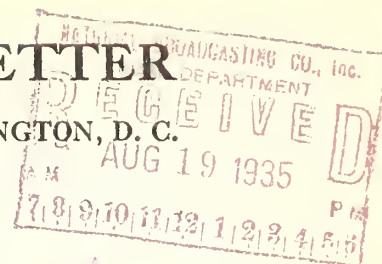


HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.



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No. 852

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"TELEFLASH" MAKES BID FOR N.Y. RADIO SPORT AUDIENCE

Stating that it is not radio, but rather voice description by news commentators brought instantly by telephone wires, "Teleflash", described as "sporting news by voice - as it occurs", is making a strong bid for the sporting audience in New York City now served by commercial broadcasting stations. According to preliminary announcement, "Teleflash" will soon be available in large cities and small towns everywhere in America as rapidly as equipment can be installed.

A network of leased wire service extending throughout the entire United States is said to be available exclusively to "Teleflash" alone. The new company, which gives its address as 551 Fifth Avenue, New York City, states that all equipment will be installed and maintained by the telephone company.

The announcement concludes as follows:

"The blow-by-blow account of prizefights; the second-by-second action of the horse races; the play-by-play account of the baseball and football games; the intimate descriptions of tennis and golf matches, hockey and polo games. These and other sporting events are now brought to you instantly and authoritatively by voice through 'Teleflash' loudspeakers. Enterprising merchants, hotels, restaurants, clubs, grills, smokeshops, barber-shops - are installing this new service to win your patronage. 'Teleflash' is free to the public.

"This service is now available to merchants, hotels, restaurants, smokeshops, etc., for a few cents a day. It frequently pays for itself in a single sale. It is the greatest business stimulator conceived in years.

"Your customers can sit in comfort in your place of business and listen to dramatic descriptions telling how the horses are running at the quarter, the half, the three-quarter and in the stretch - at all tracks in the United States and Canada."

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RADIOTELEGRAPH SCHOOL MUST STOP UNFAIR ADVERTISING

Walter H. Candler, of Chicago, an individual trading as The Candler System Co. and engaged in selling the "Scientific Code Course" for instruction of radio operators, has entered into a stipulation with the Federal Trade Commission to stop unfair advertising practices.

Candler will cease using in advertisements any false, misleading, disparaging or derogatory representations concerning a competitor.

Candler also agrees to stop using in advertisements letters from officials of the United States Army and Navy, the U. S. Marine Corps, U. S. Coast Guard or any other branch of the United States Government or foreign government or of any corporation for the purpose of discrediting or embarrassing a competitor in his business.

A further representation to be discontinued by Candler is the assertion that he has trained more than 45,000 telegraph and radio operators.

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RCA TO CONSTRUCT POWERFUL STATION

A construction permit for the highest-powered short-wave telegraph transmitter in the Western Hemisphere, and possibly in the world, has been granted to R.C.A. Communications. Designed for about 200 kilowatts output power, the apparatus is now under installation at Rocky Point, L. I., and will be ready for operation by November 16.

Engineers of the communication company said the station, under the call letters WEF, will be used from time to time for relaying radio programs to Europe for rebroadcasting purposes. The installation will be considered experimental until results determine if such power is economical. The present WEF equipment is capable of delivering about 40 kilowatts of power.

Better telegraph service to foreign countries at higher speeds of transmission, hence eventually lower rates, and much stronger signals in Europe of program material intended for rebroadcasting are improvements expected by the engineers when the new transmitter goes into operation.

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COAXIAL CABLE SEEN GREATLY EXTENDED IF TRYOUT O.K.

There is reason to believe that if the tryout of the coaxial cable by the American Telephone & Telegraph Company between New York and Philadelphia is successful that it will be an immediate forerunner to extending this type of cable to other parts of the United States. Such was indicated in the testimony of Dr. Frank B. Jewett, just made public, in the report and order of the Federal Communications Commission formally granting permission to the A. T. & T. to install a cable between New York and Philadelphia experimentally.

Dr. Jewett told the Commission that when the 100-mile circuit between those two cities is demonstrated to be practical, the A. T. & T. will know how to go about the demonstration of a 1000-mile circuit with a million frequency band. He further said that the development indicates for the first time the possibility of the transmission of the television image of good definition over long distances by cable circuit. In addition to this, it is capable of transmitting multiplex telegraphy; also 240 simultaneous telephone messages. The A. T. & T. research head said that the development of the coaxial cable goes back seven or eight years.

