

HEINL RADIO BUSINESS LETTER

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January 26, 1937

CROSLEY CINCINNATI LOSS HEAVY; MAIN PLANT SAVED

Although preliminary estimates are to the effect that the Crosley Radio Corporation fire loss during the flood at Cincinnati Monday night may be in the millions. luckily the main plant escaped disaster and will reopen as soon as recession of flood waters and restoration of power facilities permit.

The company's refrigerator cabinet assembly factory was destroyed, a telegram said, but orders will be filled in increasing production at a similar plant at Connersville, Ohio.

The following telegram was received today (Tuesday) by the Heintz News Service from Bill Bailey, press representative of the Crosley Corporation:

"Your wire just reached me due to heavy traffic and temporary setup. Two buildings of Crosley Radio Corporation destroyed in fire that swept four square blocks. Building K, the main warehouse, and Building L, refrigerator unit, destroyed. Total fire loss based on buildings two million, half of which was suffered by Crosley.

"Have been unable to contact Lewis Crosley for definite amount but apparently the loss will mount less over a million due to large number of radios and refrigerators in warehouse. Main plant which houses studios undamaged except for broken windows despite fact fire raged on three sides of the plant."

The operation of Station WLW, whose transmitter is at Mason, Ohio, a short distance north of Cincinnati, was apparently unaffected by the flood as it could be heard broadcasting flood relief messages.

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Television and facsimile transmission by radio will be nearly ready to pop in 1937, bearing problems that call for the best thought the newspaper industry can give them, says Editor & Publisher editorially.

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RMA DENOUNCES PUBLIC EXHIBITS OF RADIO RECEIVERS

The Board of Directors of the Radio Manufacturers' Association this week advised RMA members that it is opposed to public exhibitions of radio receiving sets by set manufacturers or distributors, according to Bond Geddes, Executive Vice-President.

At the same time Mr. Geddes disclosed that the RMA Directors had indorsed a Radio Parts Manufacturers' National Trade Show to be held at the Stevens Hotel, Chicago, June 10-13, and a similar show in New York, October 1-3.

"Exhibition of receiving sets in trade shows and public shows, by set manufacturers or distributors, is not helpful to business and is not approved, according to a show policy determined unanimously by the RMA Board of Directors at its recent meeting in Chicago", Mr. Geddes said. "RMA set manufacturers are being requested to refrain from such exhibitions and also to request their distributors not to participate in such shows.

"The RMA Board adopted formal resolutions following a questionnaire of set manufacturers by the Association, with unanimous sentiment in opposition to such exhibition of receiving sets.

"The RMA resolutions follow:

"Whereas this Board has given careful consideration to the advantages and disadvantages of exhibiting receiving sets in trade shows and public shows, and

"Whereas receiving set manufacturers of this Association were canvassed by questionnaire on such advantages and disadvantages, and

"Whereas answers to such questionnaire by receiving set manufacturers clearly manifest the opinion that the disadvantages and the expense of such exhibitions do not warrant the manufacturer of receiving sets to exhibit at such shows or to support them financially directly or indirectly and that exhibiting thereat deters rather than promotes the sale of receiving sets,

"Resolved, That this Board considers the exhibition by manufacturers of receiving sets as detrimental to the industry and therefore condemns the practice and strongly recommends to its receiving set manufacturers not to exhibit or to support financially, directly or indirectly, any trade or public shows;

"Resolved, That the manufacturers of receiving sets be requested to urge upon their distributors not to participate in such shows."

Formal endorsement of the radio parts shows by the RMA was given at the same meeting of the Directors in Chicago, and it was also arranged to hold the annual RMA Membership meetings and convention at the Stevens Hotel on June 8-9, immediately preceding the June parts and accessory trade show. During the June show the annual convention and meetings of the Sales Managers Clubs and the Institute of Radio Service Men also will be held. Ken Hathaway, President of the Institute of Radio Service Men, is Managing Director of the shows.

Details of the arrangements for conducting the shows are given in the following announcement:

"The Radio Parts Manufacturers National Trade Show has been incorporated as a corporation, not for profit, to sponsor, promote, and conduct national exhibitions of (1) replacement parts, test and laboratory equipment for the service man; (2) public address equipment; and (3) amateur and short wave equipment. The formation of the above mentioned corporation was agreed upon at a meeting of representatives of the Sales Managers Clubs and the Parts Division of RMA at a meeting held in Chicago on November 16, 1936; and the first meeting of the Board of Directors of the Corporation was held in New York City, December 16, 1936.

