

HEINL RADIO BUSINESS LETTER

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December 10, 1935.

RADIO INDUSTRY KEEPS HANDS OFF IN BUSINESS-BERRY ROW

Both of the major branches of the radio industry - the broadcasters and the manufacturers - kept hands off December 9 as business leaders from varied industries engaged in a row with Maj. George L. Berry, coordinator for industrial cooperation, in a meeting in Washington.

Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, attended the morning session as a spectator but made it clear that his organization was taking no part in the move to revive a substitute for the NRA.

The National Association of Broadcasters had formally refused to participate and James W. Baldwin, its Managing Director, was not even present as a spectator because he was attending a Directors' meeting in New York City.

Washington correspondents covering the all-day session generally agreed that a majority of the business men attending had declined to cooperate in the formation of an industrial council to outline future policies. Labor organizations, however, seemed inclined to aid Major Berry.

In a radio speech following the turbulent meetings at which the lie was passed, Major Berry stated that he intended to go ahead with the idea of forming an industrial council despite the opposition of most organized industries.

On an elaborate chart which set forth the meeting places of representatives from various industries, radio was scheduled to meet at a room in the Shoreham Hotel. So far as could be learned, however, no one showed up for the conference, further emphasizing radio's lack of interest in the undertaking.

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ST. LOUIS COMMITTEE FAILS TO REPORT ON AUTO RADIO BAN

Adding credence to the belief that the ban on auto radios proposed by the St. Louis Police Commissioner, Maj. A. J. Lambert, has been pigeon-holed, the Public Safety Committee of the Board of Aldermen failed to make a report at a fortnightly meeting of the City Council on December 6.

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While a report may be forthcoming later, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, who led the fight against the proposed ordinance, expressed the belief that the ban will never be ordered.

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EXCISE TAXES, LABOR REPORT REFLECT PROSPERITY OF RADIO

An increase of 129 per cent in the radio excise taxes collected by the Internal Revenue Bureau and a rise of 19.2 per cent in radio factory employment reflect the prosperity the radio manufacturing industry is now enjoying.

During October, according to the latest official report of the Internal Revenue Bureau of collections of the 5 per cent excise tax on radio and phonograph apparatus, radio manufacturers paid \$643,440.02 as compared with \$280,699.11 during October, 1934. This did not include excise taxes on automobile radio which are not separately reported and are included among automobile accessories taxable at 2 per cent. For the ten months' period ending October, 1935, the total excise taxes collected on radio and phonograph apparatus were \$3,134,941.04, compared with \$2,490,099.01 during the same ten months of 1934, an increase of 25.9 per cent.

The September report of the Labor Department shows an increase of 19.2 per cent in radio factory employment over August and, although seasonal, it evidences the large annual increase in radio employment, payrolls and production.

The 19.2 per cent increase is comparable with an increase of only 15.9 per cent over radio employment during September, 1934. During September there was an increase of 154.9 in employment over the official three-year average of 1923.25.

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PROGRAMS BROADCAST IN 29 LANGUAGES IN U. S.

Although the United States can't compare with Europe as a Babel of Tongues, radio programs are broadcast in 29 languages in this country, preliminary results of a survey being made by the Conquest Alliance Company show. The data are being obtained from querying stations.

Italian is the leading foreign language indicated in the returns, with German, and Spanish next. These three, with French, are the foreign tongues most broadcast. The number of languages, as well as some of them, were quite surprising, those taking in such as Icelandic, Croatian, Welsh and Athenian. Others were Polish, Lithuanian, Russian, Yiddish, Norwegian, Swedish, Serbian, Danish, Hungarian, Greek, Slovak, Bohemian, Portuguese, Ukrainian, Dutch, Syrian, Finnish, Mexican, Hebrew, Scandinavian and Austrian.

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NEWSPAPER ORGAN RAPS PUBLISHERS FOR ATTITUDE ON RADIO

Predicting the day when the radio broadcasting industry will be dominated by newspaper interests, Newsdom, a newspaper published for newspapers, in its current issue devotes much space to criticizing the attitude of many publishers who still fight radio as a rival in the fields of news and advertising.