In making public its findings upon which the authorization of the construction of the New York-Philadelphia coaxial cable was based, a statement of the Communications Commission said:

"The Commission finds that the experiment which the petitioners wish to make is necessary for the advancement and improvement of communication and communication facilities, practice, and service; that the petitioners propose to carry on the experiment at their own expense and without cost to the public; that the installation of the coaxial cable under consideration is for experimental purposes only and without any intention or claim of right on the part of the petitioners to put said cable into public use or service without further authorization by the Federal Communications Commission; and that if the experiment contemplated is carried out, and the coaxial cable is demonstrated to be a success, the petitioners will, before attempting to use the same in public service, apply for permission to do so and later abide by such order as the Commission may make after a full and complete hearing held pursuant to notice, in which the petition in such case, and the objections and protests of all other parties appearing, shall be fully heard and considered upon the record made at that time, and without any regard to or for anything that the petitioners may do or cause to be done under and pursuant to the order permitting the installation of the coaxial cable for experimental purposes.

The Commission finds that experimentation, such as that proposed in the present proceeding, should be encouraged for the public welfare and in the public interest. The record indicates, and the Commission finds, that the introduction of the coaxial cable would have a tendency to reduce rates for services rendered by use of such cable.

The Commission finds that during the experimental stage of the coaxial cable under consideration parties interested in the transmission of television images should have access to and the use of the said cable for the use of experiments for themselves, provided the petitioners and such other parties may agree upon terms and conditions whereby such access and use may be accorded by the petitioners and had by the other parties; and in case the petitioners and other parties can not agree upon such terms and conditions, such other parties may apply to the Commission for rules and regulations whereby they may have access to and the use of said coaxial cable for their proper purposes and uses; and the Commission finds that under these circumstances the coaxial cable in its demonstration period cannot be used by the petitioners for the development of the right to television patents, to the exclusion of other parties having access to the coaxial cable through agreement with the petitioners or by order of the Commission; and under the circumstances proposed herein the Commission is of the opinion that the petitioners can not monopolize the experimental advantages, features and uses of the coaxial cable to the disadvantage, exclusion and detriment of other parties.

The Commission at this time is not going into the accounting and engineering features of the project under consideration, for the reason that it does not want to jeopardize the public interest by specifying, and thus limiting, requirements which the Commission has the authority and right to impose upon the petitioners when the proper time arrives, if at all, for the consideration of such matters; and the Commission hereby asserts its right to make any other and further order, whether supplemental to or derogatory of the order now being issued; and the Commission hereby serves notice that it reserves the right to revoke the order about to be issued, either in whole or in part, after hearing upon 10 days' notice to the petitioners.

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ON THE LETTER CARRIER'S DAY OFF

In Madrid, it is reported that a letter carrier during his off hours in the past two years, has turned out about 300 radio sets which he has sold to friends and acquaintances.

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RADIO IMPORTANT ITEM IN GERMAN P.O. BUSINESS

The business of the German Post Office for the fiscal year ended March 31, 1935, compared with the previous year, insofar as radio was concerned, according to Vice Consul Zawadzki at Berlin, was as follows:

<u>Radiograms Handled (number):</u>	<u>Fiscal Years Ended</u>	
	<u>March 31, 1935</u>	<u>1934</u>
Sent to European countries	526,100	560,700
Received from European countries	684,500	694,900
Sent Overseas	344,300	349,600
Received from overseas	315,700	322,800
Total	1,870,600	1,928,000
<u>Merchant Marine:</u>		
Ships equipped with radio	922	922
Ships with radio-bearing apparatus	553	513
Ships with radiotelephone transmitters	135	108
<u>Radio Service of Coastal Stations:</u>		
Radiograms sent to ships	21,036	16,287
Radiograms received from ships	79,284	59,026
Total	100,320	75,313
Radio conversations with ships	1,409	1,162
Radiograms rec'd from and sent to ships through radiotelephony	9,962	8,760
Total	11,371	9,922
<u>Air Radio Service:</u>		
Airports with radio	18	18
Stationary radio-bearing installations	15	15
Airplanes equipped with radio	334	263
Airplanes with radio-bearing apparatus	37	35
Radio Broadcasting subscribers	6,725,216	5,424,755
Receipts - Radio service	63,407,000	57,070,000

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SAYS WIRED RADIO SET TO GO

It seems that another challenge to commercial broadcasting, as well as to the movies, is Wired Radio, non-advertising entertainment to the domestic subscribers on a 5-15¢ daily rental basis.

