

# HEINL RADIO BUSINESS LETTER

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No. 925

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May 5, 1936

## 74 PER CENT OF U. S. FAMILIES OWN RADIO SETS

Seventy-four per cent of American families own radio sets, as of January 1, 1936, and they are installed in 22,869,000 homes, according to figures just released by the Joint Committee on Radio Research, organized by the Association of National Advertisers, the National Association of Broadcasters, and the American Association of Advertising Agencies.

While the saturation point is near, the radio manufacturing industry is finding business booming in sales of sets for replacements, two or more sets in a home, and of receivers for automobiles.

The latest tabulation shows a gain of 6.6 per cent over the number of sets in operation a year earlier. The Committee estimated that approximately 4,400,000 receivers were sold in the United States in 1935, exclusive of sales of auto sets, which totalled about 1,100,000. Of the domestic sales last year, 31.1 per cent were to families who did not own sets. This meant that the radio population gained about 1,413,000 families in 1935.

The Committee report gave meagre bare statistical facts and did not, as anticipated, breakdown the distribution of radios by States and major cities. Plans were outlined, however, to set up a permanent Radio Research Bureau for the purpose of tabulating radio population, listening habits, and the like, periodically.

In arriving at its conclusions, the joint Committee made extensive use of the nation-wide study of radio ownership conducted for the Columbia Broadcasting System by Dr. Daniel Starch last year. CBS has now brought the Starch data up to date and is publishing a detailed account of the American radio audience, its age and sex, its listening habits, distribution, and income, according to Victor M. Ratner, Director of Sales Promotion.

A "preview" table of contents includes the following subject heads:

Radio ownership by States and by sections of the Country, a count by counties, and Canadian radio ownership.

Distribution of radio homes by income levels, city-size, and time zones.

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Interlocking markets: automobile-home owning radios, radio-home owning automobiles, telephone-home owning radios, ownership of automobile-radios.

Number of radios in working order and a breakdown of radios in use in different periods of the day; hours of daily listening by various classes; age and sex of radio audience.

Increase in hours of daily listening; homes owning two or more radios, radio set sales, replacements, and repairs in 1935; radio set sales by States last year.

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#### FCC AFTER BAKER AGAIN IN BORDER STATION DRIVE

Norman Baker, long a stormy figure in American broadcasting, has again run afoul of United States broadcasting regulations, and the Federal Communications Commission has renewed an old campaign against Mexican border stations.

After sending Maj. A. V. Dalrymple, FCC attorney and trouble-shooter, to the border, the Commission obtained indictments against Baker, a deposed Muscatine, Ia., broadcaster, who now operates XENT, at Neuvo Laredo, Mexico, across the border from Laredo, Texas, and two of his associates.

While the FCC has no control over the troublesome Mexican stations, its campaign is directed against their use of studios on the American side of the border and United States addresses. Baker is alleged to have maintained a studio at Laredo, Texas.

The indictments against Baker and a Dr. E. R. Rood and a Dr. Richardson are returnable at the Fall session of the Federal District Court at Laredo.

The Mexican border stations, besides causing considerable interference for American stations by "squatting" on United States assigned wavelengths, blanket sections of the Southwest and South with programs of a highly questionable character. Lotteries, fortune-telling, and quack medical cures are advertised extensively over the stations.

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## CARNEGIE SCIENTISTS REPORT ON STATIC STUDIES

Investigations into the causes of radio static which the Carnegie Institution is conducting on the other side of the earth were described last week to the International Scientific Radio Union by Dr. H. F. Johnston, of the Institution's Department of Terrestrial Magnetism. The gathering was held in Washington.

S. L. Seaton is in charge of the research, which is under way near Watheroo, western Australia. He uses a type of loop-antenna which rotates continually and so detects both the direction and frequency of static discharges, scientifically known as atmospherics.

Most static disturbances, otherwise known as "atmospherics" originate in thunderstorm regions, Dr. Johnston stated. The observations indicate, he added, that most of the "atmospherics" originate from land areas, an explanation which conforms with the known fact that thunderstorms are more frequent over land than over the ocean.

Owing to the high sensitivity of the receiving system, the report stated, atmospheric disturbances originating as far away as Central America are detected in Australia.

Apart from the interest in "atmospherics" owing to their effect on ordinary radio reception, it was pointed out, scientists are concerned about them as possible guides in assisting meteorological forecasts.

Dr. Seaton uses a type of loop-antenna which rotates continually and so detects both the direction and the frequency of the static discharge. A special device incorporated in the system refines the direction determinations so that they are "entirely unambiguous."

