds", Mr. Davis writes. "Radio was controlled by a Federal Commission long before Roosevelt became President; then and now an administration could shut off all radio criticism if it chose (and dared); yet one still hears Republicans and Socialists on the radio, when they have money enough to buy the time. But say the authors, there is a subtler way of suppressing radio critics; a station, by turning on more power than it is supposed to use, can 'spray' competing stations and silence their programs - something which Government engineers are supposed to prevent. Last Winter the authors had trouble getting Father Coughlin's speeches through the Washington station of his network; another Washington station was spraying them out, and they are sure it was a plot. Well, last Winter this reviewer had trouble getting the Philharmonic programs; the New York station of Coughlin's network was spraying them out. If there was a plot, it seems to have backfired in New York, which, after all, has more radio listeners than Washington. But possibly a reviewer who thinks the country needs Toscanini more than it needs Coughlin is not competent to judge of such matters."

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TELEVISION IN FRANCE

The Minister of Posts and Telegraphs, Georges Mandel, announced recently that regular broadcasting of televised pictures will begin in France before the end of the month. The new emission which will accompany ordinary broadcasting will be made at first on 175 meter waves at the rate of 25 images per second, scanned horizontally by 90 lines per image.

"This is expected to give as good pictures as any system contemplated in either England or Germany, according to the French Minister, but after 3 months the French system will be further improved by increasing the scanning rate to 180 and even 240 lines", Assistant Trade Commissioner Lestrade Brown reports. "The broadcasting of televised pictures will be in the nature of an experiment at first. The sending apparatus has already been installed and will begin to function within a week. The improved model which will be installed 3 months later will be set up on the top of the Eiffel Tower. All equipment is made in France."

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R.C.A. COMMUNICATIONS TRAINS THEM UNDER DIFFICULTIES

On a recent visit to the main offices of the R.C.A. Communications, Inc., it was noted that the "schoolroom" for training novice operators was located in the very center of the largest, busiest, noisiest and most hectic of the several traffic-handling rooms, a writer in the Naval Communications Bulletin observed.

"The students were seated at a long practice table, banging away at their typewriters and yet obviously having enough trouble with the incoming code without being bothered by the running of messengers to and fro, the whirring of carrier-belts, the clicking of several dozen typewriters and a general air of confusion which is more readily associated with a boiler factory than with a communication office", the writer added.

"'That', said the executive who was acting as guide, 'is just the point. They've got to get used to the noise and confusion before they'll be worth anything to us and we think that they might just as well do it at the beginning of their careers rather than later on.'

"Judging by the proficiency of the finished product, the system must be good and we might well profit by it.

"Material difficulties may stand in the way. We certainly have no communication offices which offer the same amount of hectic distraction. On the other hand, it would be perfectly possible to hook up every position in a receiving room to an oscillator circuit, preferably keyed from outside the room. Then, whenever, a few positions could be spared from routine operation, the strikers could take their places in the receiving room and copy practice transmissions under exactly the same conditions as they will eventually be called upon to encounter with real transmissions. If greater noise is desired, the supervisor might stand close by and beat a dishpan with a monkey-wrench. But the ingenuity of our radiomen may be depended upon fully to furnish such realism, should it prove necessary in the turning out of operators such as we most assuredly need, and always will."

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A list of importers and dealers of radios and radio equipment in Czechoslovakia has been compiled by the Commercial Intelligence Division from data prepared and submitted by American consular officers abroad under the direction of the Secretary of State. Copies of this circular may be obtained from the Bureau of Foreign and Domestic Commerce or from its district and cooperative offices. Price 50 cents each.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

WPAX, H. Wimpy, Thomasville, Ga., C.P. to make changes in equipment and increase day power to 250 watts, transmitter site to be determined; WJAX, City of Jacksonville, Jacksonville, Fla., C.P. to install new equipment, increase day power to 5 KW, transmitter location to be determined; WMAQ, National Broadcasting Co., Inc., Addison, Ill., modification of C.P. to extend completion date from 7/4/35 to 9/4/35, for approval of antenna system and to correct geographical location; WORK, York Broadcasting Co., York, Pa., modification of license covering special authority to operate on 1320 kc., 1 KW night, using directional antenna, unlimited time; WMFJ, W. Wright Esch, Daytona Beach, Fla., license to cover C.P. authorizing new station to operate on 1420 kc., 100 watts, unlimited time; KXYZ, Harris County Broadcast Co., Houston, Tex., license to cover C.P. authorizing changes in equipment and increase in power from 500 w. to 1 KW, 1440 kc., unlimited time.

Also, WMFD, Richard Austin Dunlea, Wilmington, N. C., license to cover C.P. authorizing construction of new station to operate on 1370 kc., 100 watts, daytime only; KHSL, Wm. Sshield, Sydney R. Lewis, Harold Smithson, Trustees of Golden Empire Broadcasting Co., Ltd., Chico, Cal., license covering C.P. authorizing new station to operate on 950 kc., 250 watts, daytime only; KRNT, Iowa Broadcasting Co., Des Moines, Ia., license to cover C.P. authorizing changes in equipment; KPLC, Calcasieu Broadcasting Co., Lake Charles, La., license to cover CP for new station to operate on 1550 kc., 100 w., unlimited time; WPRO, Cherry & Webb Broadcasting Cl., Providence, R. I., modification of license to cover special Exp. Auth. authorizing new equipment, moving station locally and change frequency from 1210 kc., to 630 kc., 250 w., unlimited time; WSAN, WASN, Inc., Allentown, Pa., modification of license covering increase in power from 250 to 500 watts, and set for hearing application to operate with 500 w. additional; WGBA, B. Bryan Musselman, Allentown, Pa., modification of license to increase power from 250 to 500 watts, and set for hearing application to operate with 500 w. additiona;

Also, WMC, Memphis Commercial Appeal, Inc., Memphis, Tenn., modification of license to increase night power to 1 KW, using directional antenna, 2.5 KW day using conventional antenna, and to cover changes in equipment; WKBB, Sanders Bros. Radio Station, E. Dubuque, Ill., license to cover C.P. authorizing installation of new equipment, increase in day power to 250 w. and hours of operation to unlimited 1500 kc., 100 w. night; WSVA, Marion K. Gilliam, Harrisonburg, Va., Consent to Voluntary Assignment of license to Shenandoah Valley Broadcasting Corp.; WOSU, The Ohio State University, Portable-Mobile, C.P. (Exp. Gen. Exp. Broadcast pickup station), frequencies 31100, 34600, 37600, 40600, and 8600-400000 kc., 10 watts.