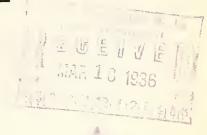
# HEINL RADIO BUSINESS LETTER

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JOGAN MYS

#### BORAH REPORTED BACKING PAYNE FOR REAPPOINTMENT

Prospects for the reappointment of George Henry Payne, of New York, for a place on the Federal Communications Commission have increased considerably, it is reported on reliable authority, with the non-public statement by Senator Borah that he would exert his influence in that direction.

Not only because he is a candidate for the Republican nomination for President but on account of his seniority among the Western group of Republican Senators, Senator Borah would prove a powerful factor in the selection of the Republican Commissioner before July 1, when Mr. Payne's two-year term expires.

Only two serious obstacles appear to stand in the way of Commissioner Payne's renomination, according to persons close to the Administration. One is his bitter feud with Anning S. Prall, Chairman of the FCC, and the other is that some of the Western Senators have complained that their section of the country is not represented on the Commission.

Offsetting this, however, is the fact that Mr. Payne ranks as probably the outstanding liberal and progressive member of the Commission and so typifies most faithfully the character of a Commissioner preferred by this same group of Western Senators.

Washington political observers are inclined to discredit earlier published reports that Judge John C. Kendall, an attorney of Portland, Ore., or former Commissioner Harold A. Lafount might be named to succeed Mr. Payne. Judge Kendall is said to have such a lucrative law practice that he would not accept the commissionership if it were offered to him, while Mr. Lafount is reported out of the running, having been once turned down by President Roosevelt.

While the friends of Chairman Prall, both in Congress and in administrative circles, will doubtless do all they can to prevent Mr. Payne from continuing with the Commission after July 1st, Mr. Payne is no mean politician himself and also has influential friends of which Senator Borah is an outstanding example.

Friends of Commissioner Payne point out that Mr. Prall will not remain as Chairman of the FCC during his 7-year tenure and that consequently his feud with Mr. Payne will not be so important once he reverts to the rank of a Commissioner without a Chairman's prestige.

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Of interest in connection with the FCC reappointments is the fact that Irvin Stewart, of Texas, Chairman of the Telegraph Division, is the next Commissioner to come up for reappointment. Generally recognized as one of the ablest Commissioners from the point of view of technical knowledge of radio and communications, Mr. Stewart is assured of reappointment if Mr. Roosevelt is reelected. His term expires July 1, 1937.

However, should a Republican be elected President this Fall, Mr. Stewart would be the first Commissioner to suffer as a Republican would be appointed to succeed him so that the 4-3 majority would be shifted from the Democrats to the Republicans.

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#### DEMAND FOR RADIO SETS GROWS IN IRELAND

The demand for radio receiving sets in the Irish Free State is steadily expanding, according to a report from Vice Consul E. J. King, Dublin, made public by the Commerce Department. Official figures show that at the beginning of the current year there were 78,600 licensed receiving sets in the country compared with 30,000 at the same period of 1932.

As there is no domestic manufacture of radio sets, the demand can be gauged by imports, the report states. In 1935 imports were valued at £235,000; in 1934, £225,000; in 1933, £226,000; in 1932, £136,000; and in 1931, £132,000.

It is estimated that 55 percent of the receiving sets sold in the Free State at the present time are electric and the remainder battery operated. However, as the spread of electric current continues throughout the country the number of battery sets is being reduced each year.

Approximately 80 per cent of the radio sets sold in the Irish Free State market are mantel models. The most popular type is the five-tube sets with a wave length of from 200 to 2,000 meters, but the trend is toward all-wave sets, sales of which showed marked improvement in 1935. Practically all of the all-wave sets sold last year were of American manufacture. This year most of the British manufacturers are including all-wave sets in their models, it was stated.

The most popular radio on the Irish Free State market today is an American make locally assembled, with the Dutch make "Philips" ranking second, the report shows.

# NEW METER RECORDS POPULARITY OF RADIO PROGRAMS

While not the first device to record radio program popularity by means of checking the use of electric power, a new radio meter has been invented and put to use at the Massachusetts Institute of Technology in Boston. It is the invention of Louis E. Woodruff, Professor of Electrical Engineering.

Studies conducted by Robert F. Elder, Associate Professor of Marketing, show that radio listeners increased in Greater Boston when Herbert Hoover spoke and also when President Roosevelt addressed his constituency over the air.

The meter is attached to the radio and shows the time when the radio receiver is turned on and off, the station tuned in, and all station changes. One hundred meters have been in use ten weeks, covering 1,000 homes.

They were distributed by neighbors to obtain a cross-section considered representative; 5 per cent of the meters went to homes of upper income levels; 20 per cent to upper middle class; 45 per cent to skilled mechanics, small merchant class; 30 per cent to low-paid and relief class. This approximates distribution of radios in the entire population.

