

HEINL RADIO BUSINESS LETTER

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September 24, 1935.

GERMAN AIR MINISTRY ADOPTS TELEVISION

As war clouds gather more ominously over Europe again, the highly significant information leaks out of Berlin that the German Air Ministry has taken over all television experimentation and developments. The information, which was withheld from the German press by the Propaganda Minister, was transmitted to the United States Bureau of Foreign and Domestic Commerce by Roland Welch, Assistant Trade Commissioner stationed in Berlin.

Television in Germany heretofore has been under the direction of the Reichsrundfunk-Gesellschaft (the government-owned broadcasting system) in conjunction with the Post Office Department.

The transfer, according to the Berlin report, will bring about a complete about-face in the experiments in visual broadcasting. Instead of being developed for public entertainment, television in the Reich will unquestionably be adapted to modern military maneuvers in preparation for the next European war.

"Although no comments by government officials have been forthcoming", Mr. Welch reported, "it is believed that the development of television in Germany will be greatly affected by this transfer.

"On the one hand, there will probably be no expense spared for experimentation and development of television. Doubtless, the construction of 12 television broadcast stations previously proposed will not be rushed to completion.

"On the other hand, it is naturally supposed that experiments and developments will now move away from their previous course, which was directed to public entertainment, and take up a new orbit directed principally toward the perfection of television for aircraft.

"It is not expected that the development of receiving sets by private concerns will be affected, and Germany still hopes to have thousands of receivers within the homes in a few years. But the transfer of activities to the Air Ministry undoubtedly would not have been accomplished if it were not the purpose of the German government to recognize and utilize television as a very important branch of aviation, particularly military aviation."

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FEDERAL TRADE COMMISSIONER DISCUSSES RADIO ADVERTISING

Advertising in general and broadcast advertising in particular came in for the attention of E. J. Adams, Chairman, Special Board of Investigation of the Federal Trade Commission, in an address before a meeting of broadcasters, advertisers, and agency men in Chicago.

Mr. Adams said:

"There is no value in advertising, unless the reader or listener believes what he is told in the advertisement. Every time he is deceived, his confidence is reduced. Unless truth in advertising copy is demanded by publishers and radio stations, the public will not long respond to advertising appeals, and this source of revenue for publishers and radio stations will come to an end. . . . As publishers rejected advertising copy to sell questionable products, and misleading advertising copy to sell good products, many of such advertisers turned to the radio stations, and offered their copy for broadcast. The radio stations needed the revenue, and most of them were not familiar with the efforts of reputable publishers to keep their advertising columns clean. The result was that much very bad advertising has gone out over the air, and the time has come for the radio industry to clean house. . . .

"If many radio stations expect to survive, they must respect and protect listener confidence. The programs must be clean, and the representations by advertisers must be reliable and truthful. Those stations that permit worthless products to be advertised, or good products misrepresented over the air from their stations, will not long endure, and those stations that protect the public from offensive programs and false advertising will find their facilities in demand by reputable advertisers."

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MORE POWER URGED FOR TWO INDIANA STATIONS

An increase in daytime power for WLBC, Muncie, Ind., and WTRC, Elkhart, Ind., from 100 to 250 watts was recommended September 18 to the Federal Communications Commission by Examiner Ralph H. Walker.

The stations operating on 1310 kc. also asked for an increase from 50 to 100 watts power at night, when they share time. Examiner Walker recommended denial of this request.

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CALDWELL'S RADIO TRADE MAGAZINE MAKES APPEARANCE

A timely and comprehensive survey of the radio trade outlook, general business conditions, the broadcasting industry, and news of interest to the whole industry are contained in the first issue of "Radio Today".

O. H. Caldwell, former Radio Commissioner, and long-time radio editor, is editor of the magazine, published by M. Clements in New York City.

Tersely written and profusely illustrated, the magazine has the appearance of a news periodical on the order of "Time". Among the articles are reviews of the tube situation, the farm market, and what is termed "The War Against Radio" by the press.

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LONDON RADIO SHOW PROVED BIG BUSINESS GETTER

The total turnover of the British radio industry in the year inaugurated by the Olympia show will be nearly £30,000,000. This estimate was given by J. H. Williams, Chairman of the Radio Manufacturers' Association.

He anticipates that in the 12 months, 1,750,000 receivers will be sold, compared with 1,500,000 in the previous "radio year", when (from show to show) the total turnover was approximately £25,000,000.

He thought that the London exhibition indicated a steady expansion of trade. It was another sign that the 8,000,000 peak in receiving licenses would be reached.

Inquiries among tube manufacturers revealed the expectation that 10,000,000 tubes would be sold in the year - about 7,000,000 in new sets and the remainder in replacements.

