

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

INDEX TO ISSUE OF JUNE 15, 1937

U. S. Has More Radios Than Europe Sans Russia.....	2
Radio Industry On CBS Net July 10.....	3
- WRVA Makes Bid For 50 KW.....	4
Democrats Still Owe Columbia \$18,860.31, Report Shows.....	4
WLS "Hindenburg" Broadcast Duplicate Records Being Made.....	5 -
Jackson Heads New Radio-Aviation Group.....	5
Transradio Suit Against Nets Settled.....	6 -
17 Universities Offer Summer Radio Courses.....	6
British Report Mrs. F.D.R. Gets \$3,000 A Broadcast.....	7
Trade Notes.....	8
Broadcasting Abroad.....	9
Working Hours Up; Employment Down, U. S. Reports.....	11
I. T. & T. Income Double What It Was A Year Ago.....	12
Senate Hearings Near On Copyright Bills.....	12
WMCA Orders 40-Hour Week And Pay Raise.....	12

No. 1036

June 15, 1937

U. S. HAS MORE RADIOS THAN EUROPE SANS RUSSIA

While incomplete, figures recently issued by the International Broadcasting Office at Geneva indicate that the United States is still well in the lead in the number of radio receiving sets. In fact, this country probably has more radio sets than all of Europe, excluding the Union of Russian Soviet Republic, which was not included in the count. Nevertheless, Europe gained more than 3,000,000 radios in 1936.

This addition brought the total number of radio sets in the "European zone", as defined by the Convention of Lucerne, to approximately 28,000,000. This count includes Spain at its 1935 figure, as no statistics are available on registrations in 1936.

The number of radio-equipped homes in this country on January 1, 1937, was 24,269,000, and this figure did not include "extra" sets or auto radios.

The Columbia Broadcasting System estimated later in the Spring that there would be 25,000,000 radio families this Summer but a total of 34,000,000 sets. The extra 9,000,000 was obtained by allowing 4,000,000 "extra" sets for the radio-equipped homes and 5,000,000 automobile radios.

Germany surpassed Great Britain during 1936 in the number of receiving sets in Europe for the first time in several years, the Geneva record shows. It reported 8,167,957 sets as compared to 7,914,506 for England.

Greece more than doubled its supply of radio sets and easily led in the percentages of increases. Only one country showed a loss. That was Bulgaria.

The chart as issued by the International Broadcasting Office follows:

	Dec. 31 1935	Dec. 31 1936	Percentage Increase
--	-----------------	-----------------	------------------------

Great Britain	7,403,109	7,914,506	6.91
Germany	7,192,952	8,167,957	13.55
France	2,625,677	3,218,541	22.58
Holland	946,844	989,115	4.46
Sweden	834,143	944,487	13.23
Czechoslovakia	847,955	928,112	9.45
Belgium	746,395	890,323	19.28
Denmark	609,226	652,255	7.06
Austria	560,120	593,815	6.01
Italy	530,000	622,692	17.54
Poland	491,823	677,404	37.73
Switzerland	418,499	464,332	10.95
Hungary	352,907	365,354	3.53
Norway	191,378	240,251	25.54
Finland	144,721	177,376	22.56
Roumania	127,041	162,766	28.12
Latvia	82,175	96,331	17.23
Yugoslavia	81,385	96,660	18.77
Irish Free State	78,627	98,949	25.85
Egypt	41,370	57,633	39.31
Algiers	41,344	56,467	36.58
Portugal	40,409	53,659	32.79
Danzig	29,000	32,484	12.00
Lithuania	26,763	35,234	31.65
Estonia	24,193	37,800	56.24
Morocco	23,079	29,448	27.59
Bulgaria	17,213	15,000	12.85 decrease
Luxembourg	15,000	25,000	66.67
Palestine	12,200	20,388	67.11
Iceland	12,183	12,938	6.20
Tunis	10,582	13,383	26.47
Greece	6,317	13,717	117.14
Turkey	6,175	9,033	46.28
Syria and Levant	4,307	6,345	47.32

X X X X X X X X X

RADIO INDUSTRY ON CBS NET JULY 10

On July 10 on a national network of the Columbia Broadcasting System, a program on "The Radio Manufacturing Industry" will be presented by the U. S. Department of Commerce. Under arrangements of the Radio Manufacturers' Association with government officials, the radio industry broadcast has been arranged from the Washington studio (WJSV) of the Columbia Broadcasting System at 2:30 to 2:45 P.M., E.S.T.

