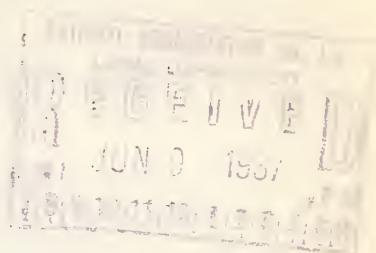


HEINL RADIO BUSINESS LETTER

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June 8, 1937.

CONGRESS HIT FOR FAILURE TO CURB UNIONS IN RMA ADDRESS

That Congress knows the dangers but fails to control labor union intimidation and coercion of employees and also employers was deplored by John W. Van Allen, of Buffalo, New York, General Counsel of the Radio Manufacturers' Association, in an address Tuesday to radio industry leaders at the Stevens Hotel, Chicago.

While business and industry are strictly regulated, the Wagner Labor Act fails to regulate or control union operations, Mr. Van Allen told the Thirteenth Annual Convention of the Radio Manufacturers' Association, and subjects minority employees as well as employers to unrestrained acts of "outside" pickets some of whom "hate all forms of government and all laws and are expert in the art of discontent."

The annual convention of the national radio manufacturers was presided over by Leslie F. Muter, of Chicago, President of the trade organization. Officers will be elected and the annual industry banquet will be held tomorrow (Wednesday) evening at the Stevens Hotel. A national trade show of radio parts and accessories will open Thursday.

"The Wagner Act pretends to give to employees freedom of choice of union or non-union or whatever union, and of representatives for collective bargaining", Mr. Van Allen told the radio manufacturers, "but by failure to safeguard the exercise of these rights, freedom of choice is in effect denied."

"Congress knows these defects exist and still does not remedy them, and persons in high places are using unsound and specious arguments that the law, as is, with all its defects, should be tried out and without amendment, with all of the grief and burdens and tremendous losses which such a tryout involves. If the law is admittedly defective, why wait for some catastrophe to happen before taking steps to prevent it?"

"Business and industry have been constantly subjected to greater and more restrictions, sometimes wisely and sometimes most unwisely, but labor unions have not, even though the need for them has long been clearly apparent and is strikingly apparent today. We are becoming more and more nationally regulated as well as state regulated, while those who sell services to our employees (labor unions) remain unregulated."

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While the Wagner Act confirms a century-old right for collective bargaining of employees, Mr. Van Allen stated that it does not protect minority employees and does not prohibit threats and interference, coercion or intimidation in elections by employees of their bargaining representatives.

"It permits competition by local unions and national unions", Mr. Van Allen continued, "for the business of performing services for hire in negotiations of compacts of employment, but it does not prohibit the securing of such business by them through threats, interference, coercion or intimidation or other unfair methods. It does not prohibit a unionized group from discriminating against non-union men.

"Today, freedom of men employed is menaced by unscrupulous practices of outsiders in seeking to procure, not by request of a majority, but by threats, intimidations, coercion and extravagant claims, the right to act as a bargaining agency for hire and by outside pickets never in the employ of those against whom they strike and who dislike - yes, hate - all forms of government and all laws, and are expert in the art of discontent. Still State and Federal legislators fail to face the reality by correcting the condition before irreparable damage is done, and public officers, sworn to enforce the law, have in too many instances acquiesced in these illegal and unwarranted practices by refusing aid to maintain law and order by both parties to the controversy.

"And for a time, at least until safeguarded in their freedom of choice to join unions or no unions, by amendment to the Wagner Act, working men will be intimidated, coerced and threatened by service unions, joined by outsiders zealous to create disturbances, to compel employment of their services for compensation."

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MAY TIME SALES UP 23% OVER NBC

Network advertisers for the eighth successive month, and the tenth such month in the company's history, used more than three million dollars worth of time on the National Broadcasting Company during May. Their gross expenditures totaled \$3,214,819, against \$2,561,720 for the same month a year ago, or an increase of 25.5 percent.

May figures bring the total for the year to \$16,944,720, compared to \$13,737,636 for the first five months of 1936, a gain of 23.3 percent.