Satisfactory expansion of overseas trade was reported by many firms. There are growing markets, particularly for all-wave sets, in India, Africa and the Empire generally. British sets, despite export difficulties and foreign competition, are finding their way into many countries. Among the chief foreign buyers are Norway, Sweden and Belgium, though business has been done with a score of others.

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SCRIPPS-HOWARD DENIES NATIONAL CHAIN PLAN

The Scripps-Howard Newspapers chain has no immediate plan of establishing a radio broadcasting station in each of the 24 cities where it now operates a paper, according to statements of officials, despite published reports to the contrary.

The Federal Communications Commission, reversing itself today (September 24) approved the sale of WFBE, Cincinnati, to the Scripps-Howard Newspapers (Continental Radio Co.). The application for transfer had been set for hearing.

James C. Hanrahan, who filed the application, told Editor & Publisher:

"We have no plans, intentions, or hopes of operating 24 stations - one for each newspaper - as reported."

Karl A. Bickel, who heads the Continental Radio Company, the Scripps-Howard radio subsidiary, was quoted as follows:

"Scripps-Howard's purchase of WCPO most emphatically does not mean that Scripps-Howard is planning any extensive investment in the broadcasting industry", he said. "It does not mean that Scripps-Howard is considering a station in each of the 24 Scripps-Howard cities. It does not mean that Scripps-Howard is planning a transcontinental radio chain system of its own.

"It does mean that we feel that there are possibilities in radio for the development of a closer and more intimate contract between the readers of Scripps-Howard newspapers and the men and women who produce the papers. We feel that we should give these possibilities careful study and hope that we may find ways and means of increasing the effectiveness and value of both of these great instruments for social advancement."

Scripps-Howard plans to construct other stations at Columbus and Toledo next year and to change the call letters of the Cincinnati outlet to WCPO.

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BELLOWS TO HAVE RADIO INDUSTRY ARTICLE IN HARPER'S

Henry A. Bellows, formerly Vice-President of the Columbia Broadcasting System, will have an article dealing with the radio industry in the November issue of Harper's Magazine.

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AMATEURS PUT BOWES IN MILLION DOLLAR CLASS

Major Edward Bowes is the new No. 1 money man of show business with a current weekly income that, if maintained, will place him in the \$1,000,000-a-year class, according to Variety, which continues:

"About 98% of the total comes through his amateur shows on the radio, screen (shorts) and in theatres (units).

"Bowes' present estimated weekly income runs in the neighborhood of \$19,000. It is derived from four sources, three of which pertain to amateur shows.

"On his commercial (Chase & Sanborn) air program, Bowes draws \$5,500 a week. At present there are five Bowes amateur units playing theatres, with more to come, and with the first five already netting him an estimated \$12,500 weekly. For 26 screen shorts, in which amateurs are also used, Bowes gets \$52,000 at the rate of \$2,000 per short, or \$1,000 a week on a year's basis. In addition to his amateur show activities, Bowes is still managing director of the Capitol theatre on Broadway, through which he is understood to average about \$500 a week."

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NO RADIOS IN FOR-HIRE AUTOS IN CEYLON

The little island of Ceylon, off the southern coast of India, is preparing to issue a ban against the reception of radio programs in motor vehicles for hire. The prohibition has been decided upon by the Executive Committee of Local Administration, according to a consular report to the United States Bureau of Foreign and Domestic Commerce. Emergency legislation to place the ban in effect will be introduced in the State Council.

Apparently only taxicabs, private hiring cars and buses are to be affected by the order. Private car owners can do as they please.

The Ceylon authorities, according to the trade report, feel that radio sets in cars "are likely to distract the attention of the driver and to increase the likelihood of accidents."

The only motor cars and buses now equipped with radio sets are those of American or Canadian manufacture.

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EXCLUSIVE GRIDIRON BROADCASTS CHALLENGED

As another football season opens, an interesting test case of the right of a State University to sell exclusive football broadcasting rights to a commercial radio sponsor looms in Ohio.

The Scripps-Howard Newspapers, which this afternoon (Tuesday, September 24) received approval from the Federal Communications Commission for the purchase of WFBE (to be renamed WCPO) at Cincinnati, have already raised the issue in challenging the right of Ohio State University to sell the privilege of broadcasting its games to the Ohio Oil Company.

While most of the larger universities appear to be going forward with plans to permit exclusive commercial sponsorship of their gridiron games, Raymond Walters, President of the University of Cincinnati, announced a new policy of "freedom of the air".

