

HEINL RADIO BUSINESS LETTER

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October 9, 1934.

PUBLIC AFFAIRS RADIO'S GREATEST USE, ICKES OPINION

As important as are the uses and as great as are the values of the radio along other lines, its greatest good lies in the opportunity that it offers for the enlightenment and education of the people in public affairs, Secretary of the Interior Ickes told the National Advisory Council on Radio in Education last Monday at their convention in Chicago. It is having a profound effect upon the mobilization of public opinion.

"The radio has opened up a new, broad avenue to an intelligent comprehension of public affairs which never existed before. While it has only scratched the surface, it has tremendous possibilities as a means of political education", Secretary Ickes argued. "The ability to reach people in greater numbers and reach them more directly and quickly than it has ever been possible heretofore to do is of untold importance in our national life today. The radio has never been used so much by any Administration as it has by the one now in power as a means of acquainting the people with the policies of the Federal Government.

"Not only have the President and other members of the government taken their case to the people by means of the radio on many occasions, but those who are opposed to and criticize the policies of the Administration have done likewise. And this is entirely proper. It is as it ought to be. I believe in opposition frankly and honestly expressed. It would be bad for the country as well as for the Administration if there were no opposition able to express itself forcibly. We believe in freedom of speech by means of the radio as implicitly as we do in freedom of the press."

The Cabinet officer believed that radio can be particularly influential in making the Nation feel and act as a unit.

"All parts of this great country, and even its outlying possessions, can be reached simultaneously and directly", he continued. "Those who live in rural communities can be shown the nature of the problems confronting all of us as quickly and as vividly as can those whose homes are in the great cities. Thus every section of our people, many of whom have had little, or at best, tardy news by previous means of communication, are given the opportunity actively to participate in the discussion of questions which vitally concern all of us."

Secretary Ickes emphasized the fact that the man who wishes to do so can get in full the speeches of those in public life.

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"He has the opportunity of hearing speeches actually delivered", the Secretary of the Interior elaborated. "He can judge of the sincerity of the speaker and he can weigh his arguments as his theme unfolds. Not only he and his neighbors, but his fellow citizens in the furthestmost corner of the country, can hear the same speech at the same time. Nor do they have to confine their attention to a discussion of one side of a public question. They can hear both sides of it and thus be in a favored position to weigh the merits of the points at issue."

As a means of communication the radio is within the means of everyone, the speaker declared. It is not only accessible, but it is cheap. He said parenthetically that the radio can be made especially useful in stimulating in the people a taste for fine and discriminating English.

Mr. Ickes declared finally that in the interest of the public the radio must always be kept free.

"So important are the maintenance and enlargement of our democratic ideals that some means ought to be devised of reaching the people by means of the radio at regular intervals with authoritative information on important current events", the Interior Secretary concluded. "I suggest the radio because it is the only vehicle for disseminating accurate, impartial and uncontaminated news that will reach all parts of the country at the same time. The great broadcasting companies can perform an outstanding and distinct public service by seeing to it that essential information is supplied to the people."

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CEYLON BROADCASTING TRUCKS GIVE NATIVES FREE SAMPLE

An intensive campaign of propaganda with a view to increasing the number of radio owners and telephone subscribers is being carried on in Ceylon. An especially equipped demonstration truck has been touring the island for some time and bringing these two forms of communication to many people for the first time.

Improved financial conditions in Ceylon and a better quality of program have been instrumental in fostering the demand for radio sets. The outlook for the future is extremely bright, and the sales during the second half of the present year should show a material improvement.

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NEW NATIONAL GOVERNMENT EDUCATIONAL NETWORK PROPOSED

That a new national regional network to be operated by the Government and devoted to educational and other cultural non-profit making programs, including those having to do with the discussion of public affairs, was proposed by Bethuel M. Webster, Jr. representing the American Civil Liberties Union, of New York. Mr. Webster made the suggestion to the Federal Communications Commission, which is now taking testimony in advance of its recommendation as to whether or not a certain proportion of radio facilities shall be allocated to educational and religious programs by Congress.

"The major network companies should be permitted to continue as competitive, commercial agencies subject to strict control", Mr. Webster said. "Each should be required to serve the whole country and to that end I should assign to each a minimum number of clear channels, possibly in the range below the present band, with ultra high power and the privilege of operating twenty-four hours a day. This would involve changes in the location of network stations to a coherent, scientific plan.

"I should establish a new national network, or its equivalent in regional networks, to be operated by the Government over a trial period of, say, five years. In each State, depending upon its size and program, and producing facilities, I should license from one to four whole time regional stations to serve local interests and needs.

