

HEINL RADIO BUSINESS LETTER

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COMMERCE DEPARTMENT TRACES RADIO'S GROWTH

Tracing by statistical charts the growth of the radio industry in the United States from 1922 to 1937, inclusive, the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce this week issued its fourth annual statistical number.

The report, compiled under the direction of John H. Payne, Chief of the Division, shows the following facts among others.

In 1922, only 100,000 radio sets, valued at \$5,000,000 were sold in this country, whereas in 1937 the sales numbered 53,170,000 and grossed \$38,282,400.

The record year for radio sales was 1929, when 69,000,000 sets were sold for \$172,500,000.

There were only 60,000 radio-equipped homes in 1922 and no auto sets, whereas in 1937 there were 26,428,797 homes with radio receivers and 5,000,000 radio-equipped autos.

Table models, even in 1937, out-numbered the console models of receiving sets, but the two major classifications have varied in their comparative sales from year to year, with first one and then the other in the lead.

Exports of radio equipment by this country have risen rather steadily since 1927. Receiving sets sold abroad by American manufacturers, for instance, numbered 2,961,301 in 1927 and 16,129,321 in 1937.

Other statistical findings follow, in brief:

	<u>Radio Sets In Use</u>	<u>Jan. 1, 1938</u>
U. S. homes with radios		25,800,000
Extra and "second" sets in above homes		6,000,000
Automobile radios in use		5,000,000
Total radio sets in use, U. S.		<u>36,800,000</u>
Total homes with autos		18,500,000
Total residence telephones		12,000,000
Total homes with electricity		22,500,000
Total homes in U. S.		32,000,000
Population in U. S.		129,500,000

U.S. Annual Bill For Radio

	<u>1936</u>	<u>1937</u>
Sale of time by broadcasters	\$114,000,000	\$125,000,000
Talent costs	36,000,000	40,000,000
Electricity, batteries, etc. to operate receivers	150,000,000	150,000,000
Radio sets sold	440,000,000	450,000,000
Replacement tubes	31,000,000	40,000,000
Radio parts, supplies, etc.	45,000,000	47,000,000
Servicing radio sets	75,000,000	60,000,000
U.S. Public Paid for Radio	<u>\$891,000,000</u>	<u>\$912,000,000</u>

Roll-Call Of Radio Industry

	<u>Jan. 1, 1937</u>	<u>Jan. 1, 1938</u>
Manufacturers of radio receivers	144	140
Manufacturers of radio tubes	13	14
Manufacturers of radio parts	620	625
Manufacturers of test equipment	55	60
Manufacturers of broadcast and amateur equipment	110	110
Manufacturers of sound equipment	95	115
Radio set and parts distributors	1,760	2,088
Manufacturers' agents	240	245
Retail outlets selling radios	50,300	61,000
Dealers doing 85% of radio business	15,000	16,000
Servicemen, including dealers ⁸ servicemen	40,000	40,000
Radio amateurs and experimenters	80,000	81,000
Broadcasting stations	656	701

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MOSCOW MAPS MASS TELEVISION PLAN

A scheme for the reception at given points of television programs and their redistribution by land-lines to subscribers is being developed by the Institute of Scientist-Pioneers in Moscow, World-Radio reports. Pravda, the official Soviet newspaper, claims that by this method it is possible to reach 500 subscribers from each relay point, and it is hoped to construct special sets for this purpose.

The first regular experimental television broadcasts are due to begin in Moscow this month. Intensive tests have been conducted for some time past, and the final sitting and fitting up of the studios are now being taken in hand. Various television sets and transmitters were tried out, and to test the quality of transmission, receiving sets were placed at thirty different points in Moscow and its neighboring country. Cinema films and prominent artists will appear in the first regular transmissions.

There are about a hundred television receiving sets in Moscow clubs, houses, and political and culture centers. Plans for mass production of cheap sets are in course of execution. During the present year the Leningrad television factory should produce 200 large television receiving sets of the type adopted for collective farms. Some have already been delivered. In addition, this factory has to construct 200 cheaper sets for individual use, says Pravda.

CONGRESSMAN ASKS FCC PROBE OF S-W PROPAGANDA

Chairman Frank R. McNinch, of the Federal Communications Commission, was asked this week by Representative Bernard (Farmer-Labor), of Minnesota, to investigate reports of Nazi propaganda coming to the United States via short-waves.