"The Show Corporation is the result of more than six months of negotiation, during which time the leaders of the industry were endeavoring to effect an arrangement that would be all-inclusive as to representation and scope. The By-laws, as adopted at the December 16 meeting, require that two of the members of the Board of Directors shall represent companies that are members of RMA and two shall represent companies that are members of the Sales Managers Club. The Directors hold office for one year and are elected at the annual meeting of the member-exhibitors held during the Chicago National Trade Show.

"The Board of Directors as now constituted consists of A. A. Berard, Arthur Moss, S. N. Shure, and Fred D. Williams. Messrs. Moss and Williams represent RMA; Berard and Shure represent the Sales Managers Clubs.

"The officers are Mr. Shure, President; Mr. Berard, Vice-President, and Mr. Moss, Secretary-Treasurer."

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A broadcasting station with a power of 100 KW is contemplated for Tunis, according to M. Guillon, the Resident-General, the cost of the transmitter being paid by the French Government and that of the installation by the dependency. M. Guillon indicated that the expense could be covered by the receipts from wireless taxation and from publicity.

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WHAS, LOUISVILLE, DOES HEROIC SERVICE

Plainly heard over the entire eastern part of the United States, much praise was reported for the splendid flood relief work done by Station WHAS, operated by the Louisville Courier-Journal. Apparently this station abandoned all commercial programs and devoted its entire time to emergency bulletins in connection with the flood.

Evidently the station was never off the air and handled appeals of the most thrilling character, such as rescue boats being overturned, and other messages equally urgent, at all hours of the day and night. At times, however, the station sounded weak as if operating on battery power when the city's electric supply went out.

Official broadcasts from the Governor of Kentucky, the Mayor and the Chief of Police at Louisville cleared through WHAS, which was also a part of an emergency network of stations of which Nashville, Indianapolis and other cities nearby seemed to be a part.

Approximately 100 officers and 800 enlisted men in the Naval Communication Reserve were operating 200 radio stations in connection with rescue and relief work in the flooded areas. In several areas the stations, operating on batteries, took over the communication work of regular stations paralyzed by the failure of electric current.

The nine control stations are located at Pittsburgh, Wheeling, W. Va., Huntington, Norfolk, Chicago, Akron, Cincinnati, Louisville and Centralia, Ill.

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MINIATURE RADIO TUBE FOUND OF MEDICAL VALUE

The world's tiniest radio vacuum tubes, producing wave lengths one centimeter long, or about a third of an inch, have proved efficient in tests and may be of medical value, according to Professor G. W. Potapenko, at Pasadena, California.

The physicist, who, with Dr. C. Y. Men, developed the tubes, pointed out to students and scientists at the California Institute of Technology that wave lengths of about one meter have been used for some time in medical therapy.

"Waves of about one centimeter previously could be generated only by using spark oscillators or magnetrons", said Professor Potapenko. "But waves generated by spark oscillators are not constant in energy and those produced by magnetrons are not constant in length. Recent tests show waves produced by our tiny tubes are constant both in energy and length, which we hope will make them highly valuable in biology, medicine and perhaps chemistry."

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RADIO EXPORTS SET MARK; WAGES SHOW SMALL GAIN

All monthly records for radio exports were broken last October with a total exportation of \$3,246,129, according to the report of the U. S. Bureau of Foreign and Domestic Commerce, which showed an increase of 19.6 percent over exports of \$2,714,113 in October, 1935. The exports of receiving sets and also parts and accessories was the largest in any month on record. The previous record in radio exports was established in November, 1935, with a total of \$2,892,778, but the radio exports last November were slightly under this previous peak, totaling \$2,587,819.

Radio factory employment last October increased only .9 percent over September, according to the current U. S. Bureau of Labor Statistics report, and October employment was 5.4 percent less than that during October 1935.

October showed an increase of 10.5 percent in radio factory payrolls over the previous month of September, 1936. The October payrolls, however, were only .2 over those of October, 1935.

Average weekly earnings during October of radio factory employees were reported at \$21.55, an increase of 9.5 percent over September, 1936, and 5.8 percent over weekly earnings during October, 1935. The October national average of all manufacturing industries was \$23.46, while the national average of all durable goods manufacturing establishments was \$26.45.