"Under the suggested setup, there would be, say, 250 to 300 stations operating with high power on full time, self-sustaining basis on desirable, interference free channels. It is our view that the adoption of such a proposal would strengthen the network companies and improve network service; that it would offer a very interesting experiment in public ownership without sacrifice of the proved advantages of the American system; that it would purge the industry of undesirable units; and that it would simplify the problem of regulation.

"We think it can be done pursuant to the regulatory powers of the Commission without raising effective objection under the due process clause of the Constitution, but if it must be done by limited condemnation, we believe it is worth the price."

Mr. Webster said that he thought it had been a fault of the American system that public groups have gained access to the air, not as a matter of right, but as a matter of grace and the networks have exercised unintelligent interference with free expression of opinion over the air. It was his opinion that instead of having 600 stations, this country can stand and support properly, on a commercial basis, about 200 or 300 stations.

Otis F. Wingo, of the National Institute of Public Affairs, said it was his believe that the American system should be praised for the advances it has made and for the way its advantages had offset its weaknesses. He believed, however, that American broadcasting could go a lot further in the use of education for cultural purposes.

A religious issue was injected into the hearings when Judge Joseph F. Rutherford, President of the Peoples Pulpit Association, declared that the Roman Catholic Hierarchy, through its agents had mutilated official records of the Congressional hearings held last Spring. This mutilation was attributed by implication by Anton Koerber, Judge Rutherford's representative in Washington, to Rev. John B. Harney, Superior General of the Paulist Fathers. He based this upon the allegation that Elton J. Layton, Clerk of the House Interstate Commerce Committee had stated that Father Harney was the only one who could have had access to that particular manuscript.

Mr. Layton testified at the hearing, however, that others could have had access to this particular manuscript.

"I brand the charge a lie", Father Harney declared when he appeared before the Commission. "I deny totally that I ever approached Mr. Layton or any other member of the Committee for an opportunity to examine the official record.

"At that time I wasn't even in Washington. I was badly crippled with arthritis and confined to the French Hospital in New York. If necessary I can present my receipted bill to show my stay there from May 10 to May 23rd."

Ohio State University has done more than other State universities, John W. Bricker, Attorney General of Ohio, testified. He said that about 12 people were employed at the University broadcasting station. He explained that the Ohio School of the Air, which broadcasts over the University station, and WLW, of Cincinnati, is a function of the State Department of Education, as distinguished from Ohio State University. "We are here only for the purpose of bringing to the Commission the possibilities of educational broadcasting", Mr. Bricker concluded, "and we believe those possibilities are not at all limited by what Ohio State University has done, but that it is a minimum standard that might be accomplished at this time, had the others given the same attention to it that we have.

"We ask for no change in the assignment that has been allotted to us and we feel that we ought to be given the opportunity not only of maintaining what we have, but of developing it to the broadest extent. We do not feel we have quite reached that extent at the present time."

Following Attorney General Bricker, R. C. Higgy, Director of the Ohio State University station appeared.

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MERCHANDISING HELP ON RADIO RATE CARDS

A unit merchandising plan has been established for the 14 radio stations represented by Free & Sleininger, Inc., Chicago, designed to clean up a situation that has been the source of much uncertainty and controversy - namely, just how much marketing cooperation may an advertiser expect from a radio station.

Under the uniform unit plan, which is being incorporated this month into the rate cards of the respective stations, the advertiser is entitled to one unit of merchandising assistance without charge for every dollar of station time contracted for. It is pointed out this plan eliminates the "horse trading" tactics often employed in an effort to get a better merchandising arrangement. In the past, many stations have given away almost as much in service as they received in advertising revenue.

Discussing this plan with Editor & Publisher, J. L. Free and C. L. Sleininger explained that the new arrangement is an outgrowth of several months of intensive study of marketing cooperation in both newspaper and radio fields.

Radio station operators have been confronted with the same problem newspapers have had to face, namely, that often the advertiser with a comparatively small schedule demands the most merchandising cooperation. Under the unit system, there is a definite limit to the amount of free service, but the stations will furnish additional service at extra cost.

"Newspaper-owned stations have created a "bugaboo" in the minds of independent station owners regarding the demands of advertisers for merchandising service", declared Mr. Free. "A reasonable amount of such service is not only necessary from the standpoint of the advertiser, but it is good for either the radio station or the newspaper. If the advertiser just buys white space in the paper, or time on the air, without merchandising help, his campaign is likely to be a flop and the customer to be spoiled as an advertiser. However, we feel that such a service should be provided for in the rate card.