Wired Radio, based on its Cleveland tryout, is now set to go, according to Variety, theatrical magazine, which devotes almost a page of its publication in the current issue to the innovation. No sets are to be sold; all rented by the month. Entertainment will be chiefly recorded, but live talent will also be used.

"Sponsored by a big utilities holding corporation - the North American Company, of which Wired Radio is a subsidiary -

Muzak is an arbitrarily coined word for a 'wired wireless' which has been in the process of experimentation since 1922", the magazine declares. "With recent experiments in the Lakewood section of Cleveland showing the highest quotient of favorable results, Muzak is all set to go.

"Figuring on a start of maybe 1,000,000 subscribers, at a \$3 average monthly rental (as the mean between \$1.50 and \$4.50 per month), a monthly yield of \$3,000,000 or \$36,000,000 per annum is the economic equation of Muzak's intensive preparations.

"This newest perfection in a mechanicalized-electrified show business is headed by Waddill Catchings, President of Wired Radio, Inc., formerly head of Goldman-Sachs, member of the Board of Warner Bros. Pictures, Inc., Chrysler Corp. and other big interests. Associated as Vice-President and General Manager of Wired Radio, Inc., is Harris D. H. Connick, former film man and the original Kuhn-Lieb financial agent on the Paramount-Famous-Lasky Board.

"Originally one channel of entertainment looked possible. And the telephone line seemed best suited. Now with recent perfections and research, either the phone or the normal power lines (illumination) are just as good. And instead of one channel being the limit, three to five different types of 'wired' shows can be projected.

"Muzak is starting with three. Class A will be 100% rhythmic; i.e., dance and popular stuff, grinding constantly from 7 A.M. until 1 A.M. the following morning.

"Class B will be a compromise between 'A' and 'C' (symphonic, lectures), in that the familiar classics, lighter operetta stuff and vocal instrumental music, a shade better than the pop jazz on 'A' will be exclusively projected via the 'B' channel.

"The 'C' groove will be a hybrid for educational stuff; lectures, news bulletins (intended to be projected on the hour, every hour), an occasional heavy symphony orchestra and a marathon of church services Sunday morning. Muzak (or Wired Radio, Inc.) officials believe that there are many religious Americans in this country and if the kids want the pop stuff on the A-B channels, the old folks must also be seriously considered for their Sabbath choirs, pulpit talks and the like.

"There are two other channels possible, subject to additions, but only three types of shows will be initiated for the home receivers. The other two grooves will be pumped into a large model receiver intended for small cafes, ice cream parlors, poolrooms, restaurants, lesser auditoriums and dance pavilions, and the like. Thus, Supplementary Channels D and E would give out big brass bands (for pavilions, eateries, etc.) or ticker tape results of sports events, racetrack odds and winners, etc. But this phase, while intended to yield important

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revenue, is being deferred until the home installations are under way.

"A host of artists have been extensively recording a catalog for Muzak for the past eight months in anticipation of its start, which should occur by Jan. 1 next, and possibly a bit sooner. Selvin has purposely selected his numbers for longevity or for distinction of quality.

"The following are some of the artists who have made records for Muzak, some with the proviso that their names can't be publicly used because of prior contractual reasons, such as in the case of Ray Noble, Hal Kemp, Andre Kostalenez, Casa Loma, etc. Others are Gertrude Niesen, Isham Jones, Irene Beasley, Green Bros., Marimba Band, Enrie Madriguera, Lew White, Victor Arden, Louis Katzman, Johnny Green, Leon Belasco, Fats Waller, Louis Prima, Willard Robison, Sam Lanin, Emil Coleman, Dorsey Bros. Joe Venuti, Goldman Band, considerable Met. Opera stuff and the like.

"From present indications, each municipality will have to have its own broadcast central. Interstate Commerce Commission regulations, as it now appears, may militate against a gigantic hookup from one central source, say New York, which otherwise is quite feasible, save for the Governmental restrictions. The ICC angle figures because of the separate corporate utilities in each locale.

"Connick points out that while Muzak's cabinets are equipped with an added compartment for space radio (i.e. the ordinary receiving set), that idea is being dispensed with as Muzak doesn't want to step on anybody's toes, much less the space radio industry. Besides, that's not their business - they don't want to disturb the space radio manufacturer; Muzak is in a licensing field for wired entertainment.

