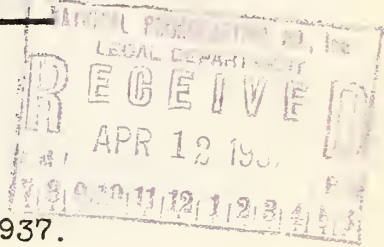


# HEINL RADIO BUSINESS LETTER

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## CELLER PRESSES FOR HEARINGS ON SHORT-WAVE STATION

Representative Celler (D.), of New York, this week predicted that the House Naval Affairs Committee shortly will schedule hearings on his bill to establish a government-owned short-wave broadcasting station in Washington. There were indications that the hearings may start within the next fortnight.

The Pan American radio station proposal has been pending for several years, but its sponsors now insist that it has the backing of the Administration and has an excellent chance of becoming a law.

Congressman Celler's bill authorizes an appropriation of \$700,000 for construction of the station and \$100,000 annually for its maintenance. Commercial advertising would be barred, but commercial stations would be permitted to use the facilities under conditions proscribed by the U. S. Office of Education.

Commissioner George Henry Payne, who is one of the promoters of the station, has charged that commercial broadcasting interests have been responsible for the delay in construction of the station, which was authorized at the Montevideo Conference four years ago.

The station, if built, will operate on the short-wave frequencies allocated to the Navy Department but in some instances lent to commercial broadcasters.

Other radio legislation appeared to be at a standstill this week as the Senate continued to concentrate on the President's Supreme Court reform proposal and the House concerned itself with other matters.

Indefinite delay was foreseen on the Wheeler proposal to curb the acquisition of broadcasting stations by newspapers. The Pittman resolution to provide for the broadcasting of special sessions of Congress was still lying idle in the Senate Committee on Interstate Commerce.

On the House side the Rules Committee was still holding up the Connery resolution for a broad radio investigation with the chances about even as to whether it will be reported to the House, with or without amendments.

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## RADIO PROGRESS REVIEWED IN SARNOFF ANNUAL REPORT

The Radio Corporation of America "has moved forward on every front covered by its operations - manufacturing, broadcasting, communications, research, patents, and television", David Sarnoff, President, declared in a statement made to RCA stockholders in New York City this week.

A summary of his review follows:

"MANUFACTURING: At the spring meeting of its distributors, our manufacturing division will introduce a new line of RCA Victor receiving sets, phonograph combinations, and other products. The market trend is definitely toward improved quality of performance and appearance.

"BROADCASTING: In our broadcasting operations, the substantial advance made during 1936 in the commercial position of the National Broadcasting Company has continued.

"COMMUNICATIONS: General increased business activity has caused a larger volume of foreign correspondence, increased foreign travel, and greater traffic in the exchange of international broadcasting programs. All these have resulted in a larger volume of business for our communication services. Both R.C.A. Communications and Radiomarine Corporation are benefiting from this increased business activity in the foreign field.

"RESEARCH: Our leadership in research, covering every development of the radio art, continues to produce improvements in broadcasting and receiving equipment, and in all other electronic applications. We are maintaining unabated our research efforts in the promising field of ultra-short waves. In the conquest of this part of the spectrum, lies the hope of perfected television and facsimile, as well as the establishment of other new radio services.

"TELEVISION: Technically, the art of television needs still further improvement in transmission as well as reception. As these improvements are made, the cost should decrease and thereby reduce the magnitude of the financial problems of establishing a nation-wide television service.

"The Columbia Broadcasting System has just announced its plans to enter the field of experimental high-definition television. That company has placed with us, this week, an order for the manufacture of a modern RCA television transmitter to be installed on the Chrysler Building in New York City.