"We believe that not more than one out of ten advertisers will want an appreciable amount of the service we have set up under our new plan, which tends to cut down the station's average cost for marketing cooperation."

Mr. Free stated experience has taught them that the most popular merchandising service is that of mailing out letters or printed matter to the trade. The second most popular feature is that of arranging an audition of the program for important local outlets.

In commenting upon the close parallel between this type of cooperation and that given by newspapers, Mr. Free stated the Fargo (N.D.) Forum is considering adopting the same plan as established by WDAY, Fargo, in order to eliminate competition on merchandising cooperation between these two advertising mediums in that territory. He also remarked that WICN, Minneapolis-St. Paul station, operated jointly by the St. Paul Pioneer Press & Dispatch and the Minneapolis Tribune, has adopted the plan.

The other stations which have adopted the unit plan are WGR-WKBW, Buffalo; WHK, Cleveland; WIND, Gary, Ind.; WJJD, Chicago; WAIU, Columbus; WDAY, Fargo, N. D.; WKZO, Kalamazoo, Mich.; WHB, Kansas City; KFAB, Lincoln-Omaha; WAVE, Louisville; KOIL, Omaha-Council Bluffs; WMBD, Peoria, Ill., and CKLW, Windsor.

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NEW COMMISSION'S CHIEF ACCOUNTANT HAS HELD MANY POSITIONS

The Federal Communications Commission gave out the following biographical sketch of Arnold C. Hansen, recently appointed Chief Accountant of the Accounting, Statistics and Tariffs Section of the FCC:

"Mr. Hansen is a lawyer and certified public accountant. He has had seven years of college training, three years of which were at New York University, and four years at George Washington University, Washington, D.C. He was appointed a Certified Public Accountant in the State of New Jersey, having passed the examination of the New Jersey State Board of Certified Public Accountants in 1911.

"As an attorney, from August 1, 1928, to August, 1934, he has held the position of Senior Examiner in the Bureau of Formal Cases of the Interstate Commerce Commission. From August 11, 1933, until the present time he has directed the staff and supervised the work in connection with the preparation of a report based on the investigation of the communications companies under House Resolution No. 59 and House Joint Resolution No. 572. A preliminary report on communications companies, House Report No. 1273, and generally known as the "Splawn Report" has been submitted. He is directing and supervising the work of the final report on communications companies.

"From March, 1923 to May, 1926, Mr. Hansen was Senior Consolidated Auditor in the Bureau of Internal Revenue, Income Tax Department. From June 1926 to July, 1928, he was Senior Examiner of the Bureau of Accounts of the Interstate Commerce Commission. From Jan. 1917 to Dec. 1918, he was the official representative in America for the Russian and English Bank, Ltd., London Branch, which was later reorganized as the British & North European Bank. From Oct. 1917 to Nov. 1920, he was a Director, and Vice-President in charge of finance and accounts, of Flora American Plywood Co., Ltd., New York. From Dec. 1915 to Feb. 1919, he was Comptroller and Assistant Secretary of the New York Dock Co. During the same period he was also a director, Comptroller, and Secretary of the N.Y. Dock Railway."

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ZENITH RADIO TRIES NEW COPY APPEAL

A new idea in copy appeal is being featured in national newspaper advertising on Zenith radios of Chicago appearing in 60 metropolitan cities, including distributor points and first class dealer locations. The idea is to dramatize "triple filtering" of Zenith radio, which "sifts out noise" and improves world-wide reception.

In addition to the 500-line advertisements, showing pictures of international figures, such as Mussolini, President De Valera of Ireland, Ramsay MacDonald and Premier Herriot, including a sharp half-tone reproduction of the face of each and a blurred figure, Zenith Radio Corporation, Chicago, is also using tieup "teaser" copy to be placed on the same page, calling attention to the larger advertisement.

The blurred and sharp reproductions of celebrities are used to illustrate the "before and after" qualities of triple filtering. The black and white tieup ads of 40 lines serve a combined purpose. They are worded so as to call attention to the larger copy, with such headlines as: "Hello, up there DeValera!" Included in this tieup copy is mention of the Zenith auto radio for "music at the wheel."

Charles Daniel Frey Company, Chicago agency placing the Zenith account, is requesting that the "teaser copy" be placed at the bottom of the page, with at least one column separating the two Zenith advertisements. Local dealer tieups are suggested by the agency.

Typical headlines of the "triple filtering" advertisements include: "Here Is President DeValera as Ireland Knows Him!", "Here's the Real Mussolini. . . All of Him!" and "The Real Ramsay MacDonald in Living Reality!"