Representative Bernard also asked the FCC to ascertain the backers of the Short Wave Institute of America and Oswald F. Schuette, its organizer, now with the Radio Corporation of America. The complete letter follows:

"May 23, 1938

"Hon. Frank R. McNinch, Chairman
Federal Communications Commission
Washington, D. C.

"Dear Mr. McNinch:

"For some time past I have been making an inquiry into the short wave broadcasting situation as it relates to the United States.

"I find that on the average receiving set which has come to my attention, the German government's broadcast programs are more easily received, and exist in greater number than those of any other individual nation. I noted, a few days ago, a newspaper compilation which states the German government broadcasts a total of 47 program-hours a day in English, for consumption of the American people.

"The policies and acts of Nazi Germany are abhorrent to the great majority of American citizens, and have been publicly condemned by official spokesmen for the government of the United States. Nazi propaganda is anti-Catholic, anti-Christian, anti-Jewish, anti-Labor, anti-democratic. It seeks to indoctrinate the people of America with theories of racism, nationalist aggression and war -- theories which, where they have been carried out by the Nazis themselves, have led to the suppression of racial minorities and religious freedom, to the forceful annexation of Austria and to the terrorization of all peace-loving peoples throughout the world. There is no place in America for such ideas and policies.

"Listeners to German programs who report to me in this matter state that in an average program there is music, 'news', which vilifies anything or anybody not consonant with the politics of the Nazis, and a 'chatterbox', conducted by one 'Jack', who acknowledges reception of letters from all over the United States and invites new correspondents. On Sunday evening last, I am advised by one listener, Jack responded to letter-writers all the way from Minnesota to Long Island, and offered to send them copies of the Horst Wessel song, and other Nazi literature.

"Now this is what I am most interested in:

"How did the German government happen to fix its broadcasting frequencies so they are most effective in the United States?"

"In searching for an answer to this question I have come across some significant and pertinent information. At an informal engineering conference the Federal Communications Commission called in 1936, I find that on June 16, that year, one Oswald Schuette was a witness before you. He appeared, as he stated himself, as the representative of the Short Wave Institute of America, and argued at length for expansion of short wave radio reception. When asked by Mr. Craven, then your chief engineer, who composed the Institute, Mr. Schuette replied:

"It is an incorporated body, and I would say that the associates who are supporting it are not represented in their views, and I see no reason, therefore, to go farther."

"Now Mr. Schuette is a known and unrestrained admirer of the Nazis. He makes no attempt to conceal it, according to information that has come to me. I do not suggest that he has done anything unlawful, but I respectfully request that you make a thorough investigation of the Short Wave Institute of America, with the following specifically in mind:

1. Why has Mr. Schuette refused to identify his backers?
2. Who are his backers?
3. Do they include members of the Radio Manufacturers' Association, and if so, why was not that duly constituted trade association assigned the responsibility of propagandizing in Washington for the short wave installations that have ensued?
4. Do members of the RMA like short wave installations?
5. Do the broadcasting chains, such as NBC and CBS like short wave, in view of the fact that it takes listeners away from their programs?
6. Who assigned the range of frequencies known as 'short wave' which are found on the average radio set offering that type of reception?
7. Has the Federal Communications Commission had anything whatsoever to do with the short wave reception installations, in the way of fixing range of frequencies, standards of quality, and the like?
8. Specifically, if Mr. Schuette's associates include any foreign government, the agents of any foreign government, or of any political party or faction or clique in any foreign government -- who are they and in whose interest do they take formal or informal action?

"I trust that you will recognize the need of immediate action in this matter. Any further information or help from me that you feel necessary to the inquiry, I will try to furnish."

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TELEVISION CALLED AID TO ARTS PROGRAMS

The chief obstacle to really satisfactory arts programs - visual presentation of art - would be automatically surmounted with the advent of television, the American Federation of Arts was told this week at the second day's session of its 29th annual convention in Washington.

C. W. Farrier, television co-ordinator of the National Broadcasting Company, said the use of television technique would eliminate the long descriptions of art objects now necessary in sound radio. He emphasized, however, that such programs must be entertaining as well as informative since those at the television receiving sets could still reserve the right to twist dials to another program.