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LICENSEE CHARGED WITH LAW VIOLATION IN BUYING STATION

An Examiner of the Federal Communications Commission this week cracked down on alleged irregularities in the double sale of WMBO, of Auburn, N. Y., and recommended that the second transfer be disapproved.

The report by Examiner P. W. Seward was made upon the application of Roy L. Albertson to transfer control of WMBO to the Auburn Publishing Co. Examiner Seward charged that Albertson violated the Communications Act of 1934 by purchasing control of WMBO without asking the Commission's approval and then turned around and sold the station's stock and thus committed "an open, flagrant, and wilful violation of the law and knowingly done by him, which discloses an utter disregard of the law and the regulatory authority of the government."

The FCC was obviously asleep at the control, the report brings out, in that Albertson bought the Auburn station in February, 1936, and in the following October filed an application to increase the station's power.

"It will be noted that this application was filed prior to the grant of the application to buy and take control of the station", the Examiner said. "This application was considered and granted without hearing on November 24, 1936."

The Examiner found that the \$15,000 with which the Auburn Publishing Company has bought WMBO is "far in excess of the valuation of the properties."

Finally, the report criticized the conduct of the publishing company, which already had assumed control of the station before the application for a transfer was filed. The Examiner said:

"The Auburn Publishing Company, transferee, is the owner and publisher of the only daily newspaper published in the City of Auburn, and if this application be approved and license issued to it to operate Station WMBO, the Auburn Publishing Company would have a virtual monopoly on all local advertising media available in the city of Auburn. It is true that newspapers published in other cities have a heavy circulation in the city of Auburn - much in excess of the local paper - but there is no local competition in the form of a daily or weekly newspaper in the Auburn advertising field other than a 'throw-away paper.'"

"The acts and conduct, as heretofore set out, of the Auburn Publishing Company, transferee, since it bought the stock of WMBO, Inc.; the exercise of domination and control over Station WMBO by it; and the obligation and expense of approximately \$15,000.00 incurred by it in rebuilding the station to operate with increased power, all tend to show a flagrant violation of the law and a disregard for the regulatory authority of the Government."

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FCC WOULD BE FREE OF PRESIDENT UNDER BROOKINGS' PLAN

The Federal Communications Commission, along with other independent Boards and Commissions of the Federal Government, would be maintained free of presidential control were the recommendations of the Brookings Institution to be adopted.

In a report to the select Senate Committee on Reorganization, the Brookings Institution this week cited the danger that "newer policies of social control be the football of politics."

A previous report submitted by President Roosevelt to Congress recommended that most of the independent boards be absorbed by various executive departments. The FCC was slated to go back to the Commerce Department.

Regarding these independent agencies, the Brookings' report stated:

"In case the independent boards and commissions were placed within executive departments there undoubtedly would be strong control established over sub-legislative and administrative activities of the regulatory authorities.

"To the contention that large fields of public policy are dominated and controlled by these commissions, the answer is that they should be. It is not desirable that these newer social policies be the football of politics.

"These boards and commissions are agents of Congress, both for the making of investigations for Congress and the formulation of sub-legislative policy. They are in no sense agents of the President. In case the President should control their administrative activity, he would almost of necessity also control their policy."

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9,000,000 RADIO SET SALES SEEN FOR 1937

Record-breaking sales this year of 9,000,000 radio receiving sets are expected by industry leaders who will be in session all this week at the Stevens Hotel for the Annual Convention of the Radio Manufacturers' Association. Also there will be a national trade show of radio parts and accessories.

This year's radio sales already are up 17 percent, even before the present introduction of new, modern lines of receivers.

Over 140 manufacturers will have exhibits at the national trade show of parts and accessories, opening in the Stevens Hotel exhibition hall Thursday, June 10, and continuing to June 13. This is a national trade show, not open to the public. Also there will be an annual convention of the Institute of Radio Service Men and other radio organization meetings.

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RISE IN STATION'S POWER HELD CUT IN SERVICE AREA

An increase in broadcasting power may not always bring about a corresponding expansion of the listening area, a report by an Examiner of the Federal Communications Commission disclosed this week.