Other investigations, conducted at the Carnegie Institution's magnetic observatory near Huancayo, Peru, have confirmed the theory that radio waves reflected from the upper regions of the atmosphere, or ionosphere, are polarized in the same way as light waves which have passed through certain kinds of crystals, such as Iceland Spar. This was reported before the Radio Union by Drs. L. V. Berkner and H. W. Wells, of the Institution.

Light waves are polarized when the rays travel in the direction of one plane only, instead of in all directions.

The polarization of the ionosphere reflected radio waves, Drs. Berkner and Wells reported, gives rise to two distinct reflected waves, the interaction of which causes a part of the fading experienced in broadcast reception. The polarization is caused, they added, by the effect of the earth's magnetism on the electrified particles, or ions, which produce the reflection of waves from the upper atmosphere.



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Ordinarily, it was stated, it is very difficult to receive the polarized waves separately. At the Huancayo Observatory, where the earth's magnetic force is nearly horizontal, the new theory predicts that, with a single wave transmitted upward, there would be two downcoming, plane-polarized, respectively, in an East-West and in a North-South direction.

Accordingly, an antenna aligned in either of these directions should receive only that one of the polarized components corresponding to the direction of the radio wave. That is, if the antenna is aligned in a North-South direction, it should receive only those radio waves that are polarized in a North-South plane. The opposite should hold true if the antenna is aligned in an East-West direction.

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#### RADIO ONLY U. S. LINK TO ADDIS ABABA

Well laid plans of the Navy and State Departments to maintain constant radio communication between Washington and Addis Ababa, Ethiopia, proved their worth this week as rioting broke out in the East African capital, and four American naval radio men were able to keep the administration abreast of developments.

The high-frequency short-wave set is the sole means of communication between the American Capital and Addis Ababa. A constant watch is being kept so that the latest flashes may be transmitted to Washington from the little radio station at the American Legation in the war zone.

The giant radio towers at Arlington, Va., and Annapolis, Md., were brought into play and the message transmitted directly into the Navy Department, into the office of Naval Communications.

The State Department months ago took steps to keep the channels of communication open. Four naval radio men were quietly dispatched on September 21st for Ethiopia. Even while at sea, they were trying out their radio apparatus to see whether they could reach Washington. When they set up their equipment at Addis Ababa, they were amazed to find that they could talk directly with their own National Capital at once.

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## A RADIO EDITOR LOOKS AT TELEVISION

"To see the television parade forming in two of the country's leading radio laboratories, specializing in that branch of research, is to catch a glimpse of the future", Orrin E. Dunlap, Jr., Radio Editor of the New York Times, writes. "Sitting there in the semi-darkened room in front of a radio set, the spectator may well imagine he is in his own living room several years hence watching a home-movie performance flashing through the air. There is no doubt after witnessing one of the laboratory shows, that television is destined for the home and the day will eventually arrive when images will leap the Atlantic.

"The first question every one seems to ask is, when will television be in the home? Today, some of those behind the development work estimate eighteen months, providing no snags are encountered in the outdoor tests in the meantime. Others are more skeptical. If the optimists are correct, retailers may be shown home-television instruments a year from now, and if so, the receivers may be on the Autumn market in 1937. The merchandisers are hoping for a television Christmas next year, but no definite plans can be formulated until the experiments in the field are ready to relinquish the development as a commercial product.

"The television machine is much more of a 'power house' than a standard broadcast receiver, although the cabinets bear such close resemblance that there is no doubt they are members of the same scientific clan. It is the inside mechanism that is different and more complex in television.

"There are fourteen control knobs, but, of course, after the image is once tuned-in, some of the knobs do not require attention. On the front panel there are fourteen white knobs, so they can be conveniently manipulated in a darkened room. On top of the set there are seven other gadgets for focusing, and sizing up the picture. Fortunately, there is only one control for actual tuning. The sound-sight travels on the same ultra-short wave, generally about six meters in length, and once the sound is properly tuned, the picture also bobs into sight. Then to clarify it the various knobs come into play.

"Television, with its thirty-three-tube circuit, is no machine that can be easily built at home. The image-receiver is being groomed as a factory product, and while no price has been tagged on the machine, it seems as if at first it will be somewhere from \$300 to \$800 for the home. Mass production later on, of course, will lower the price."

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## CANADIAN PRESS EXPANDS RADIO NEWS SERVICE

Plans to augment the present Canadian Press radio news bulletin service with broadcasts throughout the day were approved at the annual meeting of the Canadian Press last week in Toronto.

The meeting approved the memorandum presented by its President, W. B. Preston of the Brantford Expositor, and a delegation of Directors on April 7th last, to the Parliamentary Committee investigating radio under the chairmanship of A. L. Beaubien. The memorandum proposes to supplement with three day-time bulletins the 10-minute summary of the day's news now broadcast each evening over the network of the Canadian Radio Broadcasting Commission.