"Today the publishers of the country represent the largest single group of radio station owners", the paper states, "and it is only a matter of time when the radio industry will be dominated by the newspaper interests."

Newsdom denies the contention of anti-radio publishers that the broadcasting of news cuts into the circulation of newspapers.

"Despite the claims of those who maintain that newspaper circulation has suffered because of news broadcasting, figures compiled by Newsdom conclusively show that these claims are without foundation", it states.

"In all but a few isolated cases newspapers increased their circulation during the year. And this in the face of the so-called radio threat advanced by those publishers who refuse to admit that benefits are derived from radio.

"The broadcasting of news has been a stimulus to the circulation departments of practically all the newspapers. Tremendous circulation gains were obtained as the result of the radio flashes of the Roger-Post crash. The increase in the circulation on the day of the catastrophe ranged from 25 to 35 per cent - a feat impossible with all the extra boys in the world on the streets."

The publication also carries signed stories by H. V. Kaltenborn, news commentator, and James Stewart, a staff writer, praising the manner of news broadcasts.

"Radio news broadcasting is kept clean, impartial and above all is kept exceedingly accurate" Stewart writes.

"Publishers and editors communicating with Newsdom in the past few months have been either misinformed or have obtained false impressions of the radiocast of news."

Kaltenborn, in recalling that he predicted two years ago that the Press-Radio Bureau would fail, forecasts that it will be "either completely transformed or abandoned" when it comes up again for renewal next Spring.

"Radio provides the press with a new and larger opportunity to stimulate cumulative interest", he said. "Has broadcasting football games reduced gate receipts? Has newspaper

circulation declined since broadcasting began? Radio advertising has had an enormous pickup from December, 1934, to December, 1935. Has newspaper advertising lineage failed to keep pace? Of course not,

"Smart publishers use radio instead of ignoring or fighting the broadcasters. They serve their readers by publishing news about radio programs and personalities. They serve themselves by persuading radio stations to give them time on the air.

"Every publisher can easily develop one or more daily radio programs which will both appeal to listeners and advertise his newspaper. He does not need to own the station. He need only realize the community of interest between the local station and the local newspaper."

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CHILE ABSORBS MANY U.S. RADIO SETS DURING THE DEPRESSION

When the depression kept down radio receiver sales in this country a year or so ago, Chile proved an excellent market for American manufacturers, Consul R. S. McNiece, stationed at Valparaiso, reported to the Department of Commerce.

Total imports of radio receiving sets into Chile during 1934 amounted to 189,984 kilograms valued at \$477,350. In the first nine months of 1935 imports totaled 157,028 kilograms valued at \$392,888. These latter figures record an average monthly importation of 17,447 kilograms and if imports are continued on the same scale during the remainder of the year, the total imports for 1935 will exceed those of the preceding year, the report states.

Approximately 95 per cent of the radios imported into Chile are of United States origin.

There is reason to believe, the Consul said, that the Chilean market for radios has nearly reached the saturation point and it is likely that in the future there will be a leveling off of the demand.

The strong demand of the past two years is noteworthy when consideration is given to the fact that the population of the country is only four and one-half million and that the depreciation of the currency has made imported articles unusually expensive in terms of pesos, the report states.

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NO GREAT BENEFITS SEEN FOR RADIO IN CANADIAN-U.S. TREATY

The United States radio industry is not likely to benefit greatly from the new reciprocal trade treaty between this country and Canada, according to opinions received from both American and Canadian manufacturers by Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association.

American parts and accessory manufacturers and, to some extent, tube makers, promise to be the principal beneficiaries, according to information obtained by Geddes.

"Radio tariffs in the new treaty will be reduced about one-sixth", said Mr. Geddes, "and additional reduction will be effected by the promised modification by Canada of the arbitrary valuation plan heretofore in effect. However, neither American nor Canadian manufacturers regard the new treaty as a material benefit to American manufacturers.

"The treaty provides a reduction in Canadian import rates from 30 per cent to 25 per cent ad valorem, or about one-sixth, on 'electric wireless or radio apparatus and parts.'