"On the other hand, says Connick, the Philco Radio & Television Corp., among other radio manufacturers, is already taking recognition of Muzak's potentialities by permitting space in the new Philco models for a supplementary Muzak receiving set, so that radio users won't have two cabinets in their homes, but combine both. The Muzak apparatus can thus be installed in the customer's own radio cabinet.

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FCC REFUSES TO SUSPEND GLOBE WIRELESS TARIFF

A petition by four large companies for the suspension of the proposed tariff rates of Globe Wireless, Inc., was denied by the Federal Communications Commission. The Commission reserved for later consideration the request for a hearing as to the "legality and propriety of the charges, classifications, regulations and practices."

R.C.A. Communications, Inc., The Western Union Telegraph Company, Mackay Radio Telegraph Company and Commercial Pacific Cable Company have protested that the "radiomail" rates of the Globe Wireless constitute "ferocious" competition.

Denial of the petition was accompanied by the following statement:

"In a special meeting of the Telegraph Division of the Federal Communications Commission, August 14, 1935:

"Upon consideration of the 'Complaint and Request for Suspension of Tariff' filed by R.C.A. Communications, Inc., The Western Union Telegraph Company, Mackay Radio Telegraph Company, and Commercial Pacific Cable Company in the matter of the proposed Tariff No. 3 filed by Globe Wireless, Inc., it appearing that the said Tariff No. 3 makes no change in the charges for 'radiomail' service but does change certain regulations with reference to the method of handling traffic, the Division declined to issue an order suspending said filing. The decision upon the request for a hearing as to the 'legality and propriety of the charges, classifications, regulations and practices' described in said Tariff No. 3 is reserved for later consideration.

"The denial of the request for suspension of the Tariff is not to be construed as an expression of any opinion as to the legality and propriety of any of the charges, classifications, regulations and practices described therein.

"The complainants will be notified of this action."

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U.S. MANUFACTURERS KEEP CUBAN RADIO TRADE CORNERED

So far as can be ascertained from the statistics, Assistant Trade Commissioner Kathleen Molesworth, at Havana, says the only non-American makes imported in June, the last fiscal month reported, were 7 Phillips units, which compare with 2 units in May and 17 in April. From January 1, 1935, through June 30, the total imports of Phillips radios was only 55 units.

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Imports of radio apparatus through the port of Havana during June, 1935, totaled 1,535 units, which was not only a decrease from the 1,639 units imported in May, but also less than the 1,898 units imported in June of last year. However, radio importations have held up extremely well this year, the total for the first 5 months being 11,007 units as compared with 5,903 in the first 5 months of last year, so that the decrease in June is considered to be due to adequate stocks in the country rather than to any actual decline in business.

The total value of the 1,535 units imported in June was \$32,466, and approximately 40 different makes were represented. Six outstanding American makes of radio apparatus accounted for 1,009 units, or approximately 65 percent of the total imports.

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ALMOST A YEAR SPENT PREPARING LISTENING AREA SURVEY

In response to the favorable comment occasioned by what is said to be one of the most comprehensive treatments of its kind ever attempted, John J. Karol, Director of Market Research, said that Columbia spent almost a year compiling its third Listening Area survey.

"The new market data are based on the special research conducted by Dr. Daniel Starch and staff during 1934", Mr. Karol declares. "This survey comprised 125,000 personal interviews in 321 communities throughout the U. S. and is, we believe, the largest study of its kind ever conducted in radio. It was on the basis of this study that we were able to determine the number of radio homes by counties as of January 1935, and this latest information is included with each Listening Area map."

Mr. Karol declined to say anything about the cost of Columbia's latest advertising presentation but in the opinion of one familiar with such publications, it must have been plenty, if, indeed, it did not set a new top figure in merchandising expenditure. Quite aside from what the actual survey must have cost, the printed document itself looks easily as if it might have run the bill up into five figures.

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MACKAY ADDS PHILADELPHIA AND DETROIT TO RADIOTELEGRAPH

Philadelphia, Detroit, and Camden were added last Monday to the network of principal American cities inter-connected by the radiotelegraph service of the Mackay Radio and Telegraph Company, operated in conjunction with Postal Telegraph.

"A pioneer since 1911 in the development of point-to-point radio service within this country, Mackay Radio has built a most comprehensive domestic network for the service of the American telegraphing public", a Mackay statement sets forth.

"It now serves an aggregate population of approximately 25,000,000 which includes the cities of New York, Washington, Philadelphia, Camden, Boston, Chicago, Detroit, New Orleans, Los Angeles, San Francisco, Oakland, Seattle, Tacoma, San Diego and Portland, Oregon.