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"FINANCIAL: Net profit, after all deductions, will be approximately \$2,200,000 for the first quarter of 1937, compared with \$1,287,000 for the first quarter of 1936. This is an increase in net profit of more than \$900,000 for the first three months of this year, compared with the same period of last year. After allowing for the quarter's preferred dividend charges, amounting to \$808,000, there remain \$1,391,000, equivalent to ten cents per share of common stock, against a deficit of approximately one cent per share in the corresponding quarter of last year."

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#### INDIA AWARDS CONTRACTS FOR NINE STATIONS

Awards have just been made for nine broadcasting sets, bids for which were recently opened by the Government of India at New Delhi. The successful bidder for 4 medium wave 5 kw. sets and one short-wave 5 kw. set was the Marconi Company, while 4 short-wave 10 kw. sets were awarded to the Philips Electrical Company,

Philips' bid on the four 10 kw. sets was Rs.131,000 each, f.o.b. Indian port, or Rs.133,000, f.o.b. Delhi.

Awards were made on the basis of a 4,000 working hour guarantee on valves and also a guarantee against price increase for valve renewals during the next five years. Deliveries were 32 weeks for the first set, 40 weeks for the second, 48 weeks for the third and 56 weeks for the fourth. Erection is going to be done under Government of India supervision although Philips is supplying the erection engineer who will be on Government payroll from the arrival of the first set to the complete installation of the last set.

British bids on the 10 kw. sets were very slightly over the Philips' bid; their valve guarantee was only for 2,000 hours. Marconi bid Rs.75,125 each f.o.b. on the medium wave sets and Rs.80,252 f.o.b. port with the addition of approximately Rs.38,000 for aerial, installation and mast lights on the short wave set. These awards were also based on valve guarantees and guarantees against price increases.

The value of the rupee in India is 36.9 cents in U. S. currency.

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# ASCAP FORMS ADMINISTRATIVE COMMITTEE; MILLS CHAIRMAN

The American Society of Composers, Authors, and Publishers this week reorganized its administrative set-up by forming an Administrative Committee with E. C. Mills, former General Manager, as Chairman.

John G. Paine, Chairman of the Board of the Music Publishers' Protective Association, was selected to become General Manager, succeeding Mr. Mills, who will now be relieved of most of his administrative duties.

The other members of the Committee are Gene Buck, President of ASCAP, Irving Caesar, Louis Bernstein, and Walter Fischer.

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## DEMAND IN PANAMA FOR RADIO RECEIVING SETS INCREASING

The demand for radio receiving sets in Panama has been steadily increasing since the inauguration in 1935 of regular radio broadcasting within the Republic, according to Assistant Trade Commissioner A. R. Randolph, Panama, in a report to the Electrical Division, Bureau of Foreign and Domestic Commerce, Department of Commerce.

Imports of radio receiving sets into Panama which totalled 1,618 units in 1934, advanced to 2,558 units in 1935, and registered a further increase in 1936 when imports were recorded at 3,120 units, practically all of which originated in the United States, the report states.

The average price paid by the consumer for receiving sets of the combination short wave and broadcast bands is approximately \$60. It is believed that lower priced units would stimulate sales in the Republic, according to the Commerce Department.

Seven broadcasting stations are in operation in the Republic at the present time and three additional stations which have now been licensed and assigned wave length and frequency have not yet commenced broadcasting, it was stated.

Woodwork in radio receiving sets intended for use in Panama should be constructed with strict regard for the warm humid climate. All metal parts must be protected against corrosion since moisture gets into any exposed and susceptible part. According to John H. Payne, Chief of the Electrical Division, sets structurally correct for American use often deteriorate rapidly in the presence of the excessive humidity in many tropical countries.

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## BROOKLYN CASE HEARING ENDS AFTER THREE WEEKS

The now celebrated "Brooklyn case", which has been pending before the Federal Communications Commission and its predecessor, the Federal Radio Commission, for several years on Friday completed another stage in its progress. Hearings, which have been conducted daily for the last three weeks, were concluded.

It is expected that the FCC will take several weeks to study the voluminous testimony before reaching a decision.

