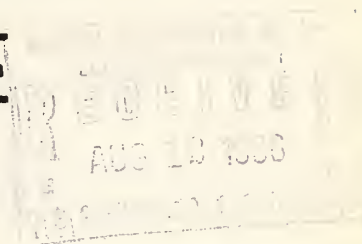


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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No. 952

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August 11, 1936

MORE SHORT-WAVE PROGRAMS FOR LATIN AMERICA URGED

American short-wave broadcasters are urged to pay more attention to Latin American listeners in a report issued this week by the Department of Commerce.

Citing a report received from Assistant Trade Commissioner Joe D. Walstrom, Buenos Aires, the department points out that European broadcasters are dominating the Latin American countries with their programs prepared especially for these listeners.

While no mention of United States trade is made in the Commerce Department statement, the inference is clearly drawn that the European broadcasting stations may be influential in taking business away from American exporters even though they do not resort to direct advertising over the air.

European short-wave programs are heard in Argentina much more clearly and are more interesting than similar American broadcasts, Mr. Walstrom reports.

Even the average American residing in Argentina, he adds, frequently prefers to tune in on London, Berlin, Rome, Paris or Moscow instead of the United States, largely because of the reception from the European stations is strong, with little or no static.

European broadcasting stations prepare their short-wave programs for specific countries, according to the Commerce Department report. High-gain directive antennae are employed, which insures that the programs will be received in Argentina, for instance, with the maximum of strength and the minimum of outside interference, it was stated.

Aside from the technical aspect, the programs themselves are prepared for the Argentine taste, and some of the European stations have gone so far as to employ Argentine announcers. A similar practice is followed by such stations in the programs transmitted to other countries, Mr. Walstrom reported.

While there are at least five European stations which are regularly and satisfactorily received in Argentina, only one or two American stations are heard and their reception is usually inferior to that of their European competitors.

Because there is only a comparatively small number of radio listeners who possess short-wave radio sets, many foreign

programs received in Argentina are rebroadcast, it is pointed out. These rebroadcasts include an occasional program from the United States, according to the report.

In concluding his report, Mr. Walstrom suggests that it would be advisable for a greater number of American stations to utilize the high-gain antennae in directing their programs to Latin America and that more programs should be offered for the Latin American listener. The music heard on practically any American program, he states, would be quite satisfactory, but the announcements should preferably be in Spanish. The best plan, of course, would be the preparation of special program for specific countries having in mind the particular tastes of these countries.

Because of the large market in Latin America for certain types of American merchandise, the report states, it would appear that this form of advertising and good-will promotion should merit serious consideration by American firms.

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BAR GROUP TO DEBATE BROADCASTS OF TRIALS

How can the press, the radio and the bar cooperate against publicity interfering with the fair trial or hearing of judicial or quasi-judicial proceedings?

This is one of the questions to be debated when the American Bar Association holds its annual meeting in Boston August 22nd.

Consideration of the problem of publicity in connection with judicial proceedings has been carried on during the year by special committees, representing the association, the American Society of Newspaper Editors and the American Newspaper Publishers' Association. They will present a joint report at Boston.

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The estimate for the Irish Free State broadcast services for the year 1936-37 is £57,700, as compared with £40,838, for 1935-6. The revenue from wireless licenses last year amounted to about £42,500, an increase of £8,500. The direct expenditure on the broadcasting service was about £50,000, and the number of wireless licenses issued was 85,000, an increase of 18,800. Provision has been made for an increase in the power of the Athlone station from 60 kw. to 100 kw.

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AUSTRALIA INSTALLS FIRST RADIO BEAM FOR AIRCRAFT

Australia's first radio beacon station for the guidance of aircraft along a radio beam was recently placed in operation at Sydney airport, according to a report to the Commerce Department from Assistant Trade Commissioner W. C. Flake, Sydney. Radio direction finder apparatus, the report states, was installed at the Melbourne airport about two years ago.

The new equipment, which was manufactured in Australia, is designed to send beams in four directions, with a range of approximately 200 miles. Although it is expected that other radio beam stations for the guidance of aircraft will be established in Australia, the report points out that it is not probable that any of the equipment will be imported, as it can be produced in Australia by a local company.

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RADIOBEACON EXPANDS AS LIGHTHOUSE AID

The first marine radiobeacons were operated on a single frequency and the radio direction finders of that period received indiscriminately any signal within 20 or 30 kilocycles of the recognized radiobeacon frequency. The 3 radiobeacons of 1921 have grown to 125 radiobeacons operated by the United States Lighthouse Service alone, and approximately 35 more are operated in Canada and in Central America, many within interfering range of the United States radiobeacons.

These 160 North American marine radiobeacons all operate in the band of 30 kilocycles wide reserved for marine radiobeacons by the Madrid Radio Conference of 1932. This large number of radiobeacons operating in such a narrow band of frequencies makes it important that radio direction finders be able to discriminate between radiobeacons with small differences in frequency, and this in turn requires that each radiobeacon be accurately and permanently fixed on an assigned frequency and operating minute. The accomplishment of this fixing of frequency and timing of operation for all radiobeacons, and the necessary extension of the range of certain radiobeacons has made it necessary to evolve new radiobeacon equipment and technique.

The early radiobeacon equipment was of simple construction and low cost. Necessity for frequency stability complicated the structure and increased the cost of later equipment. The first radiobeacon signals, fully stabilized as to frequency, were obtained from transmitters with elaborate heat controls for crystals and with congested internal assemblies although at the time these sets were purchased, they embodied the simplest known means for achieving a fixed frequency.

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MCCOSKER TO SEE BBC OFFICIALS IN LONDON

Alfred J. McCosker, President of the Bamberger Broadcasting Service, and Chairman of the Board of the Mutual Broadcasting System, sailed last week on the "Normandie" for a month's vacation in England, France, Italy and Switzerland.

In London, Mr. McCosker will visit Sir John Reith, Managing Director of the British Broadcasting Corporation, and other broadcasting officials. He will also confer with John Steele, recently appointed London and European representative of the Mutual network.

He is accompanied by Mrs. McCosker and in Paris they will meet their daughter, Miss Angela McCosker, who has been visiting in Europe since early July.

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SIAM A GROWING MARKET FOR RADIO SETS

Radio has been gaining in popularity in Siam during the past few years, according to a report from Vice Consul H. Gordon Minnigerode, Bangkok, made public by the Commerce Department.

On September 30, 1935, the number of receiving sets registered in the country totaled 27,288, an increase of approximately 3,000 as compared with the preceding year's total. The great bulk of the radio sets in Siam are located in the capital city of Bangkok, the number in use in the interior being negligible, the report states.

Japanese makes account for 80 per cent of the radio sets sold in Siam at the present time, their dominant position being accounted for by the low price at which they are sold. It is estimated that sales in 1935 by local dealers amounted to 2,700 units of which more than 2,100 units were Japanese sets, 339 American, and 161 British. The greatest number of sales of radios in Siam are made in three or four-tube sets of the smallest kind although there is a small demand for expensive models, it was stated.

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ALL BRANCHES OF RADIO INDUSTRY EXPERIENCING BOOM

Radio manufacturers, retailers, and broadcasters are experiencing what will probably prove the most prosperous year in the history of the industry, running from 15 to 25 percent above last year's records, a survey just completed by Dun & Bradstreet, Inc., New York, discloses.

"Starting the second half of the fourth year of uninterrupted expansion, all branches of the radio industry have been geared to reach new high marks", the report states. "During the first six months of 1936, the peaks of 1935 were passed, production running ahead by 15 to 25 percent and distribution by 15 to 30 percent. Much of the bonus money went into radios, and wider industrial employment contributed to the gain, while the increasing construction of new homes, with the consequent need of modern reception, is counted among the indicators for more extended improvement.

"Automobile radios were outstanding in the sales volume for the period, exceeding the 1935 figures by 30 to 150 per cent. As only about 17 per cent, or 3,900,000 of the passenger automobiles registered at the close of 1935 were equipped with radios, the number at the end of 1936 is expected to total 5,000,000 according to an estimate by Radio Today. Battery sets for unwired homes in farm districts have been selling faster than production, although there are around 170 types on the market, some deriving power from windmills and some from gas motors.

"Nearly every radio owner tuned in on the programs which last year brought \$86,492,635 net revenue to the 625 broadcast stations in the United States. More money is being spent by sponsors for entertainment this year, as national advertising broadcast for the first half of 1936 rose 7.6 per cent from the 1935 peak, and was larger by 25.4 per cent than in 1934, and 80.5 per cent than in 1933.

"During the first six months of 1936, radios were turned out at the fastest rate in the industry's history. Successive monthly increases brought the peak for the period in June, when many factories operated plants at capacity, with some divisions on double shift, in order to deliver 1937 models to distributors early in July. Output averaged 15 to 25 per cent more than for the first half of 1935, with production of parts and equipment larger by 15 to 50 per cent. Automobile radio speakers for the six months equalled the entire 1935 production.

"Present high production rates give indication of being maintained through the Fall months, as many factories are from four to six weeks behind their shipping dates. Based on the 5,375,000 radio sets manufactured in 1935, according to the compilation of Radio Retailing, trade estimates have placed 1936 output at approximately 6,000,000. This would represent an

increase of 11.6 per cent from the 1935 total, which was higher than the 1934 total of 4,696,000 by 14.5 per cent, and set a new peak.

"More variety in programs not only has provided the chief stimulus to the expanding 'audience of the air', but has built up a constantly larger volume of network revenues. For thirty-three consecutive months, national advertising broadcast has been maintained above the level of the year preceding, and in March, 1936, set a new all-time high at \$5,210,000. This helped to swell the total for the six months of 1936 to \$27,533,000, a rise of 7.6 per cent from \$25,596,000 in 1935, the previous peak.

"Rising for the fourth consecutive year, retail sales of radios established a new peak in both units and dollar value during the first six months of 1936, by surpassing the all-time high recorded for the year preceding. Gains ranged all the way from 10 to 50 per cent, with the average increase estimated at 15 to 30 per cent over the comparative 1935 figures. Some distributors of the leading makes reported sales up 75 to 100 per cent from 1935, with June and July volume ahead by 150 per cent.

"Floor and console models of the better qualities comprised the bulk of the volume, as interest in midget and cheap table sets waned. The increase in automobile radios was abrupt, running from 30 up to 150 per cent. The rise in the sales of battery sets to farm districts, where electric power is not available, was nearly as large, exceeding the 1935 total by 25 to 100 per cent. Since May, demand has turned markedly stronger for the radio-phonograph combinations in the special period designs.

"Engineering skill has reached its most advanced degree of perfection in both the dial and design of the new 1937 lines. Higher fidelity and more faithful reproduction have been achieved through automatic frequency controls, volume expansion, and variable-selectivity circuits. For ease in tuning, practically all sets in the higher priced ranges, and many in the medium ones, have been equipped with cathode-ray tuning indicators.

"Considering the array of new features which have been incorporated in 1937 models, prices of radios are the lowest in the history of the industry. These innumerable improvements, plus the additional tubes included with some sets, practically amount to a drop in price, as consumers now receive more for each dollar spent on the same type of set than they did a year ago.

"Even on old models, prices have been constant since the first of the year, with the exception of reductions made to move excess stocks. On some of the better grade sets, for which demand ran ahead of the supply, minor upward revisions have been made. Following the reduction on metal tubes on June

1st, some of the manufacturers lowered quotations on octal-base glass tubes.

"Wholesale collections have been better by 8 to 10 per cent than a year ago, while installments accounts generally were in the best condition since 1929. Repossessions have been the fewest on record. Most of the manufacturers reported payments as good to excellent, with a decided improvement over the 1935 status.

"Bankruptcies in the radio industry during the first half of 1936 were somewhat more numerous than for the corresponding 1935 period. Among manufacturers, however, the number that failed was fewer, but the total of 3 had liabilities of \$151,500, which compared with \$156,000 for the 7 concerns that failed in 1935. The latter was the smallest number in the history of the industry, and the amount of the liabilities also went down to a new low.

"It was the wholesalers' and retailers' division that contributed all of the increase in failures during the first six months of the current year. The total for the period was 28, giving a monthly average of 4.6 failures, as against 3.5 a year ago. This continued the up-trend which started in 1935, lifting the number of failures to 42 from the record low of 37 in 1934.

"The complete insolvency record of the radio industry from 1930 to June, 1936, inclusive, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

<u>Year</u>	<u>Number</u>	<u>Liabilities</u>
1930	40	\$3,522,400
1931	15	4,088,445
1932	23	1,826,995
1933	25	3,719,519
1934	9	941,338
1935	7	156,000
1936*	3	151,500

Wholesalers and Retailers

<u>Year</u>	<u>Number</u>	<u>Liabilities</u>
1930	217	\$2,071,392
1931	160	4,979,359
1932	170	1,978,678
1933	109	1,813,980
1934	37	2,207,408
1935	42	337,624
1936*	28	380,770

*January to June, inclusive

"These statistics of commercial failures are exclusive of applications under Section 77-B. From June 7, 1934, when Section 77-B of the New Bankruptcy Act became effective, to July 23, 1936, applications were filed under this section by 4 manufacturers in this industry and by 2 wholesalers and retailers."

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::: INDUSTRY NOTES :::
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Rate Card No. 4, dated August 15, 1936, has just been issued by the Affiliated Broadcasting Company, midwestern regional network. Changes from the former card, which was dated April 18, inaugural day of the network, include the addition of Stations WROK, Rockford, Illinois, and WGRC, New Albany, Indiana, as regular members of the ABC, and WJJD, Chicago, as an optional outlet, and the subtraction of WDGY, Minneapolis, from the list of ABC affiliates. The change from daytime to evening rates, formerly set at 5:30 P.M.CST, has been moved back a half-hour to 6:00 P.M. CST.

The Telegraph Division of the Federal Communications Commission last Friday denied the petition of R.C.A. Communications, Inc., Mackay Radio and Telegraph Company, The Western Union Telegraph Company, and Commercial Pacific Cable Company, for suspension of tariffs filed by Globe Wireless, Ltd., stating rates and regulations for "Radiomail" between Chicago, Ill., and Guam, Honolulu and Manila, and also between Washington, D. C., and Guam, Honolulu and Manila. The Division ordered that the issues presented by this petition be consolidated with the issues already under consideration by the Division under Order No. 12 insofar as those issues affect Globe Wireless.

The Mutual Broadcasting System's total billings for the month of July, 1936, were \$109,561.16. That figure includes the billing of basic and associated stations. Mutual's total billings for the same period in 1935 were \$58,446.57, thus showing a gain for this year's figure of 87.4 percent.

Mrs. Henry Morgenthau, Jr., wife of the Secretary of the Treasury, has accepted the post of Radio Director for the Women's Division of the Democratic campaign.

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PHILCO SUIT AND PATENT FIGHT SEPARATE

Taking issue with a statement in the Heinl Radio Business Letter of August 7th, John R. Howland, Assistant Secretary of the Philadelphia Storage Battery Co., Philadelphia, denies there is any connection between the Philco suit against RCA and the patent fight being conducted by eleven independent radio manufacturers against RCA.

His letter states:

"In the August 7 edition of your excellent Heinl Radio Business Letter, I note an incorrect inference in the fourth paragraph under the title 'PHILCO CHARGES RCA WITH ESPIONAGE IN NEW YORK SUIT.' You state: 'While the "independent" manufacturers have taken pot-shots at RCA for some time with Samuel E. Darby, Jr., patent attorney, as their spokesman, the New York suit for an injunction was the first serious move made against RCA.'

"It is true that a number of radio manufacturers who are licensees of RCA have a mutual problem that is being discussed with RCA through Samuel E. Darby, Jr., and it is true that certain angles of the control exercised over this and other industries by RCA are a source of continual embarrassment to licensed radio manufacturers and probably many others alike. But it is not correct to assume that the attempt of the Philco Radio & Television Corporation to protect itself from practices of a competitor as charged by it has any relation to attempts of the Philadelphia Storage Battery Company and others to protect themselves from other encroachments."

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RCA CHARGED WITH USING STRIKEBREAKERS

Charges that strikebreakers with criminal records were taken from New York to Camden in the recent R.C.A. strike to interfere by violence with peaceful picketing in violation of the recently enacted Byrnes law were submitted August 10th to Federal Judge William Clark and United States Attorney John J. Quinn, at Newark, in letters from the Essex Trades Council asking for an investigation.

The letters charged that the men were transported by Sherwood's Detective Bureau, 1457 Broadway, New York City, and the Manning Industrial Service, 31 Clinton Street, Newark. It asked the Federal authorities to subpoena various officials and records and several reported strikebreakers.

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RADIO EDUCATION PROGRESSES IN SWITZERLAND

School broadcasting is making headway in Switzerland, according to a correspondent of World-Radio, organ of the British Broadcasting Corp.

The first experiment in school broadcasting was made on October 28, 1930, by the Radio-Berne company, and last year's school broadcasts transmitted from the Swiss studios, were listened to by about 70,500 scholars, distributed over 3,241 classes in 1,047 schools.

The organization of the transmissions to schools is, briefly, as follows:

The general direction of the service is in the hands of a "central commission", consisting of a President, Vice-President, and four members, on which the various regions of Switzerland are represented. In addition to this central body "regional commissions" have been created, corresponding to the three linguistic regions of the country (German, French, and Italian). These regional commissions comprise the delegates of the local commissions which have been found necessary in the case of German-speaking Switzerland and French-speaking Switzerland, together with representatives of the Departments of public instruction of the different Cantons composing the region. The presence of representatives of the official educational authorities is valuable inasmuch as it secures co-operation between the school institutions and the general organization of school broadcasting. The latter is in this way rapidly informed of the reaction of the children and also of the teachers.

The regional commission examines the draft programs submitted to it by the local commissions, revises them and, after they have been broadcast, discusses the criticisms which may be made of them, and takes any steps which it considers proper. The local commissions have important functions: they choose the subjects, authors, and lectures; they carefully examine the manuscripts and revise where necessary.

The school broadcasts are of a purely supplementary character. They are a source of new knowledge and a stimulus to intellectual effort outside the ordinary resources of the schools. Far from supplanting the teacher, this method of instruction requires his presence, and he continues to be the master of instruction properly so called. It is accordingly his duty to select the broadcasts which are best suited to the age, capacity, and development of his pupils.

For the purpose of facilitating the work of the master, a special "bulletin" called "Le Radio a l'ecole" (Radio in School), is published quarterly in French Switzerland. It contains particulars of the talks; numerous illustrations intended

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to be shown to the children before, during, or after the talk; a brief indication - for the teacher's guidance - of the manner in which the subject will be treated; and, in certain cases, supplemental information, particularly of a bibliographical nature.

Experience has shown that the results obtained from these broadcasts do not depend only on the value of the talks themselves, but also on the preparation of the pupils who listen to them. For this purpose the teacher makes use of the material placed at his disposal by the bulletin, and supplies the pupils with the maps, pictures, films, and notes which they require in order to follow the broadcast with profit.

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EXAMINERS RECOMMEND STATIONS FOR TEXAS, NEW YORK

The Federal Communications Commission this week was advised by its Examiners to grant applications for construction permits to erect broadcasting stations in Corpus Christie, Texas, and Watertown, N. Y.

The Texas application was filed by the Gulf Coast Broadcasting Company and sought the 1330 kc. channel with 250 watts nighttime and 250 watts daytime, unlimited hours.

Black River Valley Broadcasts, Inc., is the applicant for the Watertown station on 1420 kc. with 100 watts nighttime and 250 watts daytime, unlimited hours.

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