The government broadcast on the radio industry is one of the series of programs, in dramatic and interesting style, covering the principal American industries. Material for the government broadcast is being furnished through RMA and its members. The steel, automobile, and electrical industries were among recent programs covered by the Department of Commerce presentations on the Columbia network.

X X X X X X X X X

6/15/37

WRVA MAKES BID FOR 50 KW

A strong presentation of the merits of Station WRVA, of Richmond, Va., in its application for an increase from 5,000 to 50,000 watts power was made before Examiner Robert L. Irwin at the Federal Communications Commission last Thursday (June 10). The hearing ran all that day and was not concluded until Friday noon.

C. T. Lucy, of Larus & Brothers Company, owners of WRVA, made the general statement regarding the station; former Representative Frank D. Scott, of Michigan, acted as counsel, and Paul Godley, well-known radio engineer, handled the technical end.

Mr. Lucy dwelt at considerable length on the public service of WRVA not alone to the city of Richmond but to the entire State. He said that the station had put on 500 educational programs in behalf of the University of Virginia free of charge. Also approximately 2700 programs for the State and Federal Departments of Agriculture were carried. Likewise, offerings have been made in behalf of the Virginia Conservation Highway and other departments. There, too, was work done for the Richmond Board of Health and local authorities.

Mr. Lucy said that for eleven years WRVA had maintained remote control connections with these various public departments and was the only station in Virginia which had ever done this. Mr. Lucy also spoke of the excellent results attained by the wooden broadcasting tower of Station WRVA, the only one of its kind in this country and the tallest wooden structure in the United States.

Among others participating in the hearing were John M. Littlepage, representing WISN, of Milwaukee; Phil J. Hennessey, Jr., NBC, and George O. Sutton. Decision in the case was reserved.

X X X X X X X X

DEMOCRATS STILL OWE COLUMBIA \$18,860.31, REPORT SHOWS

The Democratic National Committee still owes the Columbia Broadcasting System \$18,860.31, according to a report filed last week with the clerk of the House of Representatives.

X X X X X X X X X

WLS "HINDENBURG" BROADCAST DUPLICATE RECORDS BEING MADE

So great has been the demand to hear a rebroadcast of the remarkable recording made by Station WLS, of the "Hindenburg" disaster, that though the station does not contemplate broadcasting this recording again, it is having copies made for the many people who have requested them.

"This recording in its entirety runs 40 minutes and 50 seconds on a 33-1/3 disc," Glenn Snyder, Manager of WLS, Chicago, explains. "That takes in the advance material that was recorded prior to the crash and to the moment our men left the field. There is no word of explanation as to why or how it was made - just the actual recording made at the time.

"We are having made a 30 minute recording of this, into which we have put a word of explanation at the opening as to how it happened to have been made, and eliminated some of the repetitions and other material not particularly interesting. This is a 78 and takes three twelve-inch records, both sides, to complete it. As you know, anybody with a phonograph could use this, and only some one with electrical transcription machines could use the 33-1/3.

"It is costing us some \$300.00 to have the master remade for phonograph record use. It will then take some three 12-inch records for the recording which records will cost us something like \$3.50 per set. We do not want to make any effort to seel them and neither can we afford to give away many at that price but a few such sets will probably be available and could be obtained for cost."

X X X X X X X X X X

JACKSON HEADS NEW RADIO-AVIATION GROUP

W. E. Jackson, Chief of the Radio Development Section of the U. S. Bureau of Air Commerce, last week was elected Chairman of the Radio Technical Committee for Aeronautics.

The Committee was organized two years ago under the auspices of the Air Commerce Bureau. Composed of representatives from Government agencies concerned with aeronautic radio and manufacturers and users of aeronautic radio, it investigates development of anti-static antennae, direction-finding equipment, instrument-landing apparatus and ultra-high frequencies.

X X X X X X X X X X

6/15/37

TRANSRADIO SUIT AGAINST NETS SETTLED

The Transradio Press suit against 17 defendants for \$1,700,000 charging conspiracy in restraint of trade was settled out of court last Thursday afternoon following several days of negotiations between attorneys of two defendants, the Columbia Broadcasting System and the National Broadcasting Company, and counsel for the plaintiffs, Transradio Press Service and Radio News Service, Inc.

Transradio announced that there had been a "satisfactory adjustment" with CBS and NBC. Details were unavailable. Press associations, and individuals were mentioned only by way that the suit against them had been discontinued.

