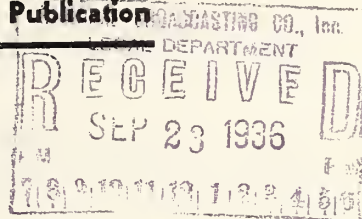


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



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September 22, 1936

8,000,000 RADIO SET SALES PREDICTED FOR THIS YEAR

Broadcasters, anticipating a \$100,000,000 year, are not the only members of the radio industry who are doing a boom business this Fall. The manufacturers are on their way to establish new records as well.

O. H. Caldwell, former Federal Radio Commissioner, and now editor of Radio Today, estimates that if the present sales pace continues "some 8,000,000 radio receivers may be manufactured and sold during 1936."

He pointed out that radio set sales for the second quarter of 1936 increased 49 percent over corresponding sales a year ago, while sales for the first half of the year ran 29 percent ahead of 1935. Total sales last year were 6,026,000.

Exhibitors at the National Electrical and Radio Exposition (see story in this issue) reported that both attendance and sales figures point to a record business this Fall and Winter.

The present volume of sales would indicate that, despite the fact that there were 22,869,000 "radio homes" at the conclusion of the last census almost a year ago, the market is far from saturated.

Manufacturers appear to have adopted the policy of the automobile makers in offering such new and attractive features each year that listeners who can afford it feel they must trade in their sets of two or three or four years, although it still functions fairly well, for a new model.

The all-wave receiver, capable of tuning in foreign and domestic short-wave stations, police and amateur transmissions, is probably responsible for much of the new business. This receiver is a development of only the last few years.

Mr. Caldwell also reports that radio tube production is 29 percent ahead of a year ago, while the gain for the second quarter of 1936 is 37 percent over 1935.

After analyzing the 1937 receivers exhibited at the New York show, Mr. Caldwell gives the following picture of "an average console and average table receiver."

The "average console", he said, "lists at \$101.25. It has $7\frac{1}{2}$ watts power output, which feeds a $10\frac{1}{2}$ inch dynamic

speaker. Approximately nine tubes are used in this composite set - and a $6\frac{1}{4}$ inch dial is employed for easier tuning.

"The average table receiver boasts of a watt output and a 6-1/8-inch electrodynamic speaker - six tubes are used in this set which lists for \$41.90. The dial is 4-5/8 inches.

Taking the prices of all AC and AC-DC ans. we get an average set price of \$65.

"Practically all the console sets cover the short-wave bands. The band coverage chart shows that 82 percent of all consoles tune in the police band and 88 percent provide short-wave reception. With table models these percentages are much less because of the many single-band receivers which sell under \$20. Even so, 55 percent of the table receivers tune to both the police and shortwave bands. A few of them cover the intermediate police and intermediate shortwave bands - these represent ranges of a few two-band sets.

"The weather band and ultra-shortwave are finding more popularity this year. About ten percent of the consoles are capable of tuning above 20,000 kc. - all of them exceeding 40,000 kc. and a few reach 70,000 kc. Only 8 per cent of the table sets tune to the long-wave band - 22 per cent of the consoles cover this band which extends from approximately 150 to 350-400 kc.

"The use of metal tubes is considerably greater than a year ago; 48 percent of the consoles use metal tubes exclusively (disregarding rectifier and tuning indicator), and with table sets the percentage is 37. Glass tubes are used extensively in 53 percent of the table sets.

"Octal glass or 'G' tubes are used exclusively in some lines - the percentages are as follows: table 4 percent, console 4 percent.

"The specifications show that most of the better sets employ a tuning indicator of some type - most widely used is the cathode-ray indicator or electric eye. A few sets use the shadowgraph or shadow tuning indicator.

"Large dials are the vogue - some of them almost a foot in their maximum dimension. And power outputs that rival many a P.A. system are found in the larger consold models - top figure is around 60 watts. To utilize this tremendous power, 12 and 15-inch speakers are used - with a few models having dual speakers to cover the entire tonal range with maximum fidelity.

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WCAE REVERSAL ON BROWDER SETS POLITICAL PRECEDENT

The political parity provision of the Communications Act proved itself ironclad this week as Station WCAE, Pittsburgh, reversed itself in compliance with an order of the Federal Communications Commission and scheduled 3 talks by Earl Browder, Communist candidate for President.

The Pittsburgh station, owned by Hearst Radio, Inc., had refused to permit Browder to speak over its facilities on August 28th despite the broadcast of addresses by Mr. Roosevelt and Governor Landon. This week, it told the FCC, it had allocated time for Browder on September 21 and on October 23 and 30.

In changing its attitude, WCAE indicated that it considered the radio law incontrovertible and that it feared a further refusal of its facilities to the Communist Party would endanger its license.

The station's action did not end the controversy, however, as statements pro and con were directed to the FCC.

The National Civic Federation, through Archibald E. Stevenson, general counsel, declared in a letter to Chairman Prall of the Communications Commission that Mr. Browder should be barred because his party operates under a constitution promulgated by the Communist International.

It is the duty of WCAE to stand by its original refusal, Mr. Stevenson wrote. Calling attention to the Federal law against conspiracy, Mr. Stevenson added:

"Because the society operates under a constitution promulgated by the Communist International, is governed by rules and regulations, acts in the public eye and promotes various organizations similarly conducted, including a political party, it does not alter the fact that it is a combination of two or more persons who conspire to overthrow, put down or to destroy by force the government of the United States."

"Under these circumstances, it is my opinion that any broadcasting station aware of the facts which permits Earl Browder to use its facilities to forward the conspiracy becomes itself an accessory and party to the conspiracy. For these reasons Station WCAE was correct in its refusal to grant Earl Browder the use of its facilities; and you would be derelict in your duty to support the laws and Constitution of this country if you should attempt to force the broadcasting station to become parties to the conspiracy, as demanded by William Z. Foster, the American Civil Liberties Union and perhaps others."

The correspondence was disclosed by Elisha Hanson, an attorney.

The American Civil Liberties Union also protested against denying the air to the Communist candidate.

On Sept. 10 the Communications Commission, by order of Chairman Prall, notified WCAE of the protests and in a formal letter called attention to the law providing that equal air opportunity must be given all legally qualified candidates for public office.

Emil J. Gough, Vice-President of WCAE, wrote that he had no knowledge of Mr. Browder's legal status. He said WCAE was not influenced by the National Broadcasting Company on the four projected addresses but that it had notified NBC that it would not broadcast the Aug. 28 Browder address "as it had another program for that hour which it regarded as of greater public interest."

Mr. Gough added that in view of the law's mandatory provisions, the station now felt compelled to accept the Browder speeches. To do otherwise, he added, might mean loss of license and heavy fines.

"But for these mandatory provisions of law and the regulation of the Commission heretofore referred to, Station WCAE would reject the Browder programs in full", Mr. Gough continued. "It believes that the Communist party is, in reality, an organization holding its charter from the Communist International at Moscow pledged to obey instructions issued by that foreign group, the purpose of which is to overthrow the present form of government in the United States by force and substitute therefor a Soviet form of government. The activities of the Communist party in its opinion, violate the provisions of the Federal statutes prohibiting seditious conspiracies to overthrow, put down or destroy the government of the United States by force."

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INVENTOR CLAIMS TO HAVE CONQUERED RADIO NOISES

A perhaps epoch-making invention by an expert who was formerly an assistant teacher at the Technical Faculty of Vienna University is attracting great attention in Austrian radio circles, according to World-Radio, British Broadcasting Corporation organ. Its purpose is the complete suppression of atmospherics, resulting in absolutely undisturbed reception. The transmitting power is used to counteract all kinds of crackling and roaring noises interrupting reception.

"If the invention turns out to be what it claims - and Dr. Martin Wald, the inventor, says that it is the outcome of years of research - it is likely to be adopted all over the world, but every transmitting station using it would require considerable alteration, which, in the case of large plants, would, of course, be a costly affair", the periodical states.

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RADIO SHOW SETS RECORDS IN ATTENDANCE AND SALES

New records in both attendance and sales were established at the 1936 National Electrical and Radio Exposition, which closed the night of September 19 at the Grand Central Palace, New York City. The radio industry interpreted the lively interest as an indicator of a large Fall and Winter trade.

The estimated attendance for the 10-day exhibition was more than 200,000. Last year only 177,000 attended the show. While accurate figures on the amount of business done were not available, reports from individual dealers indicated that it was far ahead of last season.

A New York maker of radios and phonographs reported an increase of 40 per cent in sales volume, with the "smaller models of radios appealing strongly and radio-phonograph combinations a big factor of business." A representative of a large Detroit radio set maker called the exposition "great, with the merely curious in the minority."

R. H. McMann, President of a Springfield (Mass.) radio concern, said "a lot of sales and enthusiastic interest" best described the exposition from his viewpoint. The Sales Manager for a Michigan radio-maker reported the "higher-priced models the most attractive, and actual business transacted now about four times what we did last year."

General interest in all sorts of electrically operated merchandise was exemplified by the fact that more than 75,000 passed through one small booth, fitted up as a one-and-a-half-room apartment with fifty electrical "gadgets", in the eleven days the show was open.

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NOTRE DAME, GEORGIA GET GRID SPONSORS

Sponsorship of this season's football schedule of Notre Dame for broadcasting purposes was announced last week by N. W. Ayer & Son, New York advertising concern. Five home games at South Bend, Ind., and "several" of the games away from South Bend will be on the air over WTAM, Cleveland, under the sponsorship of the Kellogg Company, cereal manufacturers of Battle Creek, Mich.

In addition, the entire football schedule of the University of Georgia will be broadcast over WSB, Atlanta, under the sponsorship of the Atlantic Refining Company, which recently announced it would be sponsor of all the home games of Yale at New Haven, and many other colleges and universities throughout the country.

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INDUSTRY WATCHES RCA PATENT SUIT IN DELAWARE

The radio manufacturing industry is watching with keen interest developments in the trial in Wilmington, Del., of a suit for injunction filed by the Philadelphia Storage Battery Co. against the Radio Corporation of America as a climax to patent row. Upon the ultimate decision in the litigation will depend RCA's radio patent policies, involving fifty licenses to rival manufacturing companies.

The major issue is whether the Philco Radio & Television Co., is in any sense a subsidiary of the Philadelphia Storage Battery Co., or whether it is a legally separate concern. RCA contends the two are linked and that royalty patents should be controlled by Philco sales, whereas the Philadelphia Storage Battery Co. insists that it has "divorced" Philco and consequently should pay royalties to RCA only on its sales to Philco.

The Philadelphia company is seeking an injunction to restrain RCA from cancelling a patent license under which it manufactures radio receivers. RCA has filed a counter suit demanding an accounting of Philco on the ground that the battery company divided its license privilege in violation of an agreement when it established Philco as a separate corporation in July, 1934.

Testimony so far has divulged no corporate connection between the two concerns but it has shown that Philco does engineering work, as well as advertising and sales, in connection with the manufacture of Philco radios and that both companies jointly occupy the same building.

The case is being tried in the State Chancery Court at Wilmington by Judge Josiah Wolcott.

Among the principal witnesses to date have been James M. Skinner, President of the Philadelphia Storage Battery Co.; Edward T. Peyton, Secretary of the Battery Company; Larry E. Gubb, President of the Philco Radio & Television Corporation; and Russell L. Heberlin, Vice-President of Philco and Chairman of the Board of Transitone Automobile Radio Company.

John W. Davis is chief of RCA's legal staff, while Hugh Morris, a former judge, heads the attorneys for the Philadelphia Battery Company.

The trial is expected to continue another two weeks.

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BALDWIN FILES MINORITY REPORT ON CAIRO PARLEY

James W. Baldwin, Managing Director of the National Association of Broadcasters, late last week filed the NAB minority report on the United States draft of recommendations to the International Cairo Radio Conference.

The American committee preparing for the parley recently voted down a proposal by the NAB that the following frequencies be made available for broadcasting: 180 to 210 kc., inclusive, and 520, 530 and 540 kc.

The NAB report consisted chiefly of the technical testimony offered by Dr. Charles B. Aiken on behalf of the organized broadcasters.

In a letter to Commdr. T.A.M. Craven, Chief Engineer of the Federal Communications Commission, Mr. Baldwin said:

"It has been my thought that particularly the frequencies 180 to 210 kilocycles should be ear-marked for radio broadcasting on the North American Continent so that our neighbors on the north, if they so desire, may take advantage of the northern latitude in which their country is located, the comparative small number of radio receiving sets in use in their country and the excellent propagation characteristics of these frequencies to provide a national broadcasting service to their citizens. Should they desire to use these frequencies at some time in the future, demand would be lessened for frequencies now congested with American broadcasting stations.

"In respect of the frequencies 520, 530 and 540 kilocycles, certainly these frequencies as shown by our technical testimony at the June 15 hearing can be used both in the United States and in Canada."

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TELEVISION, ALL-WAVE SETS FEATURE OF PARIS SHOW

Demonstrations of television and a display of all-wave radio receivers attracted the most attention at the annual French Radio Exhibition held in Paris September 3 to 13.

The principal television exhibition, according to a report in World-Radio, BBC organ, was by Barthelemy de France, whose system has been operation experimentally atop the Eiffel Tower.

Three systems of television were in operation - viz, that of the Societe Francaise de Television (a company formed to carry on the work done by the Compagnie des Compteurs, under

Barthelemy), that of the Societe Grammont (Loewe system), and that of the Radio-Industrie (de France system). The Barthelemy system demonstrated both television and telecinema.

"In the official catalogue eight firms appear under the heading of television", the World-Radio correspondent reported, "but I discovered that there were at least five other firms having a strong interest in it and almost ready to place a receiver on the market. The prices of those shown and demonstrated were as follows:- Frs. 4,500, Frs. 6,900, Frs. 4,500, and combined with sound reception, Frs. 5,900, Frs. 8,500, Frs. 7,500, Frs. 5,500. Some were not priced, and the stall attendant was not in a position to indicate the price, but I gathered that it would not exceed Frs. 10,000 for the combined receiver. One firm advertises a television kit for Frs. 1,950. All the receivers that I saw gave direct reception and the inclined mirror system was not on exhibition.

"The most popular radio receiver this year is undoubtedly the 'all-wave', these first attracted the attention of the public at the 1934 Exhibition, when about a dozen firms were showing them. Last year they were to be seen on most of the stands, but they are much more in evidence now. Previous receivers were practically all confined to three wave-bands, the short-wave band being from 19 metres to 50 metres. This year there is a tendency, not yet very pronounced, to increase the number of wave-bands to four, and in one or two instances to five.

"Most of these receivers are provided with visual tuning devices, the cathode-ray tube, ('Magic Eye' which made a timid appearance at the Foire de Paris, being very prevalent; and neon light columns, shadow bands, and beams of light have also their adherents. Not many manufacturers have realized that a tuning button suitable for the medium and long waves is not suitable for the short waves, and there were only a few sets provided with special facilities. These usually consisted of a double tuning knob, one portion working perhaps ten times faster than the other; of which the slow-motion portion was suitable for the short waves. An additional scale in some form or other was also to be seen, the object being the same. Another tuning device that attracted attention consisted of a single button which could be used for altering the wave-band, tuning-in, controlling the volume, altering the tonality, etc., with one hand.

"There was little that was new in the tuning dials, one type being noticeable because its angle to the set could be altered to suit the wishes of the listener. Another gave the name of the station in large letters on a frosted glass tablet $3\frac{1}{2}$ in. wide and $1\frac{1}{2}$ in. high, in addition to the ordinary dial. Most of the dials were illuminated in some form or another. One receiver was automatic, and was fitted with twenty small buttons, of which nineteen represented nineteen stations which could be tuned in automatically by pressing the corresponding button. By pressing the twentieth button, tuning-in could be undertaken in the ordinary way.

"There were not many portable sets, and the vogue for midget receivers seems to have passed. Battery sets were hard to find, and there did not seem to be as many car sets as last year. On the other hand, there were a few more short-wave sets; and the radio-gramophone, with a wide range of prices, is holding its own. There were a few receivers with two or more loudspeakers, but not more than last year.

"There seemed to be a distinct tendency towards smaller and also metallic valves."

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POLICE PLAN 400-STATION NET TO COMBAT CRIME

As a direct result of the allocation of certain radio frequencies for zone and interzone police stations, the Associated Police Communications Officers plan to form a 400-station network to combat crime over the country.

C. J. Stanley, Vice-President of the Association and Chief Communications Officer of the Davenport, Ia., department, said organization of the network would be undertaken at a convention in Davenport October 5, 6 and 7, bringing together police radio operators, engineers and executives.

The nucleus of the network - six Midwestern stations - is operating experimentally on frequencies allocated September 15 by the Federal Communications Commission, Mr. Stanley said, and other police stations may join as soon as they have established facilities. Fifty-one cities, he added, have already applied for network positions.

"Radio telephone over long distances", Mr. Stanley declared, "while practical in many instances, is extremely inaccurate for detailed police work. Under bad atmospheric conditions, too many words sound alike, and in daylight hours radio telephone is greatly diminished in carrying power."

The basic network, he said, will include "zone stations" preferably large State-operated police transmitters of high power. These will broadcast in telegraphic code, and, possibly, in a national secret police code. Each zone station will relay information to all other zone stations, and from these it will reach the interested police departments.

"St. Louis, Indianapolis, Detroit, Kansas City, Minneapolis and Davenport are now a part of the first network authorized to operate experimentally", he said. "These first four cities have been in communication since January.

"Recently a man was arrested in Indianapolis for vagrancy. Detectives had an idea he might be wanted in St. Louis. They radio-telegraphed St. Louis a few minutes after his arrest, and within two hours St. Louis detectives were on their way to Indianapolis to return the man to Missouri. He was wanted there for the holdup of a St. Louis filling station, and the radio description identified him."

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15,000,000 SETS NEED REPLACEMENT, PHILCO MAN SAYS

A declaration that there are 15,000,000 radio receivers in the United States that are obsolete and need replacement and a prediction that 6,500,000 sets will be sold in 1936, were made by officials of the Philco Radio & Television Co. last week at a trade meeting in Milwaukee.

Harry B. Brown, Philco's national merchandising manager, in calling attention to the large number of obsolete radio sets, said:

"We should get out and sell new radios to replace these sets because the owners have the money."

He also cited the general improvement in business and the expanded Fall broadcasting programs.

J. H. Carmine, head of the Central States Division of Philco, made the estimate that 6,500,000 sets will be sold this year over the country by all radio manufacturers.

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The U. S. Commerce Department reports that the Afghan government has placed a contract with the Marconi Company for the erection of five wireless stations. The most powerful station will be near Kabul, while the others will be located at Maimana, Khanabad, Doh Zangi, and Khost, thereby linking the northern, northeastern, central and southern parts of the kingdom with each other and with the capital.

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GENERAL ELECTRIC PROFIT SHARING PLAN CHANGED

Gerard Swope, President of the General Electric Company, announced September 18th that distribution to employees of benefits under the Company's profit-sharing plan henceforth would be made semi-annually instead of yearly. He said the first distribution of 1936 shares would be made "as promptly as possible after October 1."

At the executive offices in Schenectady, it was said the change was made at the request of employees in all plants of the Company. It was said also that the semi-annual distribution had nothing to do with a "sit-down" strike conducted in the plant some months ago, but represented the request of "all employees" rather than of any union. The executive offices added, however, that the request originated in the factory in Schenectady.

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PERSONNEL OF NAB COMMITTEES IS ANNOUNCED

Following their appointment as Chairmen, H. K. Carpenter, of WHK, Cleveland, and Arthur B. Church, KMBC, Kansas City, Mo., this week announced the personnel of the NAB Commercial Section and Committee of Five, respectively.

The Commercial Section comprises five committees. Members are as follows:

Committee on Radio Research: Mr. Church, Chairman; Roy Witmer, NBC, New York City; H. K. Boice, CBS, New York City; Theodore C. Streibert, WOR, New York City; J. O. Maland, WHO, Des Moines, Iowa; John Elmer, WCBM, Baltimore, Md.; William J. Scripps, WWJ, Detroit, Mich. Committee on Radio Promotion: John J. Gillin, Jr., WOW, Omaha, Nebr., Chairman; Gardner Cowles, Jr., KSO-WMT-KRNT, Des Moines, Ia.; John E. Fetzer, WKZO, Kalamazoo, Mich.; Harrison Holliway, KFI-KECA, Los Angeles, Cal.; Donald Withycomb, WFIL, Philadelphia, Pa.; Don Searle, WIBW, Topeka, Kans.; Edger T. Bell, WKY, Oklahoma City, Okla. Committee on National Sales Methods And Costs: John F. Patt, WGAR, Cleveland, O., Chairman; C. M. Everson, WHKC, Columbus, O.; J. H. Ryan, WSPD, Toledo, O.; Edwin M. Spence, WBAL, Baltimore, Md.; E. B. Craney, KGIR, Butte, Mont.; Dale Robertson, WIBX, Utica, N.Y.; Rev. James A. Wagner, WHBY, Green Bay, Wis. Committee on Standardization of Sales Forms: Martin B. Campbell, WFAA, Dallas, Tex., Chairman; Barry Bingham, WHAS, Louisville, Ky.; I. R. Lounsberry, WGR-WKBW, Buffalo, N.Y.; William S. Hedges, NBC, New York City; John J. Karol, CBS, New York City; Harry Stone, WSM, Nashville, Tenn.; Earl J. Glade, KSL, Salt Lake City, Utah; Division of Sales Managers: Buryl Lottridge, KFAB-KOIL, Lincoln, Neb., Chairman; L. H. Avery, WGR, Buffalo, N.Y.; Hale Bondurant, WHO, Des Moines, Ia.; J. Leslie Fox, KMBC, Kansas City, Mo.; H. M. Feltis, KOMO-KJR, Seattle, Wash.; John W. New, WTAR, Norfolk, Va.; Edward A. Allen, WLVA, Lynchburg, Va.

The Committee of Five, besides Mr. Church, comprises: H. K. Boice, CBS; Roy Witmer, NBC; J. O. Maland, WHO, Des Moines, and James W. Baldwin, Managing Director, NAB, Washington, D. C.

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