The supplementary bulletins will be prepared at the head office of the Canadian Press in Toronto free of charge and delivered through the cooperation of the telegraph companies.

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## EARLY HOUSE PASSAGE OF DAVIS ZONE LAW REPEAL SEEN

Before Congress adjourns the House is expected to pass the Wheeler Bill to repeal the Davis Equalization Amendment to the Radio Act, limiting allocations of broadcasting facilities to a 5-Zone basis in accordance with the distribution of population.

Chairman Rayburn, of the House Interstate and Foreign Commerce, said he is aware of no opposition to the measure that the Senate passed recently under unanimous consent. He said it will be reported at an early date and be called up under unanimous consent in the House.

The Committee also has before it a bill recently introduced by Representative Monaghan (De.), of Montana, seeking to amend the Communications Act of 1934 in two particulars. The first strikes out a phrase in Section 207 barring a plaintiff against a communications company from pursuing two remedies, while the second eliminated the second sentence of Section 215 by striking out: "No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate."

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## BEN PRATT RETURNS TO REPUBLICAN NATIONAL COMMITTEE

Ben Pratt, former night press-room manager of the National Broadcasting Company in New York, who recently lost out in the shake-up in connection with Major Lenox Lohr's taking over the organization, is now engaged in research work for the Republican National Committee. During the past two national campaigns, Mr. Pratt was in charge of radio in the Chicago headquarters of the Republican Committee.

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## FCC PONDERES SELECTION OF NEW SECRETARY

Despite the fact that Herbert L. Pettey quit his job as Secretary of the Federal Communications Commission several weeks ago, his successor has not yet been chosen. John B. Reynolds, Assistant Secretary, is Acting Secretary.

While there are four outstanding candidates for the job, attaches at the FCC have the impression that E. Willard Jenson, secretary to the Business Advisory Council of the Commerce Department and a former assistant to James A. Farley, has the inside track. He was introduced to FCC employees by Mr. Pettey.

The other candidates are: Joseph Wright, clerk of the Senate Interstate Commerce Committee; Thomas A. Brooks, Jr., Radio Editor of the New York Evening Journal; and Arthur O. Dahlberg, of Escanaba, Mich., an engineer with the Department of Commerce.

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## HOME TOWN CELEBRATES KATE SMITH'S BIRTHDAY

Kate Smith, the Washington (D.C.) girl who has made good on the air, was guest of honor May 4th at a birthday party given in her honor in Constitution Hall in the National Capital. So affected was she by the tribute that she burst into tears. It was her 27th birthday.

Harry C. Butcher, Manager of Station WJSV, was master of ceremonies. Gifts were presented to her by John Hartford, President of the Atlantic & Pacific Tea Co., which sponsors her program on CBS.

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## SANDBERG CALLS ZENITH SHOW ROOM A POEM

Carl Sandberg, the nationally known poet, was so impressed by the new show room of the Zenith Radio Corporation on Michigan Boulevard at Huron Street in Chicago that he called it "an architectural poem."

Walking down the street with Burt Massee, formerly Vice-President of the Palmolive Co., Mr. Sandberg remarked:

"Massee, tell your friend McDonald (E. F. McDonald, Jr., President of Zenith) that I said his new building was just a poem, and I can see that he told the architect to use his own judgment and let him run wild without restraint, and the result is beautiful."

The show room is "purely a sales laboratory", according to Commander McDonald. No direct sales are made, all prospects being turned over to district dealers.

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## RADIO CURBS BIGOTRY, SAYS CATHOLIC RECTOR

Prejudice and bigotry in America have been curbed with radio aid, the Right Rev. Joseph M. Corrigan, Catholic University rector, of Washington, D. C., this week told the Catholic International Broadcasting Congress in Prague, Czechoslovakia, by short-wave radio.

"In America", he said, "the radio has brought many unbelievers not often perhaps to an open profession of religious faith, but to a knowledge that has helped immeasurably in doing away with intolerance and misunderstanding."

He congratulated the Congress for spreading "truth and light" so that "all men may know and love God and, for His sake, be united ever more closely in the bond of Christian charity."

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Adverse reports on two applications from Richmond, Va., were filed with the Federal Communications Commission this week by Examiner John P. Bramhall. Station WMBG sought to change from 1210 to 1350 kc. and increase power to 500 watts, while the Century Broadcasting Co. asked for a permit to build a new station for operation on 1370 kc. with 100 watts, daytime hours.