Herbert Moore, President of Transradio, said that by mutual arrangement the details of the "adjustment" would not be divulged. He stated that he was "glad to see that it has come to a satisfactory conclusion."

X X X X X X X X

17 UNIVERSITIES OFFER SUMMER RADIO COURSES

Summer courses in some phase of radio education will be given at the following institutions during the Summer of 1937, according to the National Committee on Education by Radio:

University of Florida, Gainesville; Northwestern University, Evanston, Ill.; Butler University, Indianapolis, Ind.; Purdue University, West Lafayette, Ind.; University of Wichita, Wichita, Kans.; University of Michigan, Ann Arbor, Mich.; University of Montana, Missoula, Mont.; Columbia University, New York, N. Y.; New York University, New York, N. Y.; Ohio State University, Columbus, Ohio; Waynesburg College, Waynesburg, Pa.; University of Texas, Austin, Texas; Southern Methodist University, Dallas, Texas; Baylor University, Waco, Texas; University of Washington, Seattle, Wash.; West Virginia University, Morgantown, W. Va.; and University of Wyoming, Laramie, Wyo.

X X X X X X X X X X

6/15/37

BRITISH REPORT MRS. F.D.R. GETS \$3,000 A BROADCAST

Although the amount paid Mrs. Franklin D. Roosevelt for her radio broadcasts has been studiously kept secret in this country, the British Broadcasting Corporation, in a recent issue of World-Radio announced blithely that the price paid by a commercial sponsor is 600 pounds, or \$3,000 for 15 minutes.

Devoting about two columns to a review of the First Lady's radio work, the BBC journal said, in part:

"It would attract notice, for a single address, even in America, where large fees are an everyday occurrence. That sum is, however, paid for a series of speeches of a quarter of an hour each in a 'sponsored program', as it is called when an advertiser pays for, or sponsors, a broadcast for the purpose of an advertisement.

"Mrs. Roosevelt's popularity and, therefore, her advertising value are attested by the fact that her 'fan mail' amounts to approximately 100,000 letters a year. This number includes letters relating to her broadcasts and other matters.

"In spite of the large fees she receives, Mrs. Roosevelt makes no money by her broadcast addresses. All her fees are sent direct to a philanthropic society, which distributes the amounts to the various institutions to be benefited.

"Like every other broadcast speaker, Mrs. Roosevelt is not immune from public criticism. On one occasion, it has been related, a man, amazed at hearing the large fee she received, wrote that, in his opinion, no broadcaster was worth so much money.

"'I think that you are perfectly right that no one is worth two hundred dollars a minute', Mrs. Roosevelt replied. 'I never dreamed for a minute that I was. I do not feel that this money is paid to me as an individual, but that it is paid to the President's wife. It puts money into circulation. The money is spent for a good purpose, and these people would not otherwise be helped. Therefore, I think I am perfectly justified in doing it.'

"The result of doing exactly what the director desires is that Mrs. Roosevelt has become an exceedingly efficient speaker 'on the air', with a technique so enormously improved that the people who engage her feel that they get full value for their money, even though it costs them over six hundred pounds every time she broadcasts for a quarter of an hour."

X X X X X X X X X

6/15/37

::: TRADE NOTES :::
::: TRADE NOTES :::
::: TRADE NOTES :::

Plans for developing export trade were considered at length during the Chicago convention of the Radio Manufacturers' Association by their Export Committee. S. T. Thompson, of Long Island City, will continue for another year as Chairman of the Committee, but during his absence in Europe, the Export Committee meeting at Chicago on June 8th was conducted by J. F. Weldon, of Chicago.

New short-wave equipment, with the call letters W-9XSB, has been acquired by the South Bend (Ind.) Tribune, which also operates stations WSBT and WFAM. It was used for the first time at a recent Notre Dame athletic contest. The announcer covering the event used a short-wave pack transmitter complete in one unit carried on his back. This transmitter sent the broadcast to the local studio of WSBT-WFAM, from which point it was fed into regular lines and broadcast on long wave transmission.

The International Radio Corporation, manufacturers of Kadette radios, has established an Eastern office at 11 West Forty-second Street, New York City, and is preparing plans for a national advertising campaign in the Fall. Newspapers will be the backbone of the drive. E. H. McCarthy, formerly with General Electric and Grigsby-Grunow, has been named Eastern Sales Manager.