"The one-sixth reduction in the Canadian tariff on radio sets is not expected to materially increase American set sales in Canada. The Canadian set manufacturers are well protected by their radio patent license organization. Licenses of American manufacturers do not provide for sales in Canada, where set manufacturers must secure separate Canadian licenses. Several American manufacturers have virtually Canadian branch factories and these, together with Canadian set manufactures, will be benefited by their ability, under the new treaty, to secure cheaper American parts and accessories. The reduced tariff on American radio parts and accessories, therefore, promises to be the principal result of the new treaty so far as the American industry is concerned."

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SARNOFF SEES NO TELEVISION FOR PUBLIC EARLIER THAN 1940

Despite reports of notable progress in television experiments and the optimistic predictions of Philo T. Farnsworth, Philadelphia inventor, and others, David Sarnoff, President of the Radio Corporation of America sticks to his story of last Spring that visual broadcasting for public consumption is still a few years off.

Mr. Sarnoff is being widely quoted in the press, which apparently is eager to delay television as long as possible, fearing another rival in the fields of news and advertising.

The New York Times and the North American Newspaper Alliance on December 9 carried a copyrighted interview with the RCA President in which he predicted the arrival of television within five years but not much before 1940.

"Television is now in about the stage that sound-broadcasting was when we were still using earphones instead of loud-speakers", Sarnoff is quoted by the NANA.

The newspapers' newspaper, Newsdom, states in its current issue that its "investigators" have attended all sorts of television demonstrations during the last year "and examination of their reports disclose that the most sane statements have come from David Sarnoff, President of the Radio Corporation of America."

Owen P. White, writing in the November 30th issue of Colliers, adduces from an interview with Sarnoff "that it will probably be quite a while yet before a television set that is of real value to the public is on the market". He quotes Sarnoff as saying:

"In the laboratory sense television is here, but as a system for the transmission of pictures, it is not here, nor is it around the corner."

A similar view was expressed by Sarnoff as early as May 7, 1935, in a report to his stockholders. At that time he also emphasized that television, when it does arrive, will not supplant sound broadcasting but rather supplement it.

Nevertheless, RCA, along with other radio manufacturers, is going ahead with its experiments in television and plans to launch new experiments from a station atop the Empire State Building early next year.

The RCA is also on the ground floor in its request for permission to experiment with visual broadcasting on the coaxial cable as soon as the Federal Communications Commission decides how this new development of the Bell Laboratories is to be regulated.

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GERMAN STATIONS USE RECORDED PROGRAMS EXTENSIVELY

Radio programs of a mechanical nature, or recorded programs as they are called in this country, are used extensively in Germany, a report to the Commerce Department from its Berlin office states.

The three main systems used for sound recording for radio broadcast purposes are: (1) reproduction on records,

(2) reproduction on sound films, and (3) reproduction on magnetized steel ribbon. All three systems are in constant use and, although they vary in performance, each one seems admirably fitted for certain distinct purposes.

In all of these systems, German radio authorities have been working to develop the greatest possible reliability of service, the smallest possible distortion, the greatest possible clearance of strays, and the longest possible duration of playing time. Technicians are keeping a very careful check on the efficiency of the various types of recording, the report states.

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CURTAILMENT OF CANADIAN RADIO COMMISSION SEEN

Restriction of the powers of the Canadian Radio Commission, if not its abolishment, and the slackening of present curtailments on radio advertising, are predicted by a Canadian correspondent.

The new Canadian government, the correspondent says, is considering the whole problem of broadcasting. One of the proposals studied is the levying of a stamp tax on radio tubes instead of the present \$2 license fee on receiving sets.

"Abolition of the Canadian Radio Commission, or at least the splitting of this Federal-appointed body's functions, is being pressed by Canadian national advertisers as well as those whose parent companies are in the United States", the correspondent states. "Claim is that the majority of stations have an absolute monopoly of the air in their own area, that the three line companies controlling means of transmitting programs are charging exorbitant rates, and that station and line rates must be lowered.* * *Proposal is to allow the Canadian Radio Commission, if it must stay in existence, to remain a regulating body insofar as supervising rules under which stations operate, keeping the ether clear of interference, and aligning wavelengths that will give Canadian listeners comprehensive coverage.