Two Hoover talks were caught at 10 P.M.; the number of listening sets rose each time 10 to 15 per cent.

President Roosevelt's message, coming at 9 P.M., showed a rise in listeners from 38 per cent, the previous hour, to 48.

Professor Elder said that the power drop might be accounted for by families turning out two or three lights in the house while gathering around the radio.

Although news is outstanding in favor, it shows scrambled results at 6 P.M. The top class in income then chooses news, the middle income class takes jazz and the low income group chooses melodrama.

The top incomes are those more than \$2,500 and the low under \$1,200.

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# INSULL CHAIN TO START IN APRIL WITH 17 OUTLETS

The Affiliated Broadcasting Company, a regional chain of which Samuel Insull, former Chicago utility magnate is President, will begin operations between April 15 and May 1 with 17 stations, according to a statement issued in Chicago.

The hookup will comprise the following outlets:

Wisconsin - WRJN, Racine; WCLO, Janesville; WHBY, Green Bay; WOMT, Manitowac; KFIZ, Fond du Lac; WHBL, Sheboygan.

Indiana - WWAE, Hammond; WTRC, Elkhart; WLBC, Muncie; WBOW, Terre Haute; WEOA, Evansville.

Illinois - WCLS, Joliet; WJBL, Decatur; WTAX, Spring-field; WHBF, Rock Island.

Minnesota - WDGY, Minneapolis; Missouri - WIL, St. Louis

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# RIGHT TO USE NEWS NAMES IN SPONSORED PROGRAM UPHELD

The right of a broadcaster to use the names of persons who figure in the news on a sponsored radio program without violating the Civil Rights Law was upheld last week in New York Supreme Court at Rochester. The decision accorded the same privilege to radio that has long been used by newspapers and other printed publications.

Joseph J. King. Rochester carpenter, sued Walter Winchell, the Jergens Company and the National Broadcasting Company for \$50,000 alleging that the use of his name on a broadcast on October 7, 1934, was a violation of the Civil Rights Law prohibiting the unauthorized use of any person's name for advertising purposes.

The news paragraph in question was as follows:

"Rochester, N. Y. - Joe King is old enough to know better, but perhaps he was absent-minded that way. Anyway, Joe climbed a tree, sat down on a limb and then, believe it or not, sawed off the branch he sat on. He will be out of the hospital soon."

King further claimed that his reputation had been so ridiculed and damaged by the broadcast that he was unable to obtain work at his trade, and asked that damages be awarded on the additional grounds of libel and slander.

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Supreme Court Justice Willis K. Gillette, on motion of counsel for the defendants, dismissed both causes of action at the close of the plaintiff's case.

It was held that, in the first instance, King's name had not been used to advertise Jergens, and that the commercial announcements on the program were separate from the news. In the second instance, the Justice said, while the news item was humorous, it was not defamatory because it did not attack King's reputation, character or ability. He held that more than notoriety was necessary to substantiate charges of libel or slander.

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# NEW CALIFORNIA STATION RECOMMENDED BY EXAMINER

Examiner George H. Hill last week recommended to the Federal Communications Commission that it grant a construction permit to Christina M. Jacobson, d/b as the Valley Electric Co., San Luis Obispo, Calif., for a station to operate on 1200 kg. with 250 watts power daytime.

The applicant is a woman who apparently has a keen sense of business. The Examiner's report points out that she "was first employed by the Valley Electric Company in 1920 and became sole owner thereof in 1930. Under her management the business has shown a consistent growth."

The Examiner recommended that an application of E. E. Long Piano Co., of the same town, for a permit on 1200 kc., with 100 watts power, unlimited time, be denied.

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# POWER COMPANIES IN SWEDEN STOP INTERFERENCE

A Candinavian correspondent reports that the Chief Eningeer of the Swedish Post Office, Mr. Siffer Lemoine, declared in the course of an interview the other day that more than a hundred electricity works in Sweden have decided that all their consumers must silence any source of radio interference for which they are responsible, otherwise their electrical installations will be disconnected. Mr. Angstrom is reported to have constructed a new type of trolley which is being tried out on tramcars to avoid sparking.

A record increase of about 100,000 in the number of radio licenses issued during 1936 is reported. This increase is 50 per cent higher than during any of the 9 preceding years, and Sweden is now rapidly approaching the level of Denmark and Great Britain as regards the number of sets in proportion to the population. Three months ago Sweden had 129.2 sets per 1,000 inhabitants against Denmark's 163.1 and Great Britain's 153.7. The number of licenses in use on Dec. 31 was 883,000.

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# SENATOR COUZENS GIVEN "WILLARD HOTEL" FILE

Before the Senate had been called upon to act upon a resolution requiring the Federal Communications Commission to submit all of its evidence in the so-called "Willard Hotel Incident", the file has been turned over to Senator Couzens (R.), of Michigan.

