

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D.C. BROADCASTING CO., Inc.  
LEGAL DEPARTMENT  
**RECEIVED**  
AUG 20 1934  
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NATIONAL BROADCASTING CO.  
VICE PRESIDENT AND GENERAL MANAGER  
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No. 750.

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*S. G. [unclear]*

August 17, 1934.

# PREDICTED 1934 RADIO ADVERTISING CLOSE TO 1931 PEAK

The total radio advertising volume during 1933-34 broadcasting season amounted to \$66,671,000. Though it is impossible to tell exactly how this figure compares with the peak of the industry, it is probable that the current season's revenues have been approximately 15.0% below that figure. Granted that the present decrease in business activity is only temporary and that local broadcast advertising begins to register gains in the fall, total radio volume in 1934 should be close to the 1931 peak.

National network volume, however, will play a more important part than in 1931, when it constituted 51.0% of total broadcast advertising. During 1933-34 this proportion rose to 55.8%. The volume of broadcast advertising from June 1933 to July 1934, is found in the following table:

Class of Business	Gross Receipts
National networks .....	\$37,254,366.00
Regional networks .....	550,733.00
National spot .....	12,603,433.00
Local .....	16,258,575.00
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TOTAL .....	\$66,671,107.00

With the presentation of the June report the National Association of Broadcasters Statistical Service completes the first year of collection of comprehensive trade statistics for radio broadcasting. Established in July of last year, the service has made available for the first time in the history of the industry figures regarding not only the national network advertising but of broadcast advertising placed over regional networks and individual stations.

Though the summary of data thus far compiled by the service is for a broadcasting season rather than a calendar year, it will be of interest to those concerned with radio advertising in that it presents in detail for the first time the various phases of this highly complex field.

8/17/34.

Broadcast advertising in June experienced a marked decline as compared with the previous month. Seasonal and general business conditions combined to produce this result. Gross sales of time amount to \$5,418,732, a decrease of 21.6%, as compared with May. National spot volume lost most heavily, declining 34.1%, due mainly to a 45.8% decrease in electrical transcription business. Despite a 16.7% drop in revenues as compared with May, June national network volume was the best in the history of broadcasting.

In the non-network field, stations of over 5,000 watts in power lost most heavily, due to national spot trends. Losses were fairly evenly distributed throughout the various geographical districts, with the South and Far West experiencing slightly greater declines than other sections. Declines were heavy in all fields of industrial sponsorship. Local beverage, national spot soap and kitchen supply, local amusement, and automotive advertising were the only fields wherein gains were recorded over the preceding month.

June advertising volume was as follows:

Class of Business	June
National networks .....	\$3,103,796.00
Regional networks .....	35,599.00
Individual stations .....	2,279,337.00
TOTAL .....	<u>\$5,418,732.00</u>

National network volume declined 16.7% over the month, regional network advertising 20.5% and non-network advertising 27.6%. Despite the decline as compared with May, national network volume was 51.5% over that of June of the preceding year. Non-network advertising was 8.9% greater than July 1933, the nearest comparable figure available.

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#### WHOLESALE RADIO TRADE ASKS CODE MODIFICATION

The National Recovery Administration announced that, until August 29, objections to criticisms of, or suggestions concerning a proposed modification of the code for the wholesale radio trade may be filed with Deputy Administrator Frank H. Crockard, 1320 G Street, N.W. Washington, D.C.

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Through its divisional Code Authority, the trade has requested the modification which provides that the Code Authority shall consist of 19 members of the trade. One member would be the president of the R.W.A.; thirteen would be chosen by the Board of Directors of the Wholesalers to represent its members in the various seditions of the country; and four members would be chosen from members of the trade who are not members of the R.W.A.

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#### BRINKLEY TRIES TO BUY HIS WAY BACK

It is reported that Dr. J.R.Brinkley, goat gland specialist, who was in Washington recently on an unknown mission is trying to buy time on a number of stations.