"Belief of the previous administration that advertising was obnoxious in a policy of nationalized radio and should be prohibited to the extent that radio revenue should be just such as to operate the government stations after taking the \$1,500,000 license-fee revenue into consideration, is supplanted by the new government's attitude that added radio revenue is needed from commercial sources and that present restrictions must be made more reasonable."

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ARCTURUS INTRODUCES METAL TUBE LINE

The Arcturus Radio Tube Company, Newark, N. J., announces its "Coronet" Metal Tube line, utilizing a new and exclusive principle in receiving tube structure. It is claimed that the "Coronet" seal in these tubes enables the application of the manufacturing technique perfected by the industry over the past 28 years.

"By using the tried and proved advantages of the vacuum tube art in the manufacture of "Coronet" metal tubes, the inherent weaknesses of the original metal tube are overcome," a statement from the Arcturus Company goes on. "This special construction also results in a material reduction of the input and output capacities and makes possible uniformity in inter-element capacities. A special process has been developed to permit proper bombardment of the inner elements to the temperature necessary to dispense with residual gas troubles. The "Coronet" seal also precludes the possibility of shorts between wires and ground.

"In addition to the foregoing advantages of Arcturus "Coronet" metal tubes, the manufacturer claims that they have more dependable vacuum than the original metal tube; lower operating temperatures permitting closer arrangement of chassis components; rugged structure eliminating metallic sleighbells and resulting in quiet operation.

"The types already in production are 5Z4, 6A8, 6C5, 6F5, 6F6, 6H6, 6J7, 6K7 and 6L7."

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CBS SPONSORS RUN THROUGH ALPHABET IN NOVEL ADVERTISEMENT

Reproducing an advertisement that will appear in the January issue of Fortune, the Columbia Broadcasting System has sent out a huge folder listing its sponsors in alphabet fashion, together with their length of sponsorships, etc.

On the back of the folder CBS asks and answers "Six fundamental questions about radio". They are: "Just how big must a network advertiser be?", "Can radio sell this and that?", "What about radio in the daytime?", "And radio the year-round?", "Ah, and what about mortality?", "Choice of networks?"

The novel advertisement was prepared under the direction of Victor M. Ratner, Advertising and Sales Promotion Department.

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Holding that libel per se was indicated in the complaint, Superior Judge J. T. B. Warne on December 5 overruled a motion for a judgment on the pleadings in the \$500,000 action brought by KNX against the Los Angeles Times and ordered the trial to proceed. The action grows out of a bitter Press-Radio war of a year and a half ago, when KNX was criticized in a Times editorial for refusing to subscribe to the Press-Radio Bureau service, taking Transradio instead.

The application of the Shenandoah Valley Broadcasting Corporation, Harrisonburg, Pa., to transfer control from Marion K. Gilliam to Ralph C. Powell was returned by the Federal Communications Commission on December 7 at the request of counsel for the applicants.

The Federal Trade Commission announces that John P. Winnecour, of Chicago, trading as Economy Tire and Radio Co., has agreed to stop selling radio sets marked "Victor" in any way to deceive buyers into believing that the products so marked are the output of the RCA-Victor Manufacturing Co., of Camden, N. J.

Noting that the firm of E. Katz, newspaper representative, is "making a bid for the radio sales representation", Variety says: "It has caused a flurry among the other newspaper reps and they are hurriedly calling special meetings to decide whether or not to follow the lead of the Katz organization in the radio rep invasion."

The December 14th issue of Editor & Publisher will be devoted to the topic of discussion, radio and the press. Among the subjects to be covered are:

"What, and why, is the value of news as a radio commodity?", "With 20 daily papers applying for stations - and more coming - what will be the result of legislative efforts to divorce the press from radio?", "Whose idea was governmental radio control - where is it heading?", "What are the chief values of a broadcasting station as a newspaper department?" "Radio's big 1935 boom", "Air aims of the chain newspapers", "Pioneering in high frequency", "New ways to disseminate news without the rotary press", "What will the 1936 session of Congress do on communications questions?"