Whether the action was concurred in by the whole Commission or whether the report was merely sent upon the initiative of one or more Commissioners was not clear. FCC officials were vague about the matter, while even John Carson, secretary of Senator Couzens, said he did not know the file had been submitted.

Just what Senator Couzens may do, now that he has the information, is conjectural, but it is presumed he will examine it closely and decide whether to ask for a Senate investigation of the whole incident, now twice investigated by the FCC and the Department of Justice.

The "Willard Hotel Incident" arose when a son of Chairman Anning S. Prall, of the Commission, reported an alleged conversation in which one Commissioner was said to be susceptible to bribery and political influence. Both the FCC Special Committee and the Justice Department discredited the report.

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RADIO AUDIENCE NOW 84,000,000, PALEY REPORTS

The American radio audience now numbers about 84,000,000, or approximately two-thirds of the country's population, William S. Paley, President of the Columbia Broadcasting System, declared in his annual report issued this week. Some 5,000,000 listeners were added in 1935, he said.

Mr. Paley stated that the American public is growing increasingly conscious of its interest in and responsibility toward maintenance of freedom of the air in broadcasting. He paid special tribute to the press for aiding in maintaining this freedom and sustaining the American system of broadcasting.

New policies inaugurated by CBS involving the freedom of the air in political controversies, closer supervision of programs in the interest of good taste in radio advertising, and the fixing of more exact standards for programs designed for children have proved successful, the report sets forth.

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#### WPA PROJECT SERIES TO TEST RADIO-EDUCATION THEORIES

The new series of Government radio programs, inaugurated by the Office of Education, Interior Department, on March 16th, is being watched by broadcasters and educational groups alike for hints as to which way the radio-education trend may go,

Financed by a \$75,000 allocation of WPA funds, the Office of Education is engaged in an experiment that may determine the policies of the Radio-Education Committee named last December by the Federal Communications Commission.

Newspapers gave the initial program a great play on the morning of March 17th almost every prominent paper carrying the stories of the broadcast on the front page. The emphasis, however, was on the humorous nature of the questions and answers exchanged between a Miss Information and a Mr. Test Master.

The United Press led its story with:

"The New Deal settled for all time last night in a nation-wide broadcast the question of how many feet has a full grown Caucasian."

Further on, it added:

"There was so much giggling and so much guffawing on the part of the actors and studio audience that the program never aid reach its climax - concerning the real reason why monkeys scratch."

The Associated Press treated the broadcasts more seriously but quoted some of the more ridiculous questions and answers. It pointed out that some of the questions were "rather tricky".

William Dow Boutwell, of the Office of Education, is in charge of the series. He is assisted by Maurice Lowell, on leave from the National Broadcasting Company, and Rudolph Schramm, Washington musician. The programs are carried on NBC. They probably will continue until September.

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#### NEW NEWSPAPER STATION URGED BY EXAMINER

A construction permit for the Champaign News-Gazette, Inc., of Champaign, Ill., was recommended this week to the Federal Communications Commission by Examiner George H. Hill. The applicant would be permitted to operate a station on 1370 kc. with 100 watts power, daytime only.

An increase in daytime power from 100 to 250 watts was recommended for the Ardmoreite Publishing Co., which operates KVSO, Ardmore, Okla. A request for unlimited time, however, was disapproved by the Examiner.

Examiner John P. Bramhall submitted an adverse report on the application of the Shepard Broadcasting Service for an increase in power from 500 to 1,000 watts for Station WEAN, Providence, R. I., on 780 kc., unlimited time. The grounds were that the area involved is already receiving ample service and some interference would result with WGY, Schenectady.

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#### BRITISH RADIO CABINET MINISTER PROPOSED BY COMMITTEE

The appointment of a British Cabinet Minister for broadcasting was recommended March 16th by Viscount Ullswater's Committee of Inquiry in a report urging that the Government renew the charter of the British Broadcasting Corporation for another ten years, according to the New York Times.

J. Ramsay MacDonald, now Lord President of the Council, was suggested at Westminister as an appropriate choice.

The Committee upheld the ban on radio advertising and said it has worked "to the advantage of listeners." A majority of the committee members suggest, however, that revenue from commercial advertisers may be needed to finance television programs in the next few years.

In the field of political broadcasting the committee found the scales have been balanced evenly between various parties although "it must recognize as inevitable that more prominence is given to leaders of the political party in power than to the opposition."

During a general election, however, the committee recommended apportioning radio time by agreement between the government Opposition and other parties.

It also suggested that all political broadcasting cease three days before polling day.

Altogether the committee found Great Britain's great experiment of a semi-official broadcasting monopoly financed by a listeners' tax and operated by a chartered corporation has worked excellently for the past decade and needs only a few minor changes.