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FORD PROTESTS SPOT ADS ADJACENT TO OWN PROGRAM

The Ford Motor Company has registered an official protest with the Columbia Broadcasting System and with the National Broadcasting Company against the practice of injecting commercial announcements during the chain break immediately preceding or following its radio programs, according to Newsdom. Both broadcasting systems took the protest under advisement but declined comment.

"The practice of slipping in extraneous commercial spots, we feel, is unfair to the sponsor and to the public", the protest read in part. "We have received numerous complaints substantiating this, and believe the time has arrived for broadcasting companies to take cognizance of this situation."

The statement "offers no objection to spots or commercials used in connection with sustaining programs, provided they do not immediately follow a sponsored program."

The complaint was based on the thesis that the sponsor of a unit of radio time - 15 minutes, 30 minutes, or an hour - is entitled to the undivided attention of the audience from chain break to chain break.

As a matter of consistency, the Ford company announces that it would discontinue all of its own spot chain-break announcements. Ford maintains three shows on the air: one over WABC Sundays from 9 to 10 p.m.; another over the same station Tuesdays from 9 to 9:30 p.m., and the third over WJZ Fridays from 9 to 9:30 p.m.

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RADIO STATIONS DIRECT RELIEF IN FLOOD AREAS

"Radio broadcasting played a tremendous role yesterday in the battle of the Ohio and Mississippi Valleys against the worst flood in their history", the New York Times reported Jan. 26.

"The dramatic 'calling all boats, calling all boats' was a constant appeal for help throughout the day from the powerful transmitters of Stations WHAS and WAVE at Louisville, WLW and WKRC at Cincinnati and an unprecedented emergency network of Columbia and NBC cooperating stations.

"The broadcasters remained continuously on the air to link police and relief headquarters and rescuers. Boats and patrol cars throughout the great valleys were equipped to pick up appeals relayed in behalf of those cut off by the climbing waters.

"Even when its power was shut off temporarily, the crew of WHAS, Louisville, continued to relay its messages to cooperating stations which included CBS stations linked through WBBM, Chicago; and the transmitters of WSM, Nashville; and WFRM, Indianapolis.

"Radio was called into play by Mayor Neville Miller of Louisville to appeal to three other cities for emergency fire apparatus. A new fire had been reported in a distant section of the city just before the Mayor's appeal was read over WEA's network. Knoxville, Chattanooga and Pittsburgh were called upon. Of the first two, at least two companies of fire apparatus were requested. Pittsburgh was urged to send the equipment already offered, with the advice that to send it by way of Knoxville would avoid the worst of the flooded areas.

"Falling electric power and extraordinary technical difficulties were overcome in maintaining radio in service of the local, State and Federal relief agencies.

"Appeals for succor and the story of devastation and heroism kept the Cincinnati and Louisville stations and many others in an emergency hook-up from early morning throughout the day and night. Intermittent switches brought news of the disaster to a nation-wide audience.

"When police radio equipment at Portsmouth, Ohio, was crippled early yesterday, the NBC mobile unit at WTAM, Cleveland, supplied police broadcasting service. Alvin McMahan and Frank E.

Whittam, engineers, operated the short wave unit most of the morning, maintaining communication in the flood area with State police and Portsmouth Scout cars.

"Station WAVE, the NBC outlet at Louisville, was able to resume broadcasting yesterday morning after a generator that had been sent by plane from Chicago was put into service.

"WLW placed its broadcasting facilities at the disposal of relief agencies. The plea was made that no calls be put through regarding information concerning damage to life and property, but listeners were assured that all people in the Cincinnati area would be properly cared for through the speedy work of mobilization.

"WSAI, the NBC outlet of WJZ's network in Cincinnati, had been without power since Sunday night. Then it was damaged by fire, the National Broadcasting Company reported.

"Other broadcasts were heard from Pittsburgh, through KDKA; Portsmouth, Ohio, via the Mobile unit of WTAM; from Covington, Ky., over WCKY and from Chicago."

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FTC CRACKS DOWN ON "MARMOLA" ADVERTISING

Raladam Company, of Detroit, has been ordered by the Federal Trade Commission to cease and desist from certain misrepresentations in the sale of its produce "Marmola", advertised as a weight-reducing preparation. Such misrepresentations are held to constitute an unfair method of competition in violation of Section 5 of the Federal Trade Commission Act. Broadcasting stations which have carried "Marmola" programs have previously been called to task by the Federal Communications Commission.

Containing as its active ingredient desiccated thyroid made from the thyroid glands of certain food animals, Marmola is said to have been advertised in a manner implying that thyroid deficiency is a common cause of excess fat, that thyroid should be taken for reducing, that "Marmola is for the average case", provides "the right way to reduce", and that "this modern method of reduction is now used by doctors the world over."

Findings in the case, based on distinguished medical and scientific opinion, are that only a small proportion of cases of over-weight result from thyroid deficiency; that in many cases the respondent company's product cannot be safely used, and in any case should be taken only on the advice of a physician.

The order to cease and desist prohibits certain misrepresentations concerning Marmola and its thyroid ingredient and also directs the Raladam Company to discontinue representing that it makes a full and complete disclosure of the properties and effects of Marmola unless and until it does in fact make such disclosures.

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U. S. RADIO SETS POPULAR IN LIBERIA MARKET

"No radio equipment is manufactured in Liberia and all requirements of receiving sets and accessories are filled by imports from abroad, imports being about equally divided between European countries and the United States", the U. S. Bureau of Foreign and Domestic Commerce reports. "The demand is for table models of receiving sets of both electric and battery power, equipped with aeroplane dials marked with names of stations. Price preference ranges from about \$24 to \$72. American sets continue to be popular.

"As a rule radio sets are not kept in stock, being imported on individual order. At present, however, it is reported that there are 14 receiving sets in stock in Monrovia. The market at best is small and appears to be well exploited by exclusive agents of 3 well-known American makes of sets and tubes. At the close of September last year there were approximately 130 private receiving sets in all of Liberia.

"There is no local standard or short-wave broadcasting, but all American, as well as other short-wave programs are heard here so far as weather permits. There are no relay systems."

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RCA ADDS BRAZIL TO COMMERCIAL NETS CARRYING OPERA

Radiobras at Rio de Janeiro, Brazil, last week began broadcasting the regular Saturday matinee performances of the Metropolitan Opera Company in New York, heard in this country over networks, under the sponsorship of the Radio Corporation of America.

Radiobras is the second major South American broadcasting company to inaugurate a series of commercially sponsored radio programs from the United States in less than a month. Announcement that Radio Splendid at Buenos Aires, Argentina, would broadcast the Metropolitan Opera was made January 7th. Thus, South America's two largest nations are receiving the first series of commercial programs ever sent from this country to a foreign nation other than Canada.

The opera programs are transmitted to Radiobras and Radio Splendid, by arrangement from New York over a commercial short-wave channel of R.C.A. Communications, Inc. Announcements and commercial credits, in Portuguese by Radiobras and in Spanish by Radio Splendid are added to the broadcasts at Rio de Janeiro and at Buenos Aires.

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 ::: INDUSTRY NOTES :::
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The National Broadcasting Company's lease of Station WMAL has recently been extended for three years, it was announced by Major Lenox R. Lohr, President. The existing lease, which covered a five-year period, will expire December 31st of this year. Major Lohr completed negotiations for extension of the lease with the M.A. Leese Radio Corp., owners of WMAL.

New Jersey's Alcoholic Beverage Control Commissioner last week held that liquor advertising on the radio was undesirable because it could not be kept out of the homes.

Asked if a Phillipsburg liquor distributor could legally sponsor a contest on the radio with a case of beer as the prize, Commissioner D. Frederick Burnett said there was no rule against it, but one would be promulgated if the practice of holding such contests were started.

Charges of participating in an assault upon a ship's radio operator, filed against Hoyt Haddock, President of the American Radio Telegraphers Union in New York, have been dismissed, District Attorney George Dorsey said at Spring Valley, N.Y., last week. The Rockland County District Attorney obtained the order releasing Haddock last week at the home of Police Judge Robert Finkelstein, two days before a scheduled hearing.

Three other union members are still awaiting a grand jury hearing on a charge of assaulting Robert Wolfe, Munson Line radio operator, in his home after binding his sister and mother. A fourth man is being sought.

"With the Federal excise tax figures for 1936 showing an increase of 51 percent over 1935, when radio set sales numbered 6,000,000 sets, it becomes increasingly apparent that 1936 was at least an 8,000,000 set year, although basic license-bureau figures for the final quarter are not yet available", according to Radio Today.

"At 8,000,000 sets, 1936 in unit production is thus 82 percent ahead of America's business-peak year of 1929, when unit radio production was 4,400,000 sets. Measured in dollar volume, owing to the lower unit prices in 1936, 1936 radio volume is 25 percent below the \$600,000,000 retail peak of 1929."

An order to cease and desist has been entered by the Federal Trade Commission against F. L. McWethy, 329 Michigan Ave., Marshall, Mich., prohibiting him from representing in advertising matter or in radio broadcasts that "McWethy's Home Treatment", which he sells in interstate commerce, is an effective remedy or a cure for bladder, prostatic, kidney or bowel troubles, and that it reaches all of the underlying causes of such ailments.

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ZENITH EMPLOYEES PRESENT PLAQUE TO MANAGEMENT

When, next February, the Zenith Radio Corporation of Chicago, moves into its mammoth new plant, recently acquired, the entrance hall will contain an impressive bronze plaque. The plaque was presented Christmas Eve to Commander E. F. McDonald, Jr., President of the Company, and to the other officials, by the entire body of Zenith employees as an expression of loyalty to the organization.

On the surface of the bronze, measuring two and a half feet by nineteen inches, are engraved the following words:

"To the Directors and Officers of the Zenith Radio Corporation --- We believe in your wisdom and fairness --- We assure you of our loyalty and effort --- We are proud of this partnership --- "

In accepting the plaque for the Company, Commander McDonald told the employees:

"Nothing could have made my Christmas happier, nor more complete, than the sentiment that was expressed by all of you in the lovely bronze plaque with which I was surprised Christmas Eve.

"I wish to express to you not only my appreciation, but the appreciation of the Officers and Directors of Zenith for the wonderful thought that the bronze represents. You have made the Officers, the Directors and me particularly happy with the last sentence wherein you say, 'We are proud of the partnership'. That word 'partnership' means much to us and it is our intention to make it even more a partnership as the years go on."

Over the wording described, the plaque contains symbolic illustrations showing on the one side, executive and office personnel, and on the other side, figures representing men and women of the various manufacturing departments, advancing into the foreground toward a central motive, a symbolization of a Zenith radio cabinet. Before this central design, the two leading features stand hand-in-hand, pledging cooperation and loyalty to one another.

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The Turkish Government will shortly let contracts for the construction of two new radio broadcasting stations, to be located at or near Ankara. It is understood that one of these stations will be a 60,000 or 70,000 watt long of medium wave broadcasting station, and the other will be a 10,000-watt short wave transmitter.

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NBC EXPANDS SOUTH AMERICAN SHORT WAVE SERVICE

With the launching of a new weekly program of Broadway comment on Tuesday, January 26th, the National Broadcasting Company will have programs produced especially for reception on South and Central America on the air seven days a week over its short-wave transmitter, W3XAL, at Bound Brook, N. J.

Francesco J. Ariza, a native of Mexico, who has lived many years in New York, will be the commentator. He is a magazine writer and editor. His talks will be filled with up-to-the-minute information about the new Broadway shows, human interest angles about the actors and others who take part in the gay life along New York's white way.

Dan Russell, Spanish-speaking announcer, will round out the program with a brief summary of news about inter-American events. Russell and Charles Carvajal, Spanish-speaking production man, are in charge of NBC's South American broadcasts, arranging and producing all of the programs.

The addition of the Tuesday night feature brings the South American schedule up to seven days a week, with half-hour broadcasts on week days and a full hour broadcast on Sundays. Special entertainment features, supplemented by brief news reports, are presented during the week.

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BENDIX FORMS RADIO EQUIPMENT CORPORATION

Vincent Bendix, manufacturer of airplane parts and equipment, last week in New York announced the organization of the Bendix Radio Corp., with himself as president, and he described it as "the largest organization of its kind in the world."

The company, absorbing Radio Research Co., Inc., of Washington, Radio Products Co., of Dayton, Ohio, the William P. Hillyard Co., and the Jenkins and Adair Co., of Chicago, will specialize in a directional radio compass for private and transport planes.

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Anti-trust suits brought by the General Talking Pictures Corporation and the Duovac Radio Corporation against the American Telephone and Telegraph Company and the Western Electric Company were dismissed last week by Federal Judge John P. Nields, in Wilmington, Del.

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