Though Dr. Brinkley is reported to have offered the stations whatever rate they desired for talks advertising his hospital at Del Rio, they are reported to have turned him down flat.

Since having been closed down by both the American and Mexican Governments the goat gland doctor has been trying to figure out different ways "to come back", but evidently has not succeeded as yet.

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#### CAPITAL ORDERS NEW POLICE RADIO SETS

Purchase of 20 additional short-wave receiving radio set has been ordered by the District Commissioners on recommendation of the Police Department. The new equipment is to be installed in police motor vehicles. The contract went to the American-Bosch Corporation, at a unit price of \$52.50.

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## FLAMM AND STORER DENY AGENCY AGREEMENT BREACH

Issued to the radio editors of all New York publications, the following statement was jointly signed by Donald J. Flamm, persident of Kinickerbocker Broadcasting Corporation, and George B. Storer, presidant of Federal Broadcasting Corporation. Mr. Storer is also president of the American Broadcasting System:

"In order to allay the impression which has unfortunately been spread by the publishing of unauthorized rumors with respect to the relationship between Federal Broadcasting Corporation and the Knickerbocker Broadcasting Corporation, licensee of radio station WMCA; Federal Broadcasting Corporation most emphatically wishes to make it plain that there has been no breach of the agency agreement, existing between Federal and Knickerbocker, and furthermore, that the relationship between the Federal Broadcasting Corporation and the American Broadcasting System is most harmonious."

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## 'AUDIO PROJECTOR' SIFTS TONES IN AIR

A new method of recreating and projecting sound, which provides the auditory illusion of tone arriving at the ear from a wide angle, as from a large number of musicians playing on a stage instead of from a single point as when music is reproduced by a loud-speaker, was given its first demonstration in New York City last Tuesday outside of the New York laboratory where the device has been under design for three years.

"Music intercepted from a local station or reproduced from a recorded selection, was given with such brilliance over the system, compared with the tone emitted by a standard radio-phonograph unit utilizing the same source of program, that well-known musicians who heard the test said they were amazed at the fidelity and realism attained," the New York Times says describing the test. "Tones not heard through one instrument were prominent in the other, in good balance, with the other orchestra instruments.

"The 'audio projector' as the device is called by its inventor, Maximilian Weil, New York electro-acoustic consulting engineer, is scarcely larger than the average-sized radio cabinet or console now utilized in the home. The electrical amplifier and radio set employed is no different from thousands of other such apparatuses in use today, Mr. Weil said. However, the mechanism that transforms the tones from electrical to acoustic energy and gives the vibrations the illusion of realism is far different, he added.

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"The cabinet in which the projector is installed has slender openings around the edges of the rectangular case. Through these slots the sounds issue in all directions at once.

"Engineers, working for years on the loud-speaker problem, have been confronted with the seemingly insuperable obstacle that in radios and phonographs for the home sound must come through a single opening in the side of the cabinet. This method invariably makes the tones seem cramped because they are projected in the form of a concentrated beam at the listener, like a beam of strong light at the eye. The effect is disconcerting. We have apparently attained the illusion of a symphony of sound coming from many sources at once.

"Mr. Weil said he has been notified by his attorneys that "highly basic patent rights" will accrue from his designs.

"The inventor is a member of the American Institute of Engineers, and the Aeronautical Society of America and other bodies, and is president of the Audak Company. During the World War he submitted to the government an electrical protective device for surface and submarine craft."

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#### MOST BROADCAST STATIONS WITHIN 10 KILOCYCLES DEVIATION

The engineering department of the Federal Communications Commission, measured 545 broadcast stations during July. The stations measured of which the deviation was within 0-10 cycles was 365. The number within 11 - 25 cycles was 142 and within 26 - 50 cycles 33 and over 50 cycles 5.