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Reports on the radio markets in Italy, Switzerland, and Venezuela have just been issued by the Bureau of Foreign and Domestic Commerce and may be obtained at 25 cents each from the Electrical Division, Department of Commerce, Washington. D. C.

"Radio 10 Years Ago" is the title of an article by Mark O'Dea in the February 13th issue of Printer's Ink. It is one of a series of articles on "A Preface to Advertising."

Henry A. Bellows, former Federal Radio Commissioner and former Vice-President of the Columbia Broadcasting System, has been appointed Special Advertising Representative of General Mills, Inc., which is one of the largest users of radio on the air.

An important new channel of communication with Central Europe was opened yesterday, March 16th by the Mackay Radio and Telegraph Company. In cooperation with the Czechoslovakian Government Telegraph Administration a direct radiotelegraph service between the United States and Czechoslovakia for all classes of messages is to be operated. The circuit will be between the Mackay Radio stations here and the Government stations at Prague.

Contracts calling for a working agreement between the Santa Ana Journal and Station KVOE have been signed, to become effective as soon as the station moves its studio to a new site and constructs a modern vertical antenna. Formerly known as KREG, the station at present has quarters in the Santa Ana Register building.

On June 1st, General Mills will open the most extensive radio campaign in the history of commercial broadcasting. The program - five full hours a week, - will go on the air over 38 Columbia stations for an hour each day, Monday through Friday. The first broadcast will take place from 10 to 11 A.M., over 24 Columbia stations; and the program will be re-broadcast over 14 Western stations from 1 to 2 P.M.

"Your Hit Parade", sponsored by the American Tobacco Company for Lucky Strike digarettes, will be heard once a week over the entire Columbia network beginning May 2nd. The program will be broadcast every Saturday from 10 to 11 P.M. EDST - over 93 CBS stations, one of the largest networks in the history of radio.

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# RAILWAYS WITHDRAW BAN ON RADIO ADS, PLAN CAMPAIGNS

Restrictions against radio advertising imposed by Eastern and Central railroads since 1930 have been withdrawn, according to Broadcasting Magazine (March 15 issue), and several of the larger carriers are already planning spot and network advertising campaigns.

The Eastern Trunk Line Association and the Central Passenger Association, controling East-West service operations, agreed last December to drop the bans on radio advertising.

Chesapeake & Ohio, however, has been using radio with marked success for several years, and it is likely its experience was instrumental in effecting the change in policy by other railways.

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# NBC PLANS CEREMONY FOR MILLIONTH RADIO CITY GUEST

Milton J. Cross, NBC announcer, is Chairman of a Committee that is arranging a special ceremony to mark the arrival of the millionth guest of the NBC Radio City tours. Up to March 14th, some 989,251 guests have been received since Jessica Dragonette bought the first ticket in November, 1933.

Fred Allen, Jack Benny, Ray Knight, Irene Rich, and Lucy Monroe are on the Reception Committee. The millionth guest will be introduced to Maj. Lenox R. Lohr, President of the National Broadcasting Company, and other officials. He also will be given a late model RCA Victor radio set, presented with the key to Radio City, and will be the guest of NBC overnight and for dinner.

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# A. T. & T. INVESTIGATION IS BEGUN BY FCC

The biggest business investigation ever attempted by a Federal agency opened public hearings today (March 17) with the New Deal inquiring into affairs of the American Telephone & Telegraph Co. to determine, among other things, whether phone rates are low enough. The inquiry, directed by the Federal Communications Commission, brought to the capital a group of industrialists heading the world's largest corporation.

The first witness ordered to appear was Walter F. Gifford, President of the company, which has been the subject of a Commission inquiry for months. With him were Edgar S. Bloom, President of Western Electric; T. G. Miller, Vice-President of A. T. & T. in Charge of the Long Lines Department; Charles M. Bracelen, Vice-President and General Counsel of A. T. & T. and eight other officials of the \$6,000,000,000 phone monopoly.

Directing the investigation was Communications Commissioner Paul Walker, who has charged repeatedly that the company sought to block the work of his investigators. As regularly, the company has insisted it cooperated to the fullest degree. There are 215 men on Walker's staff, mostly attorneys and accountants, who have delved into records of A. T. & T. offices in practically every large city in the country. They have been spending money, for salaries and expenses, at the rate of \$60,000 a month.

Congress appropriated \$750,000 for the proceedings, to see whether phone rates are as low as they should be and in addition whether contracts between the numerous A. T. & T. companies are fair, and whether equipment prices charged by Western Electric are equitable. The investigation also will seek to discover all facts concerning patents, royalties and inventories.

The hearings being held in the meeting room of the Interstate Commerce Commission, are expected to last a month. They may develop into bitter controversy, if the numerous clashes between the Commission and the phone company are brought into the open.

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