Discussing the progress of television, Mr. Farrier said it was still very much in the experimental stage and there are so many phases to be considered that no one person could forecast when television will be ready as a public service.

He pointed out, too, that even when television passes the formative stage, it probably will be virtually impossible to reach the whole population of the United States because of the limited number of wave lengths available.

Manufacturers, he said, are not yet willing to undertake commercial manufacture of television receiving sets because this new technique will undergo many changes before it will be ready for the public. He pointed out each change would necessitate rebuilding every receiving set.

Dr. Bernard Myers of the Department of Fine Arts of New York University, told the delegates development of an art-conscious public would have to begin with the training of youth. The youth of today, he said, is radio and movie minded and would rather look and hear than read. In this field of training, radio, television and the motion picture can play a very important part, he said.

Broadcasts on art must, however, be made more national in scope than they have been up to the present time, he said.

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A two-short-wave radio set was responsible for the recent conviction of a Washington man for attempting to bribe a policeman. A detective placed a transmitter in the defendant's car and a receiver in his own auto and thus heard the conversation.

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BROWN, SYKES NAMED AS PROTECTORS OF NETWORKS

Commissioners Thad H. Brown and Eugene O. Sykes were charged with being unduly interested in the welfare of the National Broadcasting Company and the Columbia Broadcasting System, respectively, Thursday by Representative Connery (D.), of Massachusetts.

Repeating charges he had made before the House Rules Committee in support of his late brother's resolution calling for a Congressional investigation of the radio industry and the Federal Communications Commission, Representative Connery also asserted that the Commission is more interested in station profits than public interest.

"That the radio monopoly controls the activities of some members of the Commission is general talk", Representative Connery said. "Any time a question comes up which concerns the National Broadcasting Co., Commissioner Brown is said to be very active and credited with taking very good care of their interest, while when a matter comes before the Commission concerning the Columbia Broadcasting Co., Commissioner Sykes is said to be very active in their behalf. . . .

Other members who renewed their demands for a Congressional inquiry were Representatives McFarlane (D.), of Texas, and Wigglesworth (R.), of Massachusetts.

Representatives McFarlane and Wigglesworth reviewed charges previously made relative to the industry, while Representative Connery directed his fire chiefly at the Commission.

Five reasons were cited by Congressman Connery for a Congressional inquiry. They were:

"1. Proven inefficiency of the Commission to protect the public.

"2. Existence of a dangerous radio monopoly which has been promoted and protected by some members of the Commission.

"3. The broadcasting of indecent, profane, and obnoxious radio programs, with little or no action on the part of the Commission.

"4. Broadcasters challenging the honesty of elected officials, such as alleging that votes of the members of a legislative body can be bought for \$100 down to a pound of tea, without any action on the part of the Commission.

"5. No apparent effort on the part of the Commission to insure the carrying out of the Communications Act wherein licensees hold and secure renewal of licenses only when public interest, convenience, or necessity is service."

"The Commission in granting licenses has taken into consideration not whether the applicant can or will serve public interest, but, in the main, will the radio station be profitable? A few weeks ago the head of the radio monopoly, Mr. Sarnoff, addressed a meeting and his speech was printed in a 15-page booklet. Nowhere in the book will you find where he contended that his company was serving public interest, convenience, or necessity. His whole motive was profits.

"The inefficiency or lack of interest on the part of the Commission as to whether the law is being carried out and whether or not radio stations are serving public interest, convenience, or necessity, deprives local people from being able to secure radio licenses to serve their home communities because almost every desirable wave length of high power has been gobbled up by the National Broadcasting Co., the Columbia, the Mutual, and their affiliates."

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KGO POWER RAISE DENIED; NEW GEORGIA STATION

The National Broadcasting Company this week lost its fight before the Federal Communications Commission for a power increase for its San Francisco station, KGO. The FCC rejected an application for an increase in power from 7.5 KW to 50 KW.

At the same time the FCC authorized construction of a new 100-watt station at Savannah, Ga., for operation on 1310 kc. The applicant was Arthur Lucas.

Regarding the KGO decision, the Commission said:

"Station WGY, Schenectady, New York, operates on the frequency 790 kilocycles (as does Station KGO, the applicant) with power of 50 kilowatts, unlimited time. Station KGO now operates with a non-directional antenna and it limits the service area of Station WGY. The applicant proposed to operate with a directional antenna. Such operation would be expected to decrease present interference by Station KGO in the primary service area of Station WGY; but the operation of Station KGO as proposed would cause approximately the same interference within the secondary service area of Station WGY as now exists; and there would be no change in the interference in the San Francisco area by the operation of Station WGY.

"When this proceeding was heard before the Examiner, the application of Station WGY, Schenectady, N.Y., for an increase of power to 500 kilowatts, unlimited time, was pending. The actual separation of Schenectady, N.Y., and San Francisco, Cal., is 2,538 miles. If the pending application of Station WGY should later receive favorable consideration, the operation of

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that station with power of 500 kilowatts would limit Station KGO operating at night, as proposed, approximately to its three millivolts per meter night contour."

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HOUSE COMMITTEE TO QUESTION MEMBERS OF FCC

Chairman Frank R. McNinch and other members of the Federal Communications Commission will be questioned next week by the House Rules Committee, Chairman O'Connor (D.), of New York, stated Thursday following another hearing on resolutions calling for radio investigations.

Representative O'Connor indicated that the Committee will not go deeply into the charges but ask for expressions of opinion as to the need for an inquiry and as to the form it should take. Members of the Committee intimated they may base their votes on the advice of the Commissioners.

The Committee, however, will find the Commission divided if all the members are called. Chairman McNinch and Commissioner Eugene O. Sykes have indicated they believe that the FCC should be permitted to conduct its own monopoly investigation as planned, while Commissioners T.A.M. Craven and George Henry Payne have publicly advocated a Congressional inquiry.

Even the Commissioners who would prefer to let the FCC continue its own probe, however, are not likely to object too strenuously to a Congressional inquiry when questioned on Capitol Hill because of the implication that they have something to hide.

Any investigation that may be ordered by Congress now will have to be conducted during the recess if present plans for adjournment early in June are followed. If the House conducts the inquiry, it will be either brief or delayed until after the November elections as most members are anxious to return home immediately after adjournment.

Should the Rules Committee decide to report out an inquiry resolution, it will have to hurdle the House Accounts Committee, which must approve the allocation of funds. Chairman Warren (D.), of North Carolina, who is friendly with Commissioner McNinch, has stated his opposition to a Congressional inquiry on the ground that it is unnecessary.

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SHEPARD LOSES FIGHT ON WMEX; WDEV RENEWED

The Shepard Broadcasting Service this week lost its fight to block Station WMEX, Boston, from improving its facilities by transferring from 1500 to 1470 kc. and increasing power from 100-250 watts to 5 KW., unlimited time.

At the same time the Federal Communications Commission rejected an application of the Westinghouse Electric & Manufacturing Co. in behalf of WBZA, Springfield, Mass., and renewed the license of Station WDEV, Waterbury, Vt. Commissioners Case and Sykes filed dissenting opinions.

The Shepard Broadcasting Service, in behalf of WNAC, claimed that the improvement of WMEX's facilities would curtail WNAC's revenue. Other Boston stations made similar protests.

"The charge that the granting of the application under consideration would increase competition wherein the protestants will be involved and will inflict upon them pecuniary loss is mostly a matter of conjecture", the FCC said, "and the testimony offered to sustain the charge leaves the prospect so problematic as not to furnish a present substantial basis for the protests made or for any sound judgment based thereon."

Westinghouse now operating WBZA on 990 kc, 1 kw. power, unlimited time, had asked for construction permit to install new equipment, including a directional antenna, and to change the operating assignment to the frequency 550 kilocycles, with the same power and hours of operation as at present. The applicant further requests that Station WDEV be assigned the frequency 560 kc., with power of 500 watts, daytime, in lieu of its present assignment of 550 kilocycles, with power of 500 watts, daytime.

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I. T. & T. ELECTS 21 DIRECTORS

At the annual meeting of the International Telephone and Telegraph Corporation, held in Baltimore, Md., Wednesday, the following Directors were elected:

Arthur M. Anderson, Sosthenes Behn, F. Wilder Bellamy, Daniel C. Borden, John W. Cutler, Charles E. Dunlap, Allen G. Hoyt, Russell C. Leffingwell, Clarence H. Mackay, John L. Merrill, Walter E. Ogilvie, Henry B. Orde, Samuel G. Ordway, Frank C. Page, Bradley W. Palmer, George E. Pingree, Wolcott H. Pitkin, Lewis J. Proctor, Gordon S. Rentschler, William F. Repp, and Mark A. Sunstrom.

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MISSOURI BLIND STUDENTS PRESENT RADIO SERIES

Writing their own scripts on modern mechanical writers for the sightless and then speaking to an outside world they will never see, students of the Missouri State School for the Blind are conducting a unique radio workshop at their school in St. Louis.

Undaunted by their inability to prepare and read radio scripts like sighted persons, the blind students of the Missouri school throughout this school year have presented their own series of radio programs by using the facilities of a local St. Louis radio station.

How these blind students have overcome their own handicaps in order to take advantage of new opportunities in education offered by radio, is described in the May issue of School Life, published by the United States Department of the Interior, Office of Education.

The idea for this unusual radio workshop developed with the Missouri blind students two years ago. They had no knowledge of script writing or microphone technique. But they could learn. Fired with the same spirit of determination that made Helen Kellar famous, the students learned they could obtain copies of radio scripts, "Interviews with the Past", from the Office of Education Script Exchange.

"When the scripts arrived", says School Life, "the students realized one of the first lessons in radio technique, that a great many words can be spoken in 15 minutes. They received 90 pages of printed material to be put into about 180 pages of Braille before they could begin rehearsing."

S. M. Green, veteran superintendent, who for years has shepherded the blind school students, obtained Braille paper. He assigned Miss Roberta Emley, a young blind student, to the laborious task of translating the scripts into Braille to be read by the students with their finger tips.

Word for word, Miss Emley reproduced the parts to be presented over the radio. She used a machine strikingly similar to a typewriter instead of the older method of slate and stylus for pin holes. Finally, Miss Emley's work was done. It was to forge another link between the blind and the great outside world, now becoming less and less of a never, never world to them.

Miss Anna McClain Sankey, of the Speech Department of the school for blind made contact with radio stations. At first, there was a hitch. Radio station managers were doubtful. Blind students hadn't conducted radio programs. But Miss Sankey was persistent. She found a station - WEW of St. Louis University - willing to put the blind students on the air.

So rehearsals began. Parts were assigned and memorized with great care. They used for practice a small portable radio, broadcasting their programs from room to room in the school. At last they went on the air.

These Missouri blind students have been heard each week by large audiences over WEW. Their pioneering means new social adjustments for the students, developing their personalities, and giving the world, according to officials of the school, a more definite idea of the capabilities of the blind.

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ILLINOIS AMATEUR GETS PALEY AWARD

Robert T. Anderson, operator of amateur radio transmitter W9MWC, Harrisburg, Ill., has been selected for the 1937 William S. Paley Amateur Radio Award, it was announced by the Columbia Broadcasting System. He will receive the trophy, designed by Alexander Calder, at a luncheon at the Waldorf-Astoria Hotel on June 9. The presentation by Mr. Paley, CBS president, will be broadcast over WABC's network.

The selection of Mr. Anderson was based on his efforts in the January, 1937, flood emergency, when he worked for four days, getting only ten hours sleep, to obtain means of evacuation for the 1,500 inhabitants of Shawneetown which was threatened with inundation by the Ohio River.

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J. R. Poppele, Chief Engineer of Station WOR, returned this week from Europe after an extensive tour of the continent. He visited over nine countries and studied radio conditions, particularly the European progress in television and facsimile. On Saturday, May 28th, from 7:15 to 7:30 P.M., Mr. Poppele will be interviewed over WOR and the Mutual network by Tom Slater of the WOR staff. He will discuss his observations in the radio field and give a comprehensive word picture of the progress of radio in Europe.

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THERE WILL BE NO ISSUE OF THE HEINL NEWS SERVICE ON TUESDAY, MAY 31ST, DUE TO THE FACT THAT THE GOVERNMENT OFFICES WILL BE CLOSED ON MONDAY, MAY 30TH.

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