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#### TELEPHONE PROBE WIDENED

The Communications Commission moved at its meeting last Thursday (August 16th) to broaden its investigation of the telephone business.

It drafted new orders for interstate companies. Announcement of the details was expected later in the day.

Since it began the investigation July 20 the commission has ordered telephone companies under its jurisdiction to report their rates, ownership and practices.

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These reports are due September 1. Hearings on rates and practices which the commission regards as objectionable will follow.

The following orders were issued by the telephone division of the Commission:

Pursuant to Section 213 of the Communications Act of 1934 each carrier subject to this Act engaged principally in wire telephony, whose gross operating income per year exceeds \$50,000, shall on or before October 1, 1934, file with the Commission a verified report in duplicate showing:

1. Its corporate history, including A.- its original capitalization, i.e., the number of shares of stock originally outstanding, and (a) how much thereof was sold or otherwise disposed of and - (b) what price per share was received therefor and of what the consideration specifically consisted. B. whether said initial carrier acquired and other telephone system, company or corporation by merger, consolidation, purchase or otherwise, and, if so (a) the date of any such acquisition (b) the names of the persons firms, companies, corporations or systems from whom such property was acquired; (c) the purchase price or consideration for any such merger consolidation or other manner of acquisition, and (1) if by issuance of stocks or bonds the price at which the same was so issued; (d) duplicate copies of any contracts, leases, agreements or written memoranda in connection therewith.

2. Its service history, including: A. the territory initially served by the original carrier; the number of telephones originally installed by it, together with the monthly charge for each telephone so installed and operated at said times. B. the territory served immediately prior to the acquisition (if any) by the initial carrier, of each telephone system, company or corporation; the number of telephones in use at said time, together with the monthly charge for each telephone operated by the carrier reporting: C. the territory served after each and every acquisition of any other telephone system, company or corporation, whether by merger consolidation, purchase or otherwise; the number of telephones then in use at said time, together with the monthly charge for each telephone then operated by the carrier reporting; D each and every change made in the telephone tariffs charged by the reporting carrier from the beginning of its service to the date of this Order, and the dates when such changes became effective, the territories affected, and the number of telephones affected by each change.



8/17/34.

Pursuant to section 202 of the Communications Act of 1934, each carrier subject to this Act engaged principally in wire telephony, shall, on or before October 1, 1934 file with the Commission a verified report in duplicate showing:

1. All services rendered free of charge to any person or corporation for the period from July 1, 1933 to June 30, 1934, together with

(a) the names and addresses of such persons or corporations

(b) the character of such services

2. All services rendered to any person or corporation at other than the regular rate for the period from July 1, 1933 to June 30, 1934, together with

(a) the names and addresses of such persons or corporations

(b) The character of such services.

3. All services rendered by the reporting carrier for any individual, person or corporation in exchange for, or in payment of services rendered for such reporting carrier, except when such exchange of services is between common carriers;

(a) the names and addresses of such persons or corporations

(b) the character of such services

The Interstate Commerce Commission has heretofore conducted an investigation to determine ACCOUNTING RULES FOR TELEPHONE COMPANIES in that Commission's Docket #25705 and decided and rendered its report on ACCOUNTING RULES FOR TELEPHONE COMPANIES, and the jurisdiction and authority to fix and promulgate accounting rules for telephone companies was transferred from the Interstate Commerce Commission to the Federal Communications Commission by operation of the Communications Act of 1934, and representatives of certain state commissions or regulatory bodies having jurisdiction over interstate service rendered by telephone carriers have indicated that they are desirous of being heard on said report of the Interstate Commerce Commission (decided July 9, 1934) and are desirous of filing exceptions and objections and of making suggestions with respect to said report of Interstate Commerce Commission.

Representatives of the several states and of the commissions or regulatory bodies thereof having jurisdiction over the telephone carriers therein, and all other parties at interest, shall have until October 1, 1934, within which to file exceptions and objections to the report of the Interstate Commerce Commission, rendered in its Docket 25705, affecting accounting rules for telephone companies, or to suggest amendments or changes in such accounting.