"The service in the three new cities served by Mackay Radio is available to the public through any of its offices or those of the Postal Telegraph Company. This close coordination of its radiotelegraph operations maintains throughout the entire network."

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PHILCO USES HISTORIC ADVERTISING

There was an ingenious combination of history, radio, and first-class advertising showmanship in a page taken by Philco in the current issue of the Saturday Evening Post of August 10th. This page carried an old engraving of the "Battle of New Orleans" and was captioned, "A President Was Made Because News Arrived Three Weeks Late." Then followed this historic sketch:

"'Andrew Jackson has arrived', shouted the people of New Orleans. There was magic in the news. The British had come by sea, and were marching toward the city. Soon Jackson had an army of 3,500 behind a crude parapet. They waited all night. At dawn they descried the scarlet line of the British, perhaps 14,000 strong. The cannon roared. The infantry opened fire. Twenty-six hundred of the British fell, including their commander. The American loss was next to nothing. It was a glorious victory... and here General Jackson won the reputation that made him President of the United States.

"Peace had been signed three weeks before, but the news was unknown at New Orleans. Had there been radio, the battle would not have been fought."

To which Philco added this conclusion:

"So great a delay in the transmission of news is inconceivable today. Philco 116X, a product of modern science and invention, not only brings you an instant report of the signing of any important treaty or agreement between governments but keeps you in touch with every preliminary step."

The rest of the page was devoted to general advertising carrying an announcement of the new Philco 116X set in connection with which, by the way, was advertised Philco's all-wave aerial.

The historic advertising idea is carried out in other current magazines also, but with different subjects and historical facts depicted.

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APPLICATIONS GRANTED BY FCC BROADCAST DIVISION

KDKA, Westinghouse E & M Co., Pittsburgh, Pa., C.P. to make changes in eqpt.; KELD, T. H. Barton, El Dorado, Ark., Mod. of CP to make changes in eqpt.; KDON (formerly KFUH), Richard Field Lewis, Del Monte, Cal., Mod. of CP to move transmitter from Del Monte to Monterey and make changes in eqpt.; KGVO, Mosby's, Inc., Missoula, Mont., Mod. of CP to make changes in eqpt.; WGBI, Scranton Broadcasters, Inc., Scranton, Pa., Extension of Spec. Auth. to operate with 500 w. night, 500 w. day, for period Sept. 1, 1935 to March 1, 1936, or until pending application ow in hearing docket is granted; KPCB, Queen City Broadcasting Co., Seattle, Wash. Extension of Spec. Exp. Auth. to operate on 710 kc., 250 w. unlt. time, for the period beginning Aug. 1, 1935 to Feb. 1, 1936; also granted license covering CP authorizing installation of new eqpt; 650 kc., 250 watts, Ltd. time; WCAL, St. Olaf College, Northfield, Minn., Mod. of license to make changes in specified hours; KHSL, Trustees of Golden Empire Brdcstg. Co., Ltd., Chco, Cal., consent to Vol. Assign. of license of Station KHSL to the Golden Empire Broadcasting Co.

WBAL, WBAL Brdcstg. Co., Baltimore, Md., authority to determine operating power by direct measurement of antenna; KROC, Southern Minn. Brdcstg. Co., Rochester, Minn., Mod. of CP approving transmitter site at $\frac{1}{2}$ mile north; also make changes in antenna; WBZA, Westinghouse E and M Co., Springfield, Mass., license to cover CP authorizing changes in eqpt; 990 kc., 1 KW; unlt. when synchronized with WBZ); WELL, Enquirer-News Co., Battle Creek, Mich. license to cover CP authorizing local move of station, installing new equipment and increasing power to 100 watts, 1420 kc., unlt. time; KVOL, d/b as Evangeline Brdcstg. Co., Lafayette, La., license to cover CP for new station to operate on 1310 kc., 100 watts, unlt. time; KFNF, Henry Field Co., Shenandoah, Ia., consents to assignment of lic. to KFNF, Inc.; also renewal of license for the regular period, 890 kc., 500 w., night, 1 KW day; S-WILL and KUSD; W8XAO, The Crosley Radio Corp., near Mason, Ohio, renewal of special Exp. license for period of 90 days from Aug. 21, 1935; New, General Electric Co., Portable-Mobile (Schenectady, N.Y.), CP for new broadcast pickup station in temporary service; freqs. 1606, 2020, 2102, and 2760 kc., 50 w.

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