As the case was held before the full Commission, practically all other matters before the regulatory body have been delayed.

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## FRENCH TELEVISION RESTRICTED TO GOVERNMENT

M. Jardillier, Minister of P.T.T., has announced that, in order to avoid the difficulties which had been experienced in the development of broadcasting, the Government has decided that television experiments should be made by the State in collaboration with specialists only, according to World-Radio. He has, therefore, refused to allow Radio-Toulouse to make television transmissions. This is evidently the reason why Poste Parisien has not succeeded in obtaining permission to transmit television, in spite of having installed the Barthelemy system. Since the beginning of the year, transmissions of white lines, squares, rectangles, and other geometrical figures have been made from the rue de Grenelle from 10 a.m. to 10:30 a.m. and from 4:30 p.m. to 5 p.m. in order to assist manufacturers in testing their apparatus.

The Minister of P.T.T. has decided upon the construction of a new ultra-short-wave transmitter for the television station of the Eiffel Tower. The Broadcasting Service will take steps to increase the power and range of the station to permit the transmission of television under the best conditions possible at the present moment. Further details of these improvements will be given later.

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## NBC'S MARCH REVENUE 19% UP OVER YEAR AGO

NBC network revenue for March, 1937, climbed 19% over the corresponding month last year - the total of \$3,614,283 making the gain for the first quarter of 1937 24% ahead of the same period in 1936.

Individual NBC network figures for March, 1937, give the NBC-Blue Network \$1,082,961, and the NBC-Red Network \$2,531,322.

The first-quarter total for 1937 - \$10,452,064 - compares with \$8,433,988 in 1936.

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## SOUTH AFRICAN RADIO REFERENDUM PROVES FLOP

The radio referendum recently conducted by the South African Broadcasting Corporation was far from being successful, according to the U. S. Department of Commerce. Less than 50,000 replies were received to the 157,000 inquiries sent out, and for this reason: it is said that the Board will not publish the results of the referendum. Meager though the results were, the Board is proceeding on the theory that the votes represent opinion throughout the Union, and doubtless its actions in the immediate future will be guided by the response it has received.

It is believed that there will be a reduction in the ratio of Afrikaans in Johannesburg broadcasts and other districts where votes showed an overwhelming demand for unilingual programs. In order to bring this into effect, a new transmitting station at Springfontein will be erected at a cost of £40,000, and will be connected with Port Elizabeth by land line, for broadcasts of completely Afrikaans services.

It has been decided to send the General Manager of the Corporation on a brief trip to England, to investigate latest advances made in broadcasting and in television.

According to estimates based on the result of the referendum, 700,000 people in the Union listen in on the 160,000 licensed sets. Of these, 75,000 (slightly less than one half) are on the Rand. These figures indicate that there is still a tremendous market here for sales of new sets. It is thought that practically 100 percent of the sets in the Union are licensed, and that there is little, if any, pirating.

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## 5000 RADIO RECEIVERS TO BE DISTRIBUTED TO CHINESE SCHOOLS

To supplement the two thousand radio sets now installed in the schools of China, the Ministry of Education has just ordered the distribution of an additional five thousand radio receivers to schools, according to a report to the Commerce Department from the American Commercial Attache, Shanghai.

The Chinese Government electric works at Shanghai which furnishes government supplies is manufacturing the majority of the radio sets. The Central Broadcasting Station at Nanking has been instructed to furnish daily broadcasts on educational and scientific subjects, the report states.

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## MUTUAL REVENUE FOR MARCH GAINS 11%

The Mutual Broadcasting System's gross revenue for the month of March totaled \$212,861.07, an increase of 11 percent over March, 1936.

The cumulative total for the first quarter gives MBS \$602,311.16.

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## FOREIGN RADIO ADVERTISEMENTS BANNED BY DUTCH

A Netherlands ministerial letter has been sent to radio distribution stations prohibiting the transmission of foreign radio advertisements or of programs consisting chiefly of advertisements (such as the Luxemburg station).