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That all such exceptions, objections or suggestions shall be filed in writing and fifteen copies thereof provided within the time herein specified.

Ordered by the Telephone Division of the Federal Communications Commission this the 16th day of August, 1934.

The Telephone Division also took the following action:

W2XDJ Bell Telephone Labs Ocean Township, N.J. granted Mod. of Lic for additional freqs. 63000, 65000, 71000, 72000 kc. All other terms to remain the same as in existing license.

#### RATIFICATIONS

(Action taken July 26th)

W2XDJ Bell Tel Labs, Inc., Ocean Township, N.J. granted renewal of Spec Exp station Lic for Exp Serv in exact conformity with existing license.

(Action taken Aug 9th. )

WjFK Edward C. Flanigan, CLYTIE, Cleveland, O. granted third class private ship radio station license. WJFJ Harry Olson, SENORITA San Francisco, Cal granted thrid class public ship radio station license.

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#### TELEGRAPH DIVISION-APPLICATIONS GRANTED

KICO Nakat Packing Corp Makeen, Alaska granted license 2566 kc. 100 watts. NEW Burnett M. Frazer, E.C. Pyle, Geo. M.B. Lane & E.E. Doherty d/b as Frazer Radio Co. Portable-Mobile, Los Angeles granted two CP 30100 to 40100 kc, 15 watts. NEW A.R. Burnham & L.D. Miller d/b as Burnham-Miller Flying Service, Portable-Mobile Omaha, Nebr granted CP 31600, 35600, 38600, 41000 kc; 5 watts.

W8XBE City of McKeesport, Pa. Police Dept granted license 33100 kc 15 watts. WIXAX Town of Brookline, Mass. granted license 30100, 33100, 37100, 40100, 86000-400000, 401000 and above; 50 watts

W6XEH City of Long Beach, Cal. granted license 30100, 33100, 37100, 40100 kc; 100 watts.

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::::: BUSINESS LETTER NOTES :::::  
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8/17/34.

George Henry Payne, of the Federal Communications Commission will be interviewed over an NBC-WEAF network on Tuesday August 21, on "What Civilization Owes to Communications." The interview at 8:00 p.m., Eastern Standard Time will be conducted by Martin Codel.

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Washington had a chance to see the NBC Mobile transmitter in connection with the broadcast of the arrival of the Tuscarora Indian runners who delivered the invitation to President Roosevelt at the White House. Billy Coyle in charge of the transmitter reported a perfect performance.

It is the same unit used in connection with the New York Naval review and the landing of the Stratosphere balloonists.

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Reports from the Pacific Coast are Earl Anthony's KNX made the pargest profit for the year of any station in Los Angeles. KNX was rated second in total gross business with a reported \$100,000 gain over the previous year and KHJ third.

While Anthony's KNK is proving a winner he is said to be losing money on his other Los Angeles station KECA.

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A short-wave station, said to be the most powerful in South America, began operation last Saturday. Using a short-wave of 38.36 meters, it operated on 7,820 kilocycles with a twenty-kilowatt power output. Its long wave is 220 meters, with operation on 1,360 kilocycles and 5 kilowatts power.

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Herman Berger, WOR radio engineer has a fifty-watt tube - the first tube ever used on one of the first stations to go on the air in the world - WJZ. The tube was used thirteen years ago when that station was in Newark, N.J.

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8/17/34.

Freeman Gosden, Amos of the radio team of "Amos 'n' Andy", arrived last Wednesday at Vancouver, B.C. from Prince Rupert, British Columbia, aboard the steamer Prince George from Alaska.

A two-way telephone conversation, to be broadcast, is contemplated with Andy in London, when Amos reaches San Francisco.

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#### ADVERTISING MEN WOULD CENSOR THEMSELVES

The movement to censor advertising from within the advertising and publishing circle, to avoid inevitable censorship from without, due to admitted evils, has gained great impetus.

"It is one of the most wholesome and valuable projects now before the advertising field," says the Editor and Publisher.

"It comes at a time when the Government is actively espousing the cause of the consumer and when it is closely inspecting every commercial method with a view to a clean-up of unfair practices. For a good many years associations of advertisers, agencies and publications have taken the initiative to control false, misleading and fraudulent advertising. The principle inside control is as good today as it has ever been, more workable we believe than any Government control could be. It is a voluntary censorship, prompted by real desire, always more effective than arbitrary control.

"Stuart Peabody, former president of the Association of National Advertisers, and T.K Quinn, of the General Electric Co., are urging that a review board be set up within the advertising and publishing professions to pass on copy. It would be a board of experts, with power to express approval or disapproval. Mr. Peabody would also have consumer representation. In the event of an adverse opinion, the media would be called on to exclude the advertising copy."

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#### HEARST'S PLANS EXPANDING RADIO INTEREST

Discounting all previous reports, it appears that William Randolph Hearst is out in earnest at present to build his own group of stations in important key spots of the country.

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Formerly merely a plaything with Hearst, radio today is shaping as a very important factor in Hearst's plans, according to a Chicago dispatch to Variety.

"In most cities Hearst is using radio as an adjunct of his newspapers, but there is evidence that Hearst will go into towns with transmitters where he has no newspaper of his own, expecting to start his own news-sheet or to make an alliance with some paper already established.", variety goes on.

"Hearst now owns or operates seven transmitters reaching from coast to coast, the more important beins WINS in New York, WCAE in Pittsburgh, KYW in Chicago, WISN in Milwaukee, KYA in San Francisco, and two transmitters in Los Angeles are readying.

"This is the basus from which the new Hearst web is to rise. KYW moves to Philadelphia in October, returning to Westinghouse ownership and operation. But it is understood that Hearst is negotiating to continue operation of the transmitter in Philadelphia even though he has no newspaper in that town.

"Meanwhile Hearst is busy scouting for a station to replace KYW in this, his second most important stronghold. He made a bid of \$100,000 for WCFL, the Labor Station, but was rejected.

"He negotiated with Ralph Atlass for a possible takeover of WIND in Gary but nothing came of it. And now it is reported that has been some dickering with WAAF, a small low-watter, onipart-time license."

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#### NBC NEW AND RENEWAL ACCOUNTS

Renewal -General Foods Corp (Maxwell House Corp)  
Thursdays 9:00-10:00 PM EDST 1:00-2:00 AM EDST WEAJ WTIC WEEI  
WJAR WTAG WCSH WFI WBEN WFRB WOC WHO WOW WDAF WKBF WTMJ WRVA KSTP  
WWNC WIS WJAX WIOD WFLA WSM WMC WSB WAPI WJDK WSMB WAVE WKY  
WBAP KPRC WOAI KTBS KGO KFI KGW KOMO KHQ KFSD KTAR KGIR KGHL  
"Captain Henry's Show Boat."

NEW The Texas Company, October 2, 1934 Tuesdays  
9:30-10:00 PM WEAJ WEEI WTIC WJAR WTAG WCSH WFI WLIT WFRB WRC  
WGY WBEN WCAE WTAM WWJ WSAI WMAQ KSD WHO-WOC WOW WDAF WKBF WTMJ  
WIBA KSTP WEBC WDAY KFJR WRVA WPTF WWNC WIS WJAX WFLA-WSUN WIOD  
WSOC WAVE WSM WMC WSB WAPI WJDX WSMB KVOO WKY WFAA-WBAP KPRC  
WOAI KTBS KTHS KOA KDYL KGO KFI KGW KOMO KHQ KFSD KTAR KGIR KGHL  
Ed Wynn, Comedian; Don Vorhees and his 35 piece orchestra.