Submitting an adverse report on the application of WMBH, of Joplin, Mo., for a permit to transfer from 1420 to 1380 kc. and increase its power from 100 watts nighttime and 250 watts daytime to 500 watts, Examiner P. W. Seward said:

"In view of the facts adduced at this hearing, which show that the coverage of the station as proposed would be approximately the same for daytime service, and would be less for nighttime service than as now operated, no additional service would be rendered to the area proposed to be served. Consequently a need for the proposed service has not been shown.

"No objectionable interference to the fair and efficient operation of any existing broadcast station now licensed would be expected by the operation of Station WMBH as proposed. The transmitting equipment and antenna, also the transmitter site, seem to comply with the rules and regulations of the Commission. However, if the application be granted, the towers will, of course, have to be marked and lighted in accordance with the instructions to be furnished by the Engineering Department of the Commission.

"The station, if operated as proposed, would serve a smaller combined night and day area than it now serves. The only benefit that might accrue would be to the applicant corporation by granting it the use of a regional frequency upon which it expects to predicate increased advertising rates, when in fact the service area will not be increased. The use of a regional frequency as proposed would restrict the applicant's service area to a smaller territory than is now being covered by the use of a local frequency. Such employment of a radio frequency is not considered to be an economical use of same, consequently the granting of this application would not serve public interest, convenience or necessity."

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The total number of registered German owners of radio receiving sets on April 1, 1937, amounted to 8,511,959, or 28,829 listeners more than at the beginning of the preceding month, which represents an increase of 0.3 percent. Of the total number of listeners, 607,643 were freed from the payment of the monthly radio fee.

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BUREAU OF STANDARDS CITES STUDIES OF IONOSPHERE

A resume of studies made by the U. S. Bureau of Standards of the relation of the ionosphere to radio transmissions is carried in the current Technical News Bulletin published by the Department of Commerce. A more complete account, however, may be found in the June number of the Journal of Research.

Following is the resume as carried in the Bulletin:

"The ionosphere consists of several layers of ionized or electrically conducting air from 60 to 300 miles above the earth. These layers act as reflectors for radio waves and make possible radio transmission over long distances.

"Depending on the degree of ionization of a layer, there is an upper limit to the frequency which, when the waves are sent straight up, may be reflected from the layer. Radio waves of frequencies greater than this upper limit, or critical frequency, go completely through the layer and pass entirely out into space. The critical frequency for each layer varies with the hour of the day, season of the year, and also over a long period which seems to be associated with the 11-year sunspot cycle.

"The air in these layers is ionized principally by ultra-violet light from the sun. Consequently, the critical frequency would be expected to be greater during the day than during the night and greater during the Summer than during the Winter. This is true for the lower layers, called E and F₂ layers. The uppermost, or F₂ layer does not behave so regularly but attains its daily maximum critical frequency shortly after noon from October to March and about sunset from April to September. Strange as it may seem the maximum in the former period is considerably greater than in the latter. After sunset the critical frequency decreases but does not fall to zero.

"The use of a multifrequency automatic recorder has made it possible to secure hourly ionosphere records at the Bureau since May, 1933. The recent adoption of the idea of multifrequency automatic recording and the principle of this recorder by the Carnegie Institution of Washington, British Radio Research Board, Australian Radio Research Board, and Harvard University will increase enormously the continuity and value of ionosphere data, which will in turn greatly increase our understanding of world-wide ionosphere and radio transmission conditions.

"The average critical frequencies and heights of the several layers, as measured near Washington, D. C., for each hour of the day for each month from May, 1934, to December, 1936, inclusive, are plotted in RP1001 by T. R. Gilliland, S. S. Kirby, N. Smith, and S. E. Reymer, which will be published in the June number of the Journal of Research.

"The upper limits for frequencies which can be used for transmission over long distances are several times greater than, but proportional to, the critical frequencies. Therefore, higher frequencies may be used for transmission during the Winter day than at any other time, and higher frequencies may be used during the Summer evening than at any other time of the Summer day. Also, because of the increased sunspot activity, higher frequencies could be used in 1936 than in 1933.

"In addition to the critical frequencies, the heights of the layers, and the amount of absorption of the radio waves play an important part in long-distance radio communication. The effects of these are discussed in the paper, and also two types of irregular disturbances of the ionosphere, which affect radio transmission."