All responsible broadcasting companies were informed they might broadcast the University's games this season, the only reservation being that the University should have the right to approve or disapprove sponsorships should the University's name be linked with any unworthy advertising over the air.

A survey made by Editor & Publisher revealed that of 25 schools receiving funds from public sources, 15 have exclusive broadcast arrangements and all but one will allow some or all of their big games to be broadcast.

On the Pacific Coast, the Associated Oil Company is starting its tenth consecutive season, using 24 western stations, of broadcasting all of the important games on the West Coast. Five Los Angeles stations, however, broadcast the local Pacific Coast Conference games as well.

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INVESTMENT IN SETS HEAVY

Approximately 90 percent of the total \$2,000,000,000 invested in the radio industry is in receiving sets, according to a new survey of the Electrical Household Equipment Industry just completed by the Poor's Publishing Company.

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CANADA CONTROLS RADICAL AIR ADDRESSES

With political upheavals almost universally threatened, the Canadian government has taken steps to prevent the use of radio for disseminating revolutionary propaganda.

An amendment to the Canadian Radio Act, adopted late in August and recently distributed, gives the Canadian Radio Broadcasting Commission authority which the Federal Communications Commission of this country lacks.

The amendment reads:

"No broadcasting station may rebroadcast any speech, printed matter or program containing defamatory, libellous, or obscene statements with regard to persons or institutions, or statements of a treasonable character or intended to promote change by unlawful means and which might lead to a breach of the peace, or any advertising matter containing false or deceptive statements."

The amendment was adopted, timely enough, just prior to the national elections, which threaten the present conservative government.

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FCC REVERSES ITSELF

The Federal Communications today reversed itself by approving the sale of Station KGKO, Wichita Falls, Texas, to Amon Carter, Fort Worth, Texas, publisher. The station was authorized to move to Fort Worth. The application had formerly been set for hearing.

Reducing the number of stations whose applications for renewal of license had been set for hearing to three, the FCC renewed the license of KMBC, Kansas City.

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TRANSRADIO ADDS THREE MORE PAPERS

The Transradio Press Service has recently announced that the Harrisburg (Pa) Telegraph has signed for full 18-hour-a-day leased teletype service. Station WHP at Harrisburg, which is owned by the Telegraph, will also broadcast Transradio news.

The inauguration of several new dailies in other parts of the country, facilitated largely by the availability of Transradio's service, was also made known. Among these were the San Francisco Morning Post and the Peoples' Voice, of Paterson, N.J.

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PROSPEROUS YEAR FOR BROADCASTERS SEEN

Additional recognition of an increase in revenue to broadcasters came in the current issue of Variety, which forecast a \$85,000,000 gross for 1935. The trade resume follows, in part:

"Broadcasters right now are making plans for the merriest Christmas and the happiest New Year they've ever had. All indications point to an \$85,000,000 gross for 1935 which means 12 sweet million more than in the highest previous annum.

"For that happy state of affairs, radio can address its orchids to such giants as General Foods, Proctor & Gamble, Standard Brands, Ford, Pepsodent, Campbell Soup, et al. The big boys dug deep into their pockets this year, and hauled out enough dough to enable them to grab off a monopoly of the night time network circuits, thereby albowing the small advertising fry into an overflow reservoir. When that spilled over, the local stations partially sponged it up. The situation means caviar at most every table.

"The National Broadcasting Company reports that the average per sponsor expenditure this year is up \$43,000 over last. Average station hours per sponsor zoomed from 437 to 578 on the same web. The Columbia Broadcasting System is calculating its sponsors for \$20,000 more apiece than last year, and says there is a marked trend toward coast-to-coast hookups.

"Momentum derived from that situation is now regarded as speedy enough to hold well into next year. The networks (who do nearly 60% of the total radio business) have developed a knack for catering primarily to big advertisers who hold the strings to the richest purses. So long as the webs can keep up that intimacy, radio is practically certain of a reasonably good intake. Success stories about radio are being circulated faster than ever right now and success stories are one of the best ways of making the big-timers write out checks for appropriations.

"Another big boon to radio's future well-being is indirectly supplied by the U. S. Government. Washington is bearing down on the relief handouts and farm subsidies, and that dough, of course, winds up in the big advertisers' cash registers eventually. There's some \$4,880,000,000 ready to circulate in relief alone. The hayseeds are getting their share, too, via subsidies for not raising pigs, potatoes, cotton and wheat, and in some cases there are pegged prices on what they do raise. How the plow-jockeys benefit by these tactics is illustrated in a Standard Statistics report that sales of farm implements were up 75% early this year and that the mail-order houses are doing a walloping business.

"As the broadcasters see that situation, it means more money for their pets - the big sponsors - and more radio time from each of them, since none wants his competitors to beat him to the draw."