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## NBC SEEKS TO END WBZ-WBZA SYNCHRONIZATION

An end will be brought to the first synchronized operation of broadcasting stations in America under an application filed May 2nd by the Westinghouse Electric and Manufacturing Company before the Federal Communications Commission.

The application seeks a new frequency for Station WBZA, Springfield, Mass., so that it may operate independently of Station WBZ, Boston, with which it has heretofore been synchronized. Both WBZ and WBZA have been and will continue to be outlets of the Blue network of the National Broadcasting Company.

Under the terms of the application, WBAZ's frequency would be changed to 550 kilocycles and its transmitter moved from the East Springfield works of the Company to a new location across the Connecticut River from Springfield. WBZ would continue on 990 kilocycles.

A new high fidelity transmitter and the erection of an up-to-date antenna system located so as to give maximum signal to the greatest number of people is proposed under the application.

The discontinuance of the synchronized operation of the two stations? WBZ and WBZA, will more adequately serve local interest in both Boston and Springfield. The stations were first synchronized in January, 1926.

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## RCA ISSUES FINANCIAL STATEMENT FOR FIRST QUARTER

A net profit of \$1,286,691.27 for the quarter ended March 31, 1936, was made by the Radio Corporation of America, according to a financial statement issued by David Sarnoff, President, on May 2nd. This compares with a net profit for the corresponding period in 1935 of \$1,618,024.74.

Other comparative figures are:

	<u>1936</u>	<u>1935</u>
Gross income	\$22,260,311.30	\$20,920,341.48
Net income	2,393,667.88	2,910,674.58
Dividends on A Preferred	431,148.03	4,950,740.66
Surplus at March 31st	13,256,642.70	10,185,638.38

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 ::: INDUSTRY NOTES :::  
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A tabulation of references on radio subjects has been compiled by Lawrence D. Batson, of the Electrical Division, Bureau of Foreign and Domestic Commerce, and is available at the Department of Commerce.

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False representations in the sale of specially built shoes designed for ill-formed feet are alleged in a Federal Trade Commission complaint against Dr. H. B. Norton Shoe Co., Inc., trading as The Foot Health Institute, 1619 Chestnut Street, Philadelphia. The complaint, charging violation of Section 5 of the Federal Trade Commission Act, also names as respondents Dr. H. B. Norton and Benjamin Weinstein, officers and owners of the controlling stock in the corporation. The respondents are said to use the radio for the major portion of their advertising.

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Lester Gottlieb has been appointed publicity coordinator of the Mutual network. Mr. Gottlieb was formerly with WOR Press Department and News-Week magazine.

William P. Maloney has joined the WOR Press Department handling commercial programs. Maloney was formerly associated with Robert S. Taplinger, Inc., Publicity and Radio Relations counsel.

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Radio market reports were issued last week by the Bureau of Foreign and Domestic Commerce for the following countries: Australia, Iraq, Finland, Madeira, Poland, Italy (2-way phone), Brazil and Hungary.

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Crosley Radio Corporation reported a net profit of \$687,877 after all charges, equal to \$1.26 a share, for the first three months of this year. This compares with a net profit of \$315,268 for the corresponding period in 1935.

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John-Manville Corp. in its annual registration statement, made public last week by the New York Stock Exchange, reported a payment of \$26,000 to Floyd Gibbons, radio entertainer.

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A Committee of Britons is in this country studying American police radio systems. The members are now en route to California. The men are Col. Frank Brook, Inspector of Constabulary for England and Wales; Chief Constable John Maxwell, and R. N. Howe, Deputy Assistant Commissioner of the London Metropolitan Police.

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Use of false and misleading radio and other advertising on the part of Remsen Corporation, 70 Pine St., New York City, in the sale of "Aspirin Plus", is the basis of a Federal Trade Commission complaint charging that corporation with unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act.

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A bolt of lightning struck the 125-foot radio tower of Station WRC, Washington, during a severe electrical storm Sunday, May 3rd. As a result the station was off the air 20 minutes. Station WOL, Washington, was off the air six minutes as the result of another bolt of lightning.

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The largest audience mail response for any single month in its history - more than 1,000,000 letters - was shown in figures released last week by the National Broadcasting Company. The exact figure for the month of March, as tabulated by statisticians in a count from all NBC stations and offices, was a total of 1,015,372 letters, an all-time high. Showing the increase in audience reaction, this figure compares with 315,118 for the corresponding month in 1935, an astounding increase of 222 per cent.

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The problem of caring for young men who became stranded in New York after seeking places on radio amateur hours that might lead to employment, has diminished appreciably. Commissioner Alexander Damon of the Salvation Army has reported to Chalmers Wood, Chairman of the Citizens Appeal for the Salvation Army.

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