Sales of automobile radios have passed the million mark for the first time and will probably reach a total of 1,100,000 for the year, according to an estimate to be published in the forthcoming December issue of Radio Retailing. This compares with a total of 780,000 sets sold last year.

According to the same authority the total retail value of auto radio sets sold this year will exceed \$53,000,000, while the total retail billings for auto radios in 1934, including tubes, was \$32,500,000 indicating a gain of 64 per cent in retail billings this year.

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RADIO WAVES POP CORN IN G. E. EXHIBITION

Mystifying tricks and novelties with light, sound, electricity and radio were shown last week at a preview of the House of Magic in the General Electric Building, New York City.

The demonstrations, accompanied by non-technical descriptions by William A. Gluesing of the General Electric Company, were similar to those shown at the Century of Progress in Chicago and at the San Diego Exposition.

Some of the demonstrations, looking like magic, but actually the result of scientific research, showed how corn could be popped by the use of radio waves generating a high heat yet failing to warm the vessel containing the popcorn; how stroboscope light makes rapidly moving objects appear to stand still and how the "electric eye" transfers the music of a phonograph record from one talking machine to another by projecting it over a beam of light across the stage.

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RADIO DEVICE SEES THROUGH FOG AT SEA

Two French engineers have constructed and perfected a device by the means of which obstacles at sea can be detected in fog or darkness. This device is based on the principle of the reflection of radioelectric waves. It is placed forward on the ship and by a rotation movement covers the space ahead within a fairly wide angle.

The experiments made on board the S.S. "Normandie" have been fully satisfactory. The apparatus is so sensitive that even an obstacle as small as a fishing boat was detected within a radio of 3 kilometers and a buoy at 1,500 meters.

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NEW PROGRESS IN CONQUEST OF RADIO FADING SEEN

Evidence of new progress in the conquest of radio fading, one of the principal obstacles in effective short-wave communication, is presented in the current issue of Science by Dr. Harry Rowe Mimno of Cruft Laboratory, Harvard University.

Supporting the evidence presented recently by Dr. J. H. Dellinger, Chief of the Radio Section of the U. S. Bureau of Standards that fading periods are predictable on the basis of the rotation periods of the sun and that sharp fading cycles of fifteen minutes duration occur at intervals of two periods of the sun's rotation (fifty-four days) - Dr. Mimno went a step further by presenting records tending to show that the fading cycle noted by Dr. Dellinger occurs regularly every sun rotation of twenty-seven days.

Dr. Dellinger recently gathered data with which he accurately predicted the recurrence of a fifteen-minutes period of strong fading that came on Oct. 24. He deduced this from the fact that other disturbances appeared on March 20, May 12, July 6, and Aug. 30. The peak of the fading occurs in daylight on the illuminated side of the globe.

Dr. Mimno, in Science, asserts that continuous automatic records of short-wave reception are indispensable to the exhaustive study of the phenomenon. Dr. Dellinger's theories, he said, are in general supported by records made in 1933 of radio echoes reflected from the ionosphere. He says it is unfortunate that no continuous automatic records could be obtained during the 1935 period, covered by Dr. Dellinger's report.

"During the past sixteen months the Federal Communications Commission has repeatedly postponed the rephrasing of certain obsolete regulations limiting the use of automatic apparatus which effectively block the continuation of fundamental research", Dr. Mimno writes. "The Commission freely admits that the ancient clause in the regulations has no engineering justification whatever when extended to our new experiments, and has therefore repeatedly promised remedial action. Already an important part of the sun-spot cycle has been completely lost by governmental decree.

"At the peak of the disturbance, transmission conditions are changing so rapidly that it is difficult to imagine that any long-distance short-wave communication could be successful, though the interruptions might be so brief that they would escape casual observation.

"Until the apparent double period of 54 days, indicated by Dr. Dellinger's 1935 communication records, is further substantiated, we prefer to consider that it is somewhat fortuitous and that brief intervening disturbances at the 27-day points may have escaped observation. In any case, it is probable that the 1935 'storm' has lasted about as long as it is likely to endure, and that further extensions of the sequence of dates need not be expected."

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