April sales of Canadian set manufacturers, according to statistics of the Canadian RMA, totaled 13,494 sets with a list value of \$1,000,723, compared with April, 1936, sales of 8,340 sets worth \$703,925.

Of the Canadian sales last April, 9,147 were A.C. sets valued at \$735,293; 1,263 battery sets valued at \$90,738, and 3,084 automobile sets valued at \$174,692.

Information from Assistant Trade Commissioner Joe D. Walstrom at Buenos Aires, reveals that while chain broadcasting has been used in Argentina to a limited extent for some time, a special broadcast took place on May 4 in which President Justo spoke on behalf of the Government's new 200,000,000 peso internal bond issue, for repatriating the foreign debt. The broadcasting stations included all of those in Buenos Aires, plus others in 10 interior cities.

"Clipping" of radio broadcasts on the death of John D. Rockefeller, as well as dramatizations of his life, has been begun by the Ivy Lee-T. J. Ross public relations office, according to Newsdom. They are collecting copies of all programs dealing with the death of the oil magnate. When they have compiled the data, they will present it to the Rockefeller family.

Armstrong Perry, for five years Director of the Service Bureau of the National Committee on Education by Radio, was one of the passengers injured when the plane in which they were flying from Brazil to Caracas, Venezuela, crashed in a Venezuelan jungle on April 22nd. Mr. Perry is said to have been very seriously injured and unconscious for nine days. According to the latest report, the survivors were rescued on May 7th, and Mr. Perry is recovering in a Caracas hospital. Since leaving the National Committee on Education by Radio in January, 1936, Mr. Perry has devoted himself to freelance writing and was in Venezuela collecting material.

One of the most extensive radio-news schedules in the country was inaugurated last week by Scripps-Howard's Cincinnati outlet, WCPO. James Hanrahan, Manager of the station, said that at least 14 news broadcasts will be scheduled daily, in addition to numerous short news flashes.

X X X X X X X X X X X X

:::		:::
:::	BROADCASTING ABROAD	:::
:::		:::

Radio broadcasting in Cuba is controlled and regulated by the Direccion de Radio (Radio Bureau) of the Department of Communications. Although there is widespread affirmation of the need for modern legislation and regulations covering all phases of the broadcasting situation, and proposed measures have been prepared for adoption by the Cuban Congress, no legislation has been adopted since the original broadcasting control Decree Law No. 186 of February 12, 1925, and modifications which have appeared from time to time, according to the U. S. Commerce Department.

"Much has been said concerning the non-enforcement of existing legislation which, incomplete and defective as it may be, would if applied very likely alleviate at least in some degree, the unfavorable conditions with which radio set owners have to contend in the reception of broadcasts from Cuban stations", the report states.

"Considering economic importance of the Island, its size and geographical position of proximity to the United States, Cuba is served by too many broadcasting stations. These are highly concentrated in Habana and, with few exceptions, are not satisfactorily modulated. There is, therefore, a great deal of interference not only among Cuban stations but among Cuban and foreign stations, both long and short-wave.

"One of the best Cuban stations is constructing a modern establishment in the outskirts of Habana, using a 300 foot vertical radiator with all equipment of American manufacture. The new station has 25,000 watts power and will be the largest in Cuba. It is planned to set up the studio in Habana modelled after the most up-to-date in use in the United States. The building and antenna are almost completed and the station equipment is being set up. The new station should do much to raise the general level of radio broadcasting on the Island.

"There is no great tendency to improve radio programs. A very few stations have continued their efforts toward improvements and have met with a slight measure of success, but the usual program is marked by monotony and excessive advertising announcements. The quality of station equipment in most cases is mediocre and a large proportion of the apparatus is of local production and assembly. There is great use of records, but little effort to diversify the record selections.

"The broadcasting time charges run from as low as \$5 an hour to \$50 an hour. Considerable use is made of 'menciones de 35 palabras' (announcements of 35 words.)."

Important modifications and extensions of the Italian broadcasting service will shortly be begun as the result of a convention just signed between the Minister for Communications and the Board of Management of the EIAR, according to the Rome correspondent of World-Radio. The Rome short-wave station is to be greatly strengthened. There will be two transmitters with a power of 100 KW in the aerial for wavelengths between 49 and 31 metres, two transmitters of 40 KW power for the wavelengths between 25.19 and 16 metres, and a third transmitter of 50 KW power, with directional aeriels, for various wavelengths. This group of transmitters, to be installed in the grounds of the present Rome short-wave station at Prato Smeraldo, will, it is hoped, allow 2RO to be heard perfectly under any conditions all over the world.