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PHILCO PLACES ADDITIONAL MILLION LINES NEWSPAPER ADVERTISING

Confident that the American public desires and has the ability to buy radios which embody the latest developments of science and invention, Philco Radio & Television Corporation has announced a new, nation-wide newspaper campaign.

To dominate the principal trading areas of the United States and Canada, over a million lines of advertising will be used in nine weeks beginning October 1. This is in addition to the space already scheduled for that period.

"We know that business conditions are definitely better, that the public wants the best radio instruments that money can buy, and that radio is becoming more and more indispensable to the entertainment and education of the American family", said Sayre M. Ramsdell, Vice-President in Charge of Advertising and Sales Promotion.

"Our record breaking sales of home and automobile radios during the past eight months, prove that the public buying power is greater and more widespread, and that radio listeners demand high-fidelity sets to enable them to hear the many high quality programs now on the air", he added.

"The remarkable ability of short-wave sets to bring in foreign stations with surprising regularity and clearness; the advantage of having all the broadcasting services in one radio; and the improved reception obtained with all-wave noise-eliminating aerials have contributed to the popularity of radio.

"Increased sales are anticipated during the Fall months not only in home sets, but also in automobile radios. The greater enjoyment of motoring in radio-equipped automobiles has become so apparent that it is expected public demand will soon establish radio as standard equipment for all leading makes of automobiles."

At the plants where Philco radios are made, over 10,000 workers are now employed at the highest wages in the radio industry, Mr. Ramsdell said.

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BETTER PAPERS URGED TO MEET RADIO

Improved newspapers are the answer to radio news competition and other threats facing publishers today, speaking before the Fall conference of Northern California members of the California Newspaper Publishers' Association stressed in the sessions held at Stanford University, Palo Alto, Cal., according to Editor & Publisher.

"While some differences in opinion were noted in the type of improvements, the consensus of speakers addressing the conferences was that the radio newsbroadcasting is here to stay, that this type of news dissemination will improve during the next few years and that the publisher's best attitude is to stick to his own job and turn out a better product", the publishers' trade organ reported.

"The conference obtained particular importance from the recent C.N.P.A. agitation against press association sale of news to broadcasting stations. In addition, the C.N.P.A. has before it a proposal for the admission to membership of free-distributed papers."

A 75 per cent local newspaper was advocated by Ray Judah, co-publisher of the Santa Cruz (Calif.) News, following a lengthy exposition of the radio situation in which he urged publishers to "stick to their knitting."

"I am suggesting and strongly urging upon all secondary daily owners that they begin at once to turn out highly improved local newspapers", Mr. Judah said. "Gentlemen, radio cannot beat you on local news. As a small daily publisher I would start at once investing money in the enlargement of your local reportorial force, in the improvement of your small local as well as your big local, and let this include your country correspondents. Raise their pay."

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Station WJR, Detroit, will be welcomed to the CBS network on September 29th in an elaborate program broadcast over a coast-to-coast hookup from 8 to 9 P.M. EST. The broadcast will mark the dedication of WJR's new 50,000-watt transmitter.

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RCA ISSUES PARTS REFERENCE BOOK

A comprehensive 92-page parts catalogue of technical information for the radio serviceman and dealer has just been issued by the RCA Manufacturing Company for selective distribution through wholesale RCA radio and parts distributors.

In it are listed all of the numerous radio replacement parts and specialty apparatus with their electrical and mechanical characteristics and specifications so that the serviceman can get all the information he needs on a part or piece of apparatus at a glance. There are also profuse illustrations, schematic diagrams and technical information on the functions of the various parts in their circuits. Prominent space is devoted to an assortment of recently developed RCA test and measuring apparatus, such as the cathode-ray oscillograph and beat frequency oscillators. Sections of the book deal with such subjects as short-wave and noise reducing antenna systems, public address and sound reenforcement, phonograph modernization, and many others.

A particularly useful feature is the inclusion of an exhaustively cross-indexed chart of all the important replacement parts for the RCA Victor radio receivers and the corresponding models of the General Electric, Graybar and Westinghouse Companies, with stock numbers and prices.

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NOTES

J. R. Poppele, Chief Engineer at WOR, Newark, will speak to students of RCA Institutes, Inc., at 2 P.M. September 27, on "Desirable Personal Characteristics of the Broadcast Engineer".

The likely closing of a three-way deal between Esso (Standard Oil of New Jersey), NBC, and U.P., not yet consummated will not affect the use by NBC of Press Radio's regular and flash bulletins as a sustaining program, according to an NBC statement to Editor & Publisher.

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