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TOKYO PLANS 150 KW STATION, SEES INDUSTRIAL BOOM

Japan will shortly build a 150 KW broadcasting station in Tokyo and plans to construct other high-power transmitters to keep abreast of the world trend, according to the Tokyo press.

"The Osaka Mainichi and The Tokyo Nichi Nichi", in a special electrical section, state:

"In order to minimize the zones of radio interference, various countries have of late been devoting great efforts toward curtailing broadcast power. Observing a strict apportionment of wave lengths, nations are taking steps reciprocally to avoid interference. In other words, they are enforcing, in effect, a radio control,

"In this respect, considerably effective results have been achieved so far between Japan and the United States. In Europe, however, where many small countries are close together, stations are comparatively near to each other. Consequently, a confusion of wave lengths is practically inevitable.

"Hoping to mitigate the situation, the International Broadcasting Union of Europe has been formed to study suitable measures, but as might be expected, wave lengths cannot be controlled as thoroughly on an international scale as they can be on a domestic basis. Consequently, nations are individually making efforts to check interference from abroad, at the same time protecting their own broadcasting wave lengths. In addition, various nations are vying to construct powerful radio stations in order to carry out demonstrations and propaganda against their neighbor countries.

"In the light of this trend, a 500 kilowatt experimental broadcasting station has been established in the United States. Plans are also under way in Mexico for the establishment of a 500 kilowatt station. In China, in addition to a 75 kilowatt station at Nanking at present, a new 100 kilowatt station is projected at Peiping. In Manchoukuo, a 100 kilowatt station has been opened at Hsinking.

"In the light of these circumstances and to enhance the effectiveness of its broadcasting, Japan will soon realize the construction of a 150 kilowatt station in Tokyo, as well as others. With the spread of the radio as explained above, the development of the radio parts manufacturing industry is an aspect that merits attention.

"The Hayakawa Industrial Co., Ltd., of Osaka is the most noted (in Japan) as makers of radio sets. Among the leading makers of radio parts are the Matsushita Electric Works, Ltd., of Osaka, the Hayakawa Industrial Co., Ltd., Sumitomo Densen Seizosho, Ltd. and others."

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RIVER STEAMER AT CAPITAL LACKS SAFEGUARD OF RADIO

An excursion steamer that carries many Washington notables on short trips over the Potomac River operates without the safeguard of a radio communication set although it has been in trouble twice already this season.

The steamer, the Potomac, has its first trouble this year while carrying Vice President Garner and other notables to Quantico, Va., for the annual National Press Club outing. This week it broke down again with 350 Washingtonians on board. They were forced to spend 12 hours on board while an engineer went ashore in a small boat and telephoned for aid.

While recent amendments to the Federal law relating to safety at sea broaden the scope of the requirement for radio equipment on ships, they do not yet affect small river steamers such as those operating out of the National Capital.

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Denial of the applications of the Curtis Radiocasting Corp., Indianapolis, and WKBV, Richmond, Ind., for permits to use 1500 kc. specified and unlimited hours, respectively, was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin.

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TRADE NOTES

According to an announcement by Admiral Luke McNamee, President of the Mackay Radio and Telegraph Company, Mackay Radio operations on the Atlantic Seaboard have been placed in charge of H. L. Rodman as General Manager. Mr. Rodman was formerly General Superintendent at San Francisco. He will have charge of domestic radiotelegraph service involving Eastern cities, service with ships in the Atlantic region, and the direct radiotelegraph circuits to points in Europe and Latin America.

A working arrangement has been developed between a radio station, WROK, of Rockford, Ill., and a group of seven weekly newspapers operated by the Associated Publishers of Durand, Ill. In return for a half-hour broadcast period, the papers publish the station's publicity and advertisements.

Effective Sunday, September 26, 1937, Mutual Broadcasting System programs will be released over Stations WJAY and WHK, Cleveland, of the United Broadcasting Company, subject to the availability of these stations, it was announced this week. Mutual network programs are currently heard in Cleveland over WGAR.

B. J. Grigsby, former President of Grigsby-Grunow Company, is reported to be the backer of a successful restaurant at 79 E. Randolph Street, Chicago, Ill., known as "Fish and Chips" where fish and potato chips are sold exclusively.