The power of Naples station is to be increased from 1 KW to 10 KW, while Turin will have an auxiliary station of 5 KW power. Two new stations are to be built by the end of 1937; one in Ancona and the other at Catania, in Sicily. To facilitate broadcasts of speeches by the Duce and other manifestations in Piazza Venezia, special lines will be laid underground between this point and the studios of the EIAR in Via Montello, Rome. The estimated cost of the broadcasting improvements, for the year in course, amount to over 21 million lire (\$1,115,000) and they are to be begun shortly.

X X X X X X X X X

6/15/37

WORKING HOURS UP; EMPLOYMENT DOWN, U. S. REPORTS

Increased working hours and a slight decrease in employment in the radio manufacturing industry were detailed in the latest report for March, 1937, of the U. S. Bureau of Labor Statistics, the Radio Manufacturers' Association notes. Smaller radio employment in March was said in the government report to be seasonal.

Radio factory employment in March decreased 4.5 percent but was 6 percent higher than March, 1936. The March, 1937, radio employment index figure was 163 percent, compared with February index figure of 170.6 percent.

Radio factory payrolls last March increased 2.3 percent over the previous month and were 21.2 percent above March, 1936. The March index figure on payrolls was 127.1 compared with 124.2 during the previous month of February.

Average weekly earnings last March of radio factory employees were reported at \$20.36, an increase of 7.1 percent over the February average earnings of \$19.11, and the March earnings were 14.2 percent above March, 1936. The March, 1937, national average weekly earnings of all manufacturing industries was \$25.54, while the national average of all durable goods manufacturing establishments was \$28.78, both increased a small percentage above February.

Average hours worked per week in radio factories last March were 36.5 hours, an increase of 7.5 percent over the February average of 34.1 hours, and the March average was 10.8 percent above that of March, 1936. The national average work hours of all manufacturing industries during March was 41.0 hours, while the national average work hours of all durable goods manufacturing industries was 42.4 hours, both increased slightly over one percent as compared with February.

Average hourly earnings last March of radio factory employees was 56 cents, the same as the previous month of February, and they were 3.5 percent above average hourly earnings during March, 1936. The National average hourly earnings of all manufacturing industries in March, 1937, was 61.3 cents, while the national average of all durable goods manufacturing industries was 67 cents, the former increased 2.1 percent and the latter 3 percent over the previous month of February.

X X X X X X X X

I. T. & T. INCOME DOUBLE WHAT IT WAS A YEAR AGO

The consolidated net income of the International Telephone & Telegraph Corporation for the three months ended March 31, 1937, amounted to \$1,658,438, as compared with \$815,968 for the three months ended March 31, 1936, according to a report just made to stockholders.

No incomes or losses accruing from Spanish subsidiaries have been included in the consolidate income accounts for either of the quarterly periods.

X X X X X X X X X X

SENATE HEARINGS NEAR ON COPYRIGHT BILLS

Early hearings on three copyright measures pending in the Senate, two of them favored by the broadcasting industry, were forecast this week.

The Senate Patents Committee has scheduled hearings on a patents measure to begin June 22nd and expected to last two days. Immediately following these hearings the Committee plans to invite testimony on the three copyright measures, according to the Committee Clerk. No definite date has been set.

The measures pending before the Committee from last session the Duffy Bill; the Sheppard Bill, which is identical with a measure suggested by Ed Craney, Manager of KGIR, Butte, and the Guffey Bill, proposing recognition of the rights of performing artists in restricting broadcasting of their works. The two former measures are favored by broadcasters and other copyright users, while the Guffey measure will be opposed.

X X X X X X X X X X

WMCA ORDERS 40-HOUR WEEK AND PAY RAISE

A 40-hour week has been inaugurated at WMCA, according to Donald Flamm, President of the station. The agreement between the station management and representatives of the operating and production announcers departments came as the result of negotiations between representatives of the employees and the management last week.

Under the terms of the agreement delivered to department heads, all announcers and producers receive salary increases, effective immediately with a provision in the announcer's agreement that provides for what amounts to a guarantee that the announcer will receive commercial assignments to increase his salary by at least 20%. The agreement as announced runs to January 1, 1938, with provisions for a three-year renewal.

X X X X X X X X X X