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A favorable report was filed by Examiner Melvin H. Dalberg this week with the Federal Communications Commission on the application of WATR, Waterbury, Conn., for authority to shift its frequency from 1190 to 1290 kc. and increase its power from 100 to 250 watts and its operating hours from part time to unlimited.

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## CBS MARCH BILLINGS SET NEW RECORD

Time sales on the Columbia network for March, 1937, totalled \$2,559,716, an increase of 17.8% over March, 1936, which grossed \$2,172,382. This, a record-breaking March, is the second highest month in CBS history, following October, 1936, when billings reached \$2,764,808. Cumulative total for the first quarter of 1937 is \$7,202,653, an increase of 20.4% over the same period last year.

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## JAPANESE TIGHTEN UP ON SHORT-WAVE SETS

A newspaper clipping, submitted by U. S. Assistant Trade Commissioner Carl H. Boehringer, Tokyo, cites the case of port police tightening up on short-wave radios through the seizure of such a radio from a person not a subject of Japan. The owner of the radio was charged with having possessed a short-wave radio without a proper license. This incident took place in Yokohama.

Gendarmerie officials advised a representative of the "Japan Advertiser" staff that they believe short-wave sets have been imported generally, although their use is virtually prohibited by law, and they intend to handle the above case vigorously as a warning to others. Persons violating the wireless telegraphic regulations governing radio sets are liable to a maximum fine of 1,000 yen or imprisonment up to one year and confiscation of the set, according to the officers. The outcome of the owner is not as yet known.

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Stromberg Carlson Telephone Manufacturing Company and subsidiary makes the following financial report for 1936: Net profit after surtax, \$235,531, equal, after annual dividend requirements on 9,768 shares of 6½ percent cumulative preferred stock, to 63 cents each on 273,280, no-par shares of common stock. This compares with \$46,654, or \$4.66 each on 10,000 shares of 6½ percent preferred stock, earned in the preceding year.

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## AERIAL MEDICAL SERVICE UNIQUE RADIO UNIT

A unique radio organization of the Antipodes is the "Aerial Medical Service" in Australia.

As explained by U. S. Consul John W. Dye, of Melbourne, it was founded sometime in May, 1928, under the auspices of the Australian Inland Mission. Baby "pedal sets" form the equipment sold to inland settlers. There are now about 50 "pedal sets" in isolated outposts throughout Australia. Cloncurry, in the State of Queensland, is the headquarters or the location of the mother radio station. The source of power for the transmissions is a small high tension generator which, instead of being engine driven, is operated by bicycle pedals. This provides a simple, constant power supply, which requires little or no attention to keep it in working order.

The messages are set from the "pedal sets" in Morse code, but it is not necessary for the station people to know the code. Supplied with each machine is an automatic keyboard. This machine has a keyboard exactly like that of a typewriter. To send a message, all that one has to do is to press down the appropriate keys, just as though one were typing a letter, and the machine automatically sends the corresponding Morse code signals.

On these sets messages for advice and medical help are sent, and usually picked up by the Cloncurry station. At Cloncurry there is an aeroplane always awaiting, with a doctor standing by. The plane has a cabin sufficiently large to carry a patient on a stretcher.

The Victorian branch of the Association is responsible for the newly established base at Wyndham, in West Australia. Another base is at Port Headland, West Australia, which is under the West Australian administration.

The wireless sets have been designed and built by an Alfred Traeger, now chief wireless engineer of the Aerial Medical Service. It is understood that the cost of installing wireless sets in the individual outposts or homesteads is about £80 (approximately \$320).

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## SARNOFF HECKLED AT STOCKHOLDERS' MEETING

The annual meeting of the Stockholders of the Radio Corporation of America, held Tuesday afternoon in New York City, was almost turned into complete disorder as "boos" and cat-calls were hurled at David Sarnoff, President, who presided over the meeting, according to the New York Times. When a stockholder rose to defend Mr. Sarnoff, he was greeted with cries of "Stooge!"

"There were about 250 persons at the meeting", the Times reported. "The disturbance began when Mr. Sarnoff announced the names of four Directors to be voted upon for re-election to the Board for three years. Particular objection was voiced by Lewis Gilbert, who said he 'represented 800 shares', against the appearance on the ballot of the names of Edward J. Nally and Frederick Strauss.

"Mr. Nally and Mr. Strauss were attacked by Mr. Gilbert on the ground that they 'held no stock whatsoever in the company, and therefore, should not represent the stockholders.' He added that it was his intention to 'instigate a protest vote against the present directorate.'

"This, apparently, was all that a handful of stockholders needed to hear, for almost immediately a dozen or more stockholders jumped from their chairs to uphold Mr. Gilbert's contentions. Mr. Sarnoff, who by now was constantly calling for order, requested the dissenting group to 'at least observe the elementary rules of parliamentary procedure', and was greeted with 'boos.'

"However, his request proved futile, for a woman stockholder, who identified herself as Miss Anna E. Robinson, challenged Mr. Sarnoff's ability as President of the Company and demanded that the present Board of Directors, which she termed 'nothing but a group of bankers and stock brokers' be replaced by men who 'knew a little more about the technical side of the radio business.' She added that she was opposed to 'banker management that is totally ignorant of the affairs of the Company it directs.' She also demanded to know 'why the investors do not get more consideration.'

"Mr. Sarnoff, who was talking into a loud-speaker system, indicated that if order were restored, he would gladly answer her question. In a few minutes the situation quieted down somewhat and Mr. Sarnoff said:

"If this lady knew personally, as I do, those Directors which she now attacks, I am sure that she would not hold them incompetent. They have devoted years of untiring and unselfish devotion to the affairs of our Company and deserve a vote of thanks.'

The Directors were re-elected.

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## NBC STARTS NEW TELEVISION TESTS

Field tests of RCA experimental television with the new 441-line definition, were resumed this week by the National Broadcasting Company. The tests will continue throughout the Spring and Summer months.

Test programs will be televised daily from the NBC transmitter in the Empire State Tower. Quality of reception will be checked by NBC engineers on more than 75 receivers placed at selected points throughout the metropolitan area.

O. B. Hanson, NBC Chief Engineer, said the object of the new tests, which represent the latest development in seven years of television experiment by NBC, is to determine the home program potentialities of high definition television. RCA television of 441-line definition has been in operation in the laboratory since last December, but this will be the first test under practical field conditions.

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## CHAIN STORE CLASHES WITH WCAU IN "CENSORSHIP"

The Great Atlantic & Pacific Tea Co., which has been waging a campaign against a proposed Pennsylvania chain store tax, clashed with Station WCAU and the Columbia Broadcasting Co. over its "Bandwagon" radio program in Philadelphia last week.

The Company had planned to present on its program Thursday two speakers who were to talk against the chain store tax bill now being considered by the Pennsylvania State Legislature. O. C. Adams, President of the A. & P. Southern Division, charged that the speakers were not permitted to deliver their addresses. As a result, the Company inserted full-page advertisements in Philadelphia newspapers Friday headed: "This Is the Story the Radio Kept From You." Below this caption, the addresses of Eleanor Davis, economist, and G. A. Boger, President of the Lehigh Valley Cooperative Farmers' Association in Pennsylvania were printed.

In explaining the radio station's stand, Dr. Leon Levy, President of WCAU, said: "Columbia Broadcasting System and WCAU sell time to advertisers solely for the advertising of their goods and services. We refuse to sell time for the discussion of controversial public issues or dissemination of propaganda to influence legislation."

Dr. Levy then offered free time for discussion of the issue if speakers of both sides were on the program. The offer was accepted, and the debate was held on the following Saturday night.

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