Charging unfair competition in the sale of "Cosray Vitamin D Soap", the Federal Trade Commission has issued a complaint against Los Angeles Soap Co., trading as Cosray Products Co., 617 East First St., Los Angeles. The respondent advertises via radio and other media.

The granting of a construction permit to build a new broadcasting station at Bend, Ore., for operation on 1310 kc. with 100 watts nighttime and 250 watts daytime, unlimited hours, was recommended by Examiner George H. Hill to the Federal Communications Commission this week. The application is The Bend Bulletin.

An increase in power from 500 watts to 1 KW for KIEM, Eureka, Cal., was recommended to the Federal Communications Commission this week by Examiner P. W. Seward.

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ZENITH SETS EARNING RECORD FOR PAST FISCAL YEAR

Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, this week advised Zenith stockholders that the company for the second consecutive year exceeded all previous earning records, not excluding 1929.

Zenith's net profit after depreciation and taxes are deducted for the year ending April 30, 1937, amounted to \$1,904,073.

"An indication of the company's rapid progress", Commander McDonald said, "toward undisputed leadership in the industry is the increase in the number of dealers now handling its products. Two years ago there were 3,500 dealers distributing Zenith products throughout the United States. A year ago this number had grown to 13,000, and there are now over 20,000 Zenith dealers in the United States."

Regarding television Commander McDonald said:

"Your company has consistently refused to be stamped into prematurely placing on the market its television apparatus in the present stage of development. Many problems, both technical and commercial, are yet to be solved before television can be offered to the public for general use. While some publications have given space to the fact that we have applied to the Federal Communications Commission for a television transmitter permit, this transmitter is intended to be used primarily for experimental purposes. Our television engineering department is keeping abreast of the progress being made in this field and is continuing its development work."

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MUTUAL BILLINGS FOR MAY \$133,431.44

A 2.7 percent increase in time billings is reported for the Mutual Broadcasting System for the month of May, 1937, in comparison with the same month's figures in 1936.

Total billings for May, 1937, were \$133,431.44. For the same month in 1936 they were \$129,907. Cumulative billings for the first five months of 1937 total \$917,184.61, a 16.2 percent increase over the same period in 1936. For the same period in 1936 they 3454 \$789,847.98.

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"GHOST ENGINEER" WILL STEP UP SIGNAL OF CBS STATIONS

An increase in signal intensity equal to that which would be produced by doubling the power of the transmitter is about to be established on eight major Columbia stations and will be extended ultimately to all CBS-owned or operated stations. This improvement will be brought about this month with only a minute addition of electricity used in the transmission process.

The explanation for this seeming paradox traces back to a small black box, about the size of a berry-crate and covered with switches, dial and indicators. This unpretentious looking gadget is known technically as an "automatic peak volume limiter", and represents the result of years of research by engineers of the Bell Telephone Laboratories. At the control panel of a radio transmitter, it serves the role of "ghost engineer" constantly on the alert for every fluctuation in the intensity of the signal which is pumped into the broadcast transmitter.

This month, after exhaustive tests, CBS is giving the ghost engineer its first commercial employment at WABC, New York; WBBM, Chicago; WCCO, Minneapolis and St. Paul, Minn.; WBT, Charlotte, N. C.; WJSV, Washington, D. C.; WEEI, Boston; WKRC, Cincinnati; and KNX, Los Angeles. The new instrument will also be installed in Columbia's new international short-wave transmitter, W2XE.

The "ghost" performs much the same function for a radio transmitter that a thermostat performs for an oil burner or a robot pilot for an airplane. It automatically keeps the signal intensity of a program from increasing above a pre-determined volume level. This level is slightly below the station's maximum modulation or signal capacity. To go above this maximum would mean distorted reception in the home or the destruction of expensive equipment in the transmitter.

To stay below this danger point, engineers were hitherto obliged to dial down manually to an average signal intensity of about 30 percent of modulation. With the aid of the fool-proof, automatic "peak volume limiter", they can safely boost the average to 50 percent or more. To produce this same gain in signal intensity without the help of the device, it would be necessary to double the station's power.

Eventually it is expected that the new control unit will be installed in transmitters throughout the entire Columbia network.

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