All of the ads feature the new Zenith radio receiving set, capable of short wave reception. In addition to newspapers, Zenith is using Time magazine in its national program.

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Former Governor James M. Cox, publisher of the Dayton News and the Miami News has purchased Station WLBW, at Erie, Pa., which he hopes to move to Dayton. He has also entered into a purchase option agreement with Station WIOD, Miami.

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DE FOREST WINS SUPREME COURT TEST

The Supreme Court refused Monday (Oct. 8) to reopen the long battle over the claims of Lee DeForest and Edwin H. Armstrong to the invention of the "feed back circuit", an essential link of the modern radio receiving apparatus.

The court denied Mr. Armstrong's request for a rehearing in connection with its decision of May 21, which sustained the contentions of the Radio Corporation of America, representing Dr. DeForest, as opposed to those of the Radio Engineering Laboratories, Inc., sponsor for Mr. Armstrong.

Justice Cardozo noted in the decision that as far back as 1908, Dr. DeForest patented a form of vacuum tube which he named "the audion", a device, which the justice remarked, "established itself almost at once as a revolutionary improvement in the art of transmitting sound at great distances by wire and through the air."

Many experiments were made to develop the capacity of this device, and "among those interested and curious", was Mr. Armstrong, then a student at Columbia University Engineering School. In January, 1913, Mr. Armstrong conceived the idea that through certain changes, "there would be a feed back or regeneration of energy, whereby the plate in the audion would become an independent generator of continuous oscillations."

"It was a brilliant conception, but another creative mind, working independently, had developed it before in designs and apparatus till then unknown to the art", the decision read. "DeForest, with his assistant, Van Etten, had been working during the Summer of 1912 along two lines of thought."

Justice Cardozo continued by saying that on April these workers received a "clear note, the heterodyne beat note", from radio signals at San Francisco.

The decision of last May was modified slightly in Monday's action, however, although the general effect was not changed. The latest ruling ordered that the opinion be amended by striking out the words "which means that the frequency could be varied at will", and substituting therefore, "which means or was understood, we are told, by DeForest, to mean that by other simple adjustments the frequency of the oscillations could be varied at will."

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A.B.S. BEGINS OPERATION SUNDAY WITH 21 STATIONS

After four months' experimental operation, the American Broadcasting System, the president of which is George B. Storer, will begin daily operation as a major network Sunday, October 14th. There will be a gala program to celebrate the event. WMCA, New York, will be the key station.

"With a minimum of preliminary discussion and with no extravagant claims, the American Broadcasting System has become a network reality through an evolution of slow and consistent development to its present stage where the plans of Mr. Storer and his associates are practical and sound. ABS reaching its majority of full basic membership will consistently give the American listening public the radio programs it wants to hear", an announcement of plans of the American Broadcasting System sets forth.

"The new system will concentrate in sports broadcasting and special events, in addition to sending through its multiple outlets the best in the music of the classics and the moderns, the finest and most popular dance orchestras, expertly enacted drama, news, comedy and excellent informative broadcasts. Special features of a spectacular nature will predominate the program structure.

"The stations of the ABS membership have been in business as independent local outlets for many years in which they have gained success, popularity and the good-will of the listeners in their cities. They have learned what the listeners like to hear on the air, and it is with this combined knowledge that the plans of the American Broadcasting System have been formulated.

"The hours of daily network operation will be from 9:00 AM to 1:00 A.M. The full roster of stations includes WOL, Washington; WCBM, Baltimore; WDEL, Wilmington; WIP, Philadelphia; WTNJ, Trenton; WMCA, New York; WPRO, Providence, R.I.; WHDH, Boston, with affiliations to be effected also with WAAB in the same city; WEBR, Buffalo; WWVA and KQV, Pittsburgh and Wheeling, W. Va.; WJBK, Detroit; WFBE, Cincinnati; WJJD, Chicago; WIND, Chicago and Gary, Ind.; WHBF, Rock Island and Davenport, and WIL, St. Louis.

"There will be a Cleveland outlet with arrangements probably being completed with WJAY. Certain programs may be heard in the Buffalo area through WKBW in addition to WEBR. Station WWVA, which is located 18 miles northeast of Wheeling, serves Pittsburgh with over a 500 micro-volt signal and will transmit ABS programs until 8:30 P.M. EST. In the later evening hours KQV will broadcast in Pittsburgh. The new station of the Waterbury Republican-American in Waterbury, Conn., temporarily assigned the experimental identification WLXBS, will be in the network.

"The ABS Board of Directors includes Walter S. Mack, Jr., Paul H. Nitze, James K. Norris, J. H. Ryan, of Toledo; George B. Storer; Robert H. Thayer and John Hay Whitney."

