

HEINL RADIO BUSINESS LETTER

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CENSUS BUREAU RELEASES FIRST REPORT ON BROADCASTING

Constituting the first census data ever made public by the Commerce Department on the business of broadcasting, the Bureau of the Census on May 15th issued an analysis of the revenue of radio stations in New England. Similar reports on other sections of the country will appear in the next few months.

While the initial report is sectional in character, it provides an excellent cross-section of the broadcasting business as a whole.

Total receipts of the 36 broadcast stations in New England, from the sale of radio time during 1935, amounted to \$3,664,687, the report issued by William L. Austin, Director of the Census Bureau, stated.

Although the report is called "preliminary" because it is not in as great detail as will be contained in subsequent final reports, it includes all broadcast stations in the New England States, of which there are 14 in Massachusetts, 6 in Connecticut, 5 in Maine, 5 in Vermont, 3 in Rhode Island and 3 in New Hampshire. Two stations which did not carry advertising are not included, and two stations in Massachusetts which are synchronized are counted by the Census Bureau as one, accounting for all of the 39 stations licensed to operate in New England.

Approximately one-half of their revenue (50.58%) was derived from local advertisers, and about one-sixth (17.55%) from national and regional advertisers who purchased time directly from the stations. The remainder (31.87%) was received by the stations from national and regional networks as payment for network commercial programs carried by the stations.

Revenue as reported here is the net billings for advertising time on the air, including the stations' proportion of network billings. It is computed after deducting quantity and time discounts.

Massachusetts leads the other New England States in all three classifications, with total revenue of \$2,184,112, of which \$1,187,284 was local advertising. Connecticut is second with \$592,304 of revenue; Rhode Island is third and Maine fourth. To avoid revelation of the individual operations of any station or single ownership, the report combines the figures for Rhode Island and New Hampshire.

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All figures of individual concerns are confidential and are carefully guarded by law and by elaborate precautions within the Bureau of the Census. Names are never shown in Census reports, and tabulations are arranged in such manner as not to disclose any company's figures.

The 36 New England stations employed a total of 727 persons (monthly average) with an annual pay roll in 1935 of \$1,365,856. Practically all of the pay roll is for full-time employees. There is relatively little seasonal fluctuation in employment. Lowest employment was in February (676) and the highest was in December. For stations that were in operation in both February and December the latter figure was 745. During the last six months, three new stations started operations, adding 41 employees to the December total.

During a representative week used for more detailed analysis of employment and pay-rolls, when a total of 776 employees (full-time and part-time) is shown, only one-sixth (16.3%) are reported on a part-time basis, and their pay roll is 6.8 per cent of the total. The remainder are full-time employees of the stations.

Station talent, which is further divided into artists and announcers, accounts for 33.2 percent of total employment and 26.7 percent of total pay roll. Stations technicians, the second largest group, account for 22.9 percent of employment and 20.6 percent of pay roll during the representative week which is analyzed in detail. Other employment classifications shown in the report include executives, supervisors, office and clerical, and employees not otherwise classified.

Of the total analyzed 613 (or 79 percent) are men, and 163 are women.

The Census Bureau pointed out that employment and pay rolls as reported by the broadcast stations do not include entertainers and other artists employed directly by advertisers, nor those employed directly by radio networks and not a part of station personnel. No figures are available on the former, but the latter will be included in the final summary of broadcasting business in the United States, which will include network staffs as well as station staffs.

The preliminary series of basic facts by States, of which this is the first, will be followed by final reports in booklet form in much greater detail. Wherever revelations can be avoided they will include analyses by counties, cities and towns; kinds of business; sales volume; number of employees; and other classifications. In many kinds of business the data will be compared with similar data from the Business Censuses of 1929 and 1933.

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Because radio broadcast stations are limited in number in most cities, detailed information will be mostly by States and regional divisions. "National spot" and local advertising revenue will be shown in the final reports by the following types of advertising: electrical transcriptions, live talent, records, and spot announcements. Additional information concerning this important field of business will be given in as much detail as possible, limited by the necessity to avoid disclosure of individual station operations.

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RADIO MAKES JOB HARDER FOR POLITICIAN, SAYS FARLEY

With public office seekers, large and small, doing most of their campaigning by radio, the statement of James A. Farley, Chairman of the Democratic National Committee, during a forum conducted recently by Boake Carter over the Columbia Broadcasting System, is significant.

"In my opinion", said Mr. Farley, "radio has increased the woes of political management. But it has helped the cause of good government. Radio has been the biggest factor in making voters independent.

"You can't nominate a myth or a name any longer and get away with it. Let the American people listen to opposing candidates state their own case, and the people will arrive at the right answer."

