

HEINL RADIO BUSINESS LETTER

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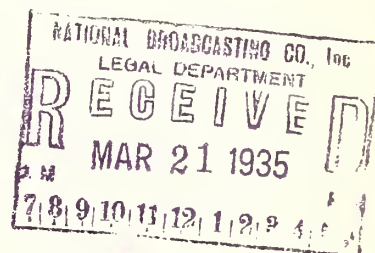
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INDEX TO ISSUE OF MARCH 19, 1935

Germany Puts Over Its "People's Radio Set" Campaign.....	2
Juicy Plums Seen In A. T. & T. Investigation Set-up.....	4
FCC Denies Whitewashing Pettey Of Huey's Charges.....	5
Religious-Educational Conference Set For May 15.....	6
New Buenos Aires 40 KW Short-Wave Transmitter Heard.....	6
Leased Wire Service Hearing March 25.....	6
Operating Data From Monthly Reports Of Radio Companies.....	7
Legislature Awaits Court Action In News Broadcasts.....	8
Irish Lotteries Fight Back Through Radio Stations.....	8
Columbia Annual Earnings Sky-Rocket To \$2,274,120.....	9
Gov't Considers Consolidating Departmental Communications.....	9
A Political Receiving Set.....	9
"Amos 'n' Andy" And NBC Sued For \$181,995.....	10
Press Radio Bureau Completes First Year.....	10
"Silent Radios" Described By O. H. Caldwell.....	12

No. 808



GERMANY PUTS OVER ITS "PEOPLE'S RADIO SET" CAMPAIGN

Germany has succeeded so well in its campaign for the Volksempfänger, or "People's Radio Set" that out of the increase of 643,881 sets sold last year, 641,912 were Volksempfänger. Practically all of these were for light socket operation. Through government stimulation, the value of total radio sales increased between 35 and 40 percent, Assistant U. S. Trade Commissioner Roland Welch at Berlin, has advised the Commerce Department.

During the radio season 1933/34 (the radio year in Germany begins on August 1 with the opening of the National Radio Show in Berlin) the National Socialist Government urged all manufacturers of radio sets to put out a popular priced receiver under the name of "Volksempfänger". All German manufacturers produced this set, all of them using the name "V E 301". There was very little difference in the Volksempfänger radio receiving set put out by the different companies. The electrical details and specifications and wiring were all the same and the price was exactly the same. The different manufacturers distinguished their VE 301 sets only by the cabinet and outward appearance. The production of this "people's receiving set" was apparently similar to the production of certain household electrical appliances according to given specifications and at a given price for the Tennessee Valley Authority.

While the sale of radio sets within the home market increased, exports fell sharply. At the beginning of the radio year in 1932 some firms were exporting 50 percent of their production. During the past year German radio manufacturers on an average exported only 7 to 8 percent of their total production. The chief outlets for German radio sets were France, the Saar District, Belgium, the Netherlands, the Scandinavian countries, and Switzerland, in the order named. The leading oversea outlets were the Netherlands India, Argentina, and Egypt. In fact, sales to Egypt and Portugal increased over the previous year and there were some slight increases in the sales to a number of South American countries.

Germany ended this radio year with 270,840 sets left on the shelves of the manufacturers, compared with 109,920 at the end of the 1933 which terminated July 31, 1933. According to the Wirtschaftsstelle der deutschen Rundfunkindustrie, the reason for this increase in stocks was that during 1933-34 a larger number of types were offered and the buying public turned more to the "Volksempfänger", or popular receiver, than had been anticipated. Since there were very few changes in the radio receiving sets introduced at the Radio Show in Berlin last August, to mark the

beginning of the 1935-35, it is anticipated that the factories will be able to dispose of the sets on hand.

Sales of loudspeakers alone during the year amounted to 112,113 and those of chassis alone to 1,111,732, the total value of these sales being 9,128,500 marks.

Manufacturers of radio receiving sets in Germany number 29. Most of these have existed for several years and a Government decree issued during 1934 restricted any of these manufacturers from extending their plants and producing any new radio lines that they did not produce in the past. The same decree forbade the establishment of new factories manufacturing radio apparatus. Besides these 29 factories some others are engaged in the manufacture of radio parts and accessories. These factories are bound together in Germany in an organization called the Wirtschaftsstelle der deutschen Rundfunkindustrie e.V., Zimmerstrasse 3 - 4, Berlin S. W. 68. This organization has little or no connection with the Government Reichsrundfunk-kammer or the Government offices which control all sending stations in Germany.

The various technical radio editors of Germany recently reached a decision to employ the following mentioned German designations in lieu of the hitherto non-German tube terms (such as Binode, Duo-Diode, Hexode) and will accordingly employ the German terms hereafter in accordance with the foregoing decision.

Having "Germanized" the designations of the tubes, the next desirable step should be to designate the tubes in accordance with their specific purposes. However, this is not practical because various types of tubes are now employed for the same purpose. There remains thus only the possibility of designating the tubes as to their construction.

In the early years of radio, the tubes were named according to the count of their "grids", but after a short time this was found to be impracticable, especially for gridless tubes, or in the case of grids of numerous anodes, for instance Zweipol-Rohren, hitherto designated "Dioden". Inasmuch as the designation according to grids has been found unsatisfactory, it was decided in foreign countries that the tubes be named according to their electrodes. Thus arose designations such as Tetrode, Penthode, and Hexode, which were simply taken over by the German industry. The designations according to electrodes is easily understandable and not of double significance. It also avoids possibilities of errors in foreign translation. The new designations are short, fluent, and practical, and are easily adaptable to the needs of technical radio editors. They should in the shortest time possible be universally adopted.

In order that American manufacturers may familiarize themselves with the designations of the German tubes with more ease, the Electrical Division of the Commerce Department has compiled a table giving the former German designations and the

designations which will be employed in the future. This appears in "Radio Markets Supplement - Germany", the sub-title of which, "German Names for Tubes" issued by the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C. The price is 25 cents.

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JUICY PLUMS SEEN IN A. T. & T. INVESTIGATION SET-UP

Due to the fact that the resolution appropriating \$750,000 for the American Telephone & Telegraph Company investigation carries with it no Civil Service requirements for the additional staff which will be required to carry on the work, politicians on the Hill are said to be gleeful over the prospect of some lucious political plums.

"It will mean 100 to 200 extra people, if not many more, including numerous experts and other high salaried officials. Great pressure will be exerted from the Hill because of the fact that Civil Service has been suspended", a man who usually has his eye on the pie counter observed.

"But the jobs are temporary and will only last until the \$750,000 is gone", someone replied.

"Temporary, my eye", the pie counter gentleman countered. "When the \$750,000 is gone, they will be back after more and they'll get it."

That there are no Civil Service restrictions in the matter of additional assistance which the Commission may require is evident from reading the section of the resolution which provides for that phase of the telephone investigation. It is, in part, as follows:

"For the purposes of this resolution the Federal Communications Commission is hereby authorized to hold hearings; to contract for stenographic reporting service; to utilize its regular personnel, facilities, jurisdiction, and powers insofar as practicable; and to employ for the purposes of this investigation such additional experts, including engineering, accounting, legal, and other assistants as may be found necessary, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and to make such other expenditures, including necessary travel expenses, and expenditures for printing and binding, as it deems necessary."

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FCC DENIES WHITEWASHING PETTEY OF HUEY'S CHARGES

There was vigorous denial that the Federal Communications Commission had "whitewashed" Herbert Pettey, a protegee of Postmaster General Farley, Secretary of the Commission, of charges made by Senator Huey Long. Senator Long in his effort to pry Farley loose from the Cabinet alleged that young Pettey, who it is understood was put on the Commission at the personal request of President Roosevelt, received \$1,000 for writing a series of articles for the Des Moines Tribune-Register, which at the time was seeking a broadcasting station license from the Commission.

"There was no 'whitewash' about the Commission's reply to Senator Long", a high official of the Commission said. "Pettey had a perfect right to write articles but to make sure of it he first secured the permission of Judge Sykes, Chairman of the Commission. Army and Navy officers and others write articles for publication and there were no rules against it on the Radio Commission.

"As for writing for a paper that was at the time seeking a radio license, the man in charge of the paper's station didn't even know that Pettey had been asked to write the articles.

"Wasn't a thousand dollars a pretty high price for a relatively small newspaper in the Middle West to pay?" the FCC official was asked.

"No, because this was for the paper's syndicate", he answered.

"What was the topic of the articles?"

"The creation of the Federal Communications Commission and what it expected to accomplish", was the reply.

Just what, if anything, the Communications Commission's reply will do to stall off a further attack Senator Long is expected to make on Pettey, and perhaps the Commission, is not known. Senator Long is reported as saying that before he gets through he will separate Pettey from one or both of the positions he now holds. Just as Mr. Farley is Postmaster General and Chairman of the Democratic National Committee, his protegee Pettey, Secretary of the FCC, as Joe Cook would say, "is simultaneously and at the same time" director of radio for the Democratic National Committee.

Also Senator Long has been quoted several times lately as expressing dissatisfaction because he has to go on the network at such a late hour at night. "About the only hour they seem to have for me is around 11 o'clock", one report stated he complained.

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RELIGIOUS-EDUCATIONAL CONFERENCE SET FOR MAY 15

The Federal Communications Commission has set Wednesday, May 15, for holding the conference between commercial broadcasters and educational and religious broadcasters - profit and non-profit stations. Chairman Anning S. Prall of the Commission said he would like to get it out of the way before the hot weather comes. "You know it gets pretty hot here in the summertime", Mr. Prall observed.

In its report to Congress the FCC recommended that no fixed percentage of broadcast facilities be allocated to the non-profit (religious and educational) broadcasters but suggested that the interested parties be brought together for a national conference in Washington "at which time plans for mutual cooperation between broadcasters and non-profit stations can be made, to the end of combining the educational experience of the educators with the program technique of the broadcasters, thereby to better serve public interest. The Conference should also consider such specific complaints as might be made by non-profit groups against the actions of commercial broadcasters in order that remedial measures may be taken if necessary."

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NEW BUENOS AIRES 40 KW SHORT-WAVE TRANSMITTER HEARD

An experimental broadcast of the new 40 KW shortwave transmitter of Station LSX at Buenos Aires, (10,350 kilocycles) showed considerable promise. At times the reception in the eastern part of the United States was about the same strength as Madrid, frequently with more volume. The test was conducted in connection with the General Electric station W2XAF at Schenectady and was carried on from 5 to 6 P.M. EST last Monday night. The distance between Buenos Aires and New York is approximately 6000 miles.

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LEASED WIRE SERVICE HEARING MARCH 25

The Telegraph Division of the Federal Communications Commission which has been holding hearings with regard to telegraph rates, has announced that "Leased Wire Service" will be taken up Monday, March 25th, beginning at 10 A. M.

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OPERATING DATA FROM MONTHLY REPORTS OF RADIO COMPANIES

The second report sent out by the Federal Communications Commission containing compilations, subject to revision, from reports of revenues and expenses of radio companies, follows:

	For the month of December, 1934.			
	Total	Total	Operating	Net
	operating	operating	Income	income
	revenues	expenses		
Aeronautical Radio, Inc.	-	1,216.66:	1,216.66:	-
Central Radio Telegraph Co.	1,198.60:	291.08:	552.05:	652.05
Globe Wireless, Ltd.	21,327.39:	18,790.68:	2,307.25:	2,336.95
Mackay Radio & Telegraph Co., (Calif.)	76,032.57:	77,276.14:d	2,306.65:d	15,991.17
Mackay Radio & Telegraph Co., Inc. (Del.)	68,761.48:	127,383.33:d	59,401.04:d	87,652.64
Magnolia Radio Corp.	238.94:	280.28:d	148.50:d	148.50
Michigan Wireless Telegraph Co.	79.68:	285.53:d	196.21:d	196.21
R.C.A. Communications, Inc.	362,228.47:	329,985.55:	68,940.58:	35,963.98
Radiomarine Corp. of America	75,398.04:	61,755.53:	14,732.99:	11,435.20
Tidewater Wireless Telegraph Co.	325.40:	367.21:d	47.57:d	47.57
Tropical Radio Telegraph Co.	78,270.38:	48,366.84:	35,896.38:	32,244.38
U.S.-Liberia Radio Corp.	4,769.06:	6,401.60:d	2,090.20:d	2,086.53
Total	688,630.01:	672,400.43:	59,455.74:d	21,490.06.

	For twelve months ended with December '34			
Aeronautical Radio, Inc.	52.69:	15,285.93:	15,235.24:	-
Central Radio Telegraph Co.	7,596.53:	6,588.42:d	2,530.86:d	680.86
Globe Wireless, Ltd. ^{1/}	136,188.42:	133,307.10:	1,276.42:	1,078.20
Mackay Radio & Telegraph Co., (Calif.)	871,023.83:	896,276.08:d	45,225.82:d	192,506.19
Mackay Radio & Telegraph Co., Inc., (Del.)	756,687.29:	938,887.54:d	188,758.55:d	510,276.11
Magnolia Radio Corp.	2,481.40:	3,752.80:d	1,385.16:d	1,385.16
Michigan Wireless Telegraph Co.	5,490.51:	4,001.33:	1,239.72:	1,239.72
R.C.A. Communications, Inc.	4,194,373.68:3,	595,428.51	842,711.01:	546,782.61
Radiomarine Corp. of America	920,072.97:	734,950.64:	154,077.72:	111,444.55
Tidewater Wireless Telegraph Co. ^{2/}	2,173.82:	2,189.40:d	44.64:d	44.64
Tropical Radio Telegraph Co.	534,136.43:	559,190.61:	13,528.99:	1,538.40
U.S.-Liberia Radio Corp.	55,859.05:	57,893.44:d	4,629.69:d	4,624.04
Total	7,486,136.62:6,	947,751.80:	785,492.38:d	47,433.52

d Deficit or other reverse item.

^{1/} Started operations April 20, 1934.

^{2/} Report for six months ended Dec. 31, 1934.

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LEGISLATURE AWAITS COURT ACTION IN NEWS BROADCASTS

An effort made to have the legislature of Washington State, in session at Olympia, pass a law to make news common property as soon as it has been published and allow it to be broadcast, has failed. Doubtless this was held in abeyance because the matter is now pending in the courts.

Following the now famous decision of Judge Baker in Washington, the question whether or not radio stations have a right to broadcast news from newspapers has been appealed by the press associations. According to former Senator Clarence C. Dill, counsel for the Broadcasters, the case will probably not come up before June and may not be heard until next Fall. It will be tried in San Francisco.

Although refusing to allow matter from newspapers to be broadcast, the Washington State Legislature passed an act making radio station operators responsible for broadcasting libelous matters, whether or not they had anything to do with drafting the libelous matter broadcast. This act places radio publication of libel upon the same footing as newspaper publication.

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IRISH LOTTERIES FIGHT BACK THROUGH RADIO STATIONS

Promoters of the Irish Hospital Sweepstakes this week took the first major step to combat efforts of the British Government to kill all lotteries.

Answering the British Government's lottery bill which, among other things, made it an offense for newspapers to publish sweepstake results and thereby threatened to deal a death blow to the Irish Sweepstakes, the Irish Hospitals Trust revealed that two strategically situated radio stations have been hired to broadcast the results of the Dublin draw on the Grand National Horse Race from March 26 to March 28.

One of these stations will broadcast the entire proceedings from the stage of the Plaza Ballroom, Dublin, where the draw is held, over three days.

The other will broadcast a list of British winners every evening during the draw.

Following the running of the Grand National Race on March 29, both stations will broadcast a complete list of holders of tickets drawing the first three horses past the winning post. Between now and the draw sweepstake propaganda will be ground out nightly from both stations in an effort to whip up the interest of the British.

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COLUMBIA ANNUAL EARNINGS SKY-ROCKET TO \$2,274,120

The Columbia Broadcasting System, Inc., and subsidiaries reported for 1934 a consolidated net profit of \$2,274,120 after all deductions, equivalent to \$2.67 a share on 852,335 combined Class A and Class B shares of \$5 per value outstanding at the end of the year. This compares with \$923,794, or \$1.08 a share on the combined stocks, the year before.

Current assets at the end of the year were \$4,609,947, including \$784,936 cash and \$2,175,000 United States Treasury notes, comparing with \$2,933,881 current assets a year before while current liabilities were \$1,167,380, against \$662,493. Earned surplus was \$2,148,928 after transfer to capital of \$1,137,500 arising from change of no-par stock to \$5 per stock, against \$4,150,853 a year before. Total assets were \$7,156,092, compared with \$5,769,025 at December 31, 1933.

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GOV'T CONSIDERS CONSOLIDATING DEPARTMENTAL COMMUNICATIONS

A committee, of which Capt. S. C. Hooper, Director of Naval Communications is Chairman, has been appointed, composed of representatives of various departments of the Government which operate communication systems. The purpose of the Committee is to study, (1) the practicability of using Government radio circuits in lieu of telegraph and teletype service; (2) the practicability of having one single unit of leased wire service which could be used by all departments of the Government; and (3) the cost of communications to the Government.

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A POLITICAL RECEIVING SET

Manufacturers of radio sets usually lay great stress on the number of stations that a listener will be able to hear; their negative reception qualities are less frequently insisted on. Political considerations have now caused a new kind of receiver to be put on the Austrian market. It is learned by World-Radio, London, that Salzburg dealers are offering sets with the guarantee that all who use them will not be able to hear Munich, and will thus be spared the necessity of listening to German propaganda whether listeners will really appreciate them. If a dweller in Salzburg is unable to hear such a powerful neighboring station as Munich, he may lose a number of other stations at the same time.

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"AMOS 'N' ANDY" AND NBC SUED FOR \$181,995

A suit for \$181,995 for breach of contract against Freeman Gosden and Charles Correll, known as "Amos 'n' Andy", and the National Broadcasting Company was disclosed in Supreme Court in New York yesterday when the plaintiff, Van Beuren Corporation, filed a note of issue for a jury trial. The defendants have put in counter claims for a total of \$254,000, it was revealed by the plaintiff's attorneys.

The complaint, according to the attorneys, alleges breach of a contract to make thirteen animated cartoons which were to have been synchronized with the voices of "Amos 'n' Andy". The contract was made in 1933 and only two cartoons were completed, it is alleged.

The counterclaims of \$190,000 by Gosden and Correll, and \$64,000 by the broadcasting company, were based on charges of failure by the plaintiff corporation to fulfill requirements, the attorneys said.

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PRESS RADIO BUREAU COMPLETES FIRST YEAR

Enough news in its regular broadcasts to fill 61 hours of radio time was provided by the Press-Radio Bureau during the first year of its operation, according to James J. Barrett, editor of the Bureau. He was interviewed in connection with the first anniversary of the service, which has operated continuously since March 1, 1934, without a break in service. Mr. Barrett stressed the fact that the bureaus in New York and Los Angeles have been on duty virtually 24 hours a day.

At the end of its first month the bureau was serving 125 radio stations under the program adopted by representatives of the newspapers, leading radio networks and press associations in December, 1933. Today the bureau, including the West Coast division, is serving approximately 245 radio stations either by network, direct land wire or by messenger. The subscribers include 160 stations in the eastern and central time zones and 85 in the Pacific and mountain time zones.

Since March 1, 1934, the bureau has issued 2,370 special bulletins exclusive of the bulletins on the Hauptmann trial, which called for 2,300 bulletins of average size.

The following letter was received by Mr. Barrett from Richard C. Patterson, Jr., Executive Vice-President of the National Broadcasting Company:

3/19/35

"At the end of our first year under the Press-Radio agreement, I want to send you a word of thanks for your splendid cooperation in this new undertaking. I have just finished reading a memorandum from our Press Department covering your work for us, and we are all in accord that you have done a great job."

At present those interested in furtherance of the Bureau service are continuing efforts to break down what has been considered one of the biggest obstacles to the Bureau since its beginning, the matter of high cost of land transmission. To a station in the Chicago zone, for example, a single report might cost \$5 by time wire service, the cheapest daytime service. It has been suggested that this can be overcome by setting up a Chicago outlet serving stations from there instead of New York. Those in charge of the Bureau have had many letters from stations wanting the service, but which are unable to take it on because of transmission costs. Several attempts have been made by groups to get service by short wave, but there have not been enough members in the pool to bring the operation costs down to a figure acceptable to the smallest individual. The West Coast division was organized to get around the high cost of land wire service.

The Western Broadcast Co., operator of Station KNX, Los Angeles, last week filed two additional suits in superior court in its effort to collect damages for assertedly injurious statements made about the station when the Press-Radio Bureau was launched last spring.

The new suits are against the Don Lee Broadcasting System and its local station, KHJ, and against KMTR. Both stations are used by the Los Angeles Times for daily news broadcasts. The suits ask \$250,000 compensatory damages and \$250,000 exemplary damages from each station.

KNX charges that up to March 1, 1934, it was supplied with news for broadcasting purposes by the United Press, but on that date, in accordance with the Press-Radio agreement, the U.P. cancelled the contract. KNX thereupon was asked to join the Press-Radio Bureau, but refused. Local newspapers then dropped KNX program listings as part of a plan to "eliminate it as a broadcaster of up to the minute news and force it to take stale news in accordance with said press radio agreement", the complaint states.

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"SILENT RADIOS" DESCRIBED BY O. H. CALDWELL

"Silent radios" will be the next step for the relief of the broadcast audience, enabling any one listener to hear his favorite program without imposing hardships and annoyances on other persons in the same room or house, declared Orestes H. Caldwell, former Radio Commissioner, and director of the new League for Noise Abatement, addressing the Cleveland Engineering Society at Cleveland, Ohio.

Future radio sets will have a simple means for connecting a light headphone or "bone oscillator" in place of the loudspeaker, on occasions when only one or two persons in a group desire a certain program. With such a bone-oscillator pressed against the skull or teeth, one hears perfectly, without any sound being present in the room.

A "radio armchair" is being developed with such an oscillator in the headrest, so that one merely presses his head back against the chair, and hears clearly the otherwise inaudible music or speech. An executive using such a chair in his private office, could get secret messages from an outside assistant, without anyone in his office becoming aware of the communication.

"Every business man should have a radio set in his office to get the important news of the world outside.. It is as essential as his telephone. Even more so, for through the phone he can listen to one caller at a time, while through the radio he can listen to the news of the whole world. But many executives who would like to have a radio, feel somewhat sheepish about 'having a music box in the office'", continued Dr. Caldwell.

"I have solved this by arranging my own office radio in the form of an ordinary desk telephone set. Taking the 'receiver' off the hook, turns on the radio. Listening to a news period while holding the ordinary telephone receiver to the ear, one appears to be merely listening to a long-distance call! Hanging up the receiver shuts off the set.

"The bone oscillator connected to my radio is useful in another way, when a boresome visitor calls. By holding a pencil or pen thoughtfully against my teeth, and also in contact with the oscillator hidden in my hand, one can listen to sweet music from the silent radio set, while simulating polite attention to the bore's remarks."

"The recent rapid growth in short-wave listening, also brings the headphone to the front as a welcome relief for the desperate family of the short-wave bug, to silence the crashes, musketry, machine-gun fire, squeals and howls that usually accompany the process of tuning through the short waves. Use of headphones during this period of search - followed by a switch-over to the loudspeaker only after the distant station is clearly tuned in - will convert evening turmoil into tranquility in many homes."