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COMMERCIAL ORGANIZATION PRAISED IN BALBO COMMUNICATIONS

It is of interest to note that a commercial organization was able to provide perfect communication in the execution of a military aviation problem, Ellery W. Stone, operating Vice-President of Mackay Radio, and a Lieutenant Commander in the U. S. Naval Reserve, writes in the United States Naval Institute Proceedings. He refers to the successful flight to Chicago and return in 1933 of a quadron of 25 large Italian military seaplanes of the Royal Italian Force under the command of Gen. Italo Balbo. Through the Mackay radio station at Sayville, L. I., contact was maintained with General Balbo's plans from the time they left Italy. In recognition of this, Col. Sosthenes Behn, President of the International Telephone and Telegraph Corporation, and Mr. Stone were made Grand Officers of the Crown of Italy with the rank of Commanders. Others in the organization who were decorated were the following:

Commanders of the Crown of Italy-

H. H. Buttner, Vice-President of Mackay Radio, and Capt. Pilade Leoni, International Telephone and Telegraph Corporation; Chevaliers of the Crown of Italy: Edgar D. Thornburgh, Advertising and Press Manager, International Telephone and Telegraph Corporation; T. E. Nivison, General Superintendent; J. A. Bossen, Marine Commercial Manager; and W. O. Lee, Manager, Sayville Station, Mackay Radio; and T. N. Powers and Charles W. Oram, traffic experts of Postal Telegraph.

"Although a peace-time and commercial mobilization, this communication problem necessarily was handled and directed by the writer and his staff - most of whom are Naval Reservists or have had other military service - as a military problem", Commander Stone writes. "That such a mobilization could be effected in peace time by a commercial organization without in any way affecting the efficient handling of its normal traffic, however, should be a significant demonstration of the great potentialities of this all-American communication organization to our Army and Navy in time of war; not only from the standpoint of available personnel but material as well."

Mr. Stone said that the International Telephone and Telegraph Corporation became interested in this historic flight late in 1932, when one of the system representatives in Europe was called to Rome to discuss with General Balbo tentative arrangements for the communications organization to serve the needs of the flight. General Aldo Pellegrini, director of the Royal Air Force Training School in Orbetello, Italy, and Colonel Mario Infante, director of Communication Services of the Air Ministry, were detailed to come to New York to select sites for the North American bases and to confer with the communication officials of the I.T.T. for the purpose of organizing the most ambitious chain of radio, cable, and wire communications ever attempted for an aerial venture, in fact, for any world event.

Mr. Stone was detailed to organize the communications set-up of the International system in the execution of the role intrusted to the company by the Italian Government.

"The director of Naval Communications ordered the Atlantic coast naval radio stations north of New York to keep constant watch during the 'hops' from Cartwright to Shediack and from New York to Shoal Harbor as auxiliaries to Mackay Radio", Mr. Stone writes. "The squadron, however, was never out of communication with the I.T.T. control center and, happily, no disaster occurred requiring the assistance of the military services.

"The seaplanes themselves were equipped with highly efficient and compact radio telegraph sets. Each consisted of a 400-watt transmitter and receiver capable of operation on both low and high frequencies (500 to 2,500 meters and 22 to 99 meters). Each plane also carried a special receiver for radiocompass use.

"The efficiency of this military equipment can be gauged by the fact that during pre-flight tests two of the planes were able to hold 2-way communication with our radio station WSL, at Sayville, L. I. Worthy of note in this instance is the fact that the planes were lying on the waters of Orbetello Bay, 4000 miles away and shielded from WSL by the rising hills of Orbetello."

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MUTUAL BROADCASTING SYSTEM ORGANIZES; MACFARLANE, PRESIDENT

The organization of a new chain of radio stations, the Mutual Broadcasting System, each member of which will remain independent and will continue its present policies but which at the same time will provide facilities for combination hook-ups, was announced last week.

Contracts were signed by Station WGN, of Chicago, owned and operated by The Chicago Tribune, and Station WOR, of Newark, N. J., owned and operated by the Bamberger Broadcasting Service, Inc. Others that will make time available when possible are the Grosley Radio Corporation's station, WLW, of Cincinnati, and the Kunsky-Trendle Broadcasting Corporation's station, WXYZ, of Detroit.

W. E. Macfarlane, Vice-President of WGN, Inc., and business manager of The Chicago Tribune, is president of the new organization. He described the setup as "a truly mutual arrangement."

Other officers are Alfred J. McCosker, Chairman of the Board; Theodore C. Streibert, Treasurer, and E. M. Antrim, Secretary.

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