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PHONE HEARING RECESSED AS REPORT IS DRAFTED

The Telephone Division of the Federal Communications Commission this week recessed the hearing in the American Telephone & Telegraph Company case indefinitely as a progress report is being drafted for submission to Congress before adjournment.

The hearings probably will be resumed on June 2nd, when additional data gathered by FCC engineers and accountants will be presented.

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RADIO USED TO DETECT AUTO TROUBLES

Radio science revealed this week at the meeting of the Institute of Radio Engineers in Cleveland that it has perfected delicate instruments by which the neighborhood garage man can diagnose motor car ills as quickly and accurately as a doctor diagnoses human ailments with such devices as the stethoscope. The new instruments, which measure the compression in an automobile cylinder, the torsional twist of a crankshaft and vibrational effects in mechanical devices of all kinds were the subject of a paper presented by H. J. Schrader of the RCA Laboratories at Camden, N. J.

The heart of the apparatus is a device which makes use of different crystals to detect different mechanical effects. Quartz crystals are employed to record pressure and Rochelle salts are used to measure vibration. In the new application, the crystals are indifferent to sounds, which is of enormous advantage in tracing a vibration, for example, to the exact location in a machine at which it is occurring. The tiny currents generated in the pick-up devices as a result of the effects they are measuring are connected to an oscillograph, in combination with a new type of alternator. In the oscillograph an electron beam paints on a fluorescent screen a picture of what the crystal "feels", and in these visible wave-forms the automobile mechanic may read the nature of the trouble he seeks.

Employing radio and electronic principles, the apparatus simplifies to a marked degree many measurements previously solved by purely mechanical testing equipment, much of which is so cumbersome and complicated that it is limited to laboratory service. The new electrical equipment, in contrast, holds possibility of becoming a practical and highly useful tool in service stations throughout the country.

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HEARST DOES ANOTHER ABOUT FACE ON RADIO NEWS

Changing his mind again, William Randolph Hearst this week ordered radio columns restored to all of his 38 newspapers but with the reservation that the columnists were to confine their writings to spot news and to reviews and to keep the columns within a half-column. The ban, which was ordered about two months ago, had been lifted on several of the larger Hearst papers previously.

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RADIO AD GAINS POINT WAY TO INDUSTRIAL RECOVERY

With broadcast advertising showing a gain of 11.4 per cent for the first quarter of 1936, as compared with the corresponding period for 1935, radio is believed to be an indicator that industry is well on the way to recovery.

Figures released this week by the National Association of Broadcasters disclose that total broadcast advertising for the quarter amounted to \$25,509,364.

"Indications point to the beginning of the stabilization of radio advertising at a post-depression level, in that the aforementioned growth in volume is comparable to one of 19.6% for the first quarter of the preceding year as against the corresponding three months of 1934" the NAB stated

"Principal gains during the period under consideration occurred in the regional network and national non-network fields, in keeping with the trends in evidence during the major portion of the past year. National network and local broadcast advertising gained but slightly over the corresponding months of 1935.

"Radio continued to show the greatest rate of increase among major media, though it was surpassed with national farm papers, whose volume rose 37.0% as compared to the corresponding period of 1935.

"Regional stations showed the greatest gains in non-network volume, reflecting the rise in national non-network business. The South and MiddleWest continued to experience the most pronounced rise in non-network advertising.

"Electrical transcriptions led the field as far as type of rendition was concerned. This was true in both national non-network and local broadcast advertising. Live talent volume gained, while record and announcement business declined as compared to the corresponding quarter of the previous year.

"Accessory and gasoline, beverage and tobacco advertising experienced important increases in the national network field. A rise of 117.9% in the miscellaneous classification indicated a continued trend toward more diversified use of network advertising. Drug advertising declined 31.7% as a result of network policies in this field, while confectionery and household equipment advertising also declined materially.

"Gains were general in the regional network field, with drug, food, beverage, tobacco and soap and kitchen supply advertising showing the most important increases. Gains likewise were general in the national non-network field, with automotive, food, beverage and tobacco volume experiencing the most significant rise. Local broadcast advertising showed confused tendencies, with automotive volume leading the increases and drug advertising showing the most important decline.

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WEEI FILES APPLICATION TO ASSIGN LICENSE TO CBS

Consent to the assignment of the license of Station WEEI, of Boston, Mass., was requested in an application filed today (May 15) with the Federal Communications Commission by The Edison Electric Illuminating Company of Boston and WEEI Broadcasting Corporation, a wholly owned subsidiary of Columbia Broadcasting System, Inc. The application was filed pursuant to an agreement between The Edison Company and Columbia dated April 2, 1936, providing for the leasing of the station by Columbia, or one of its subsidiaries, and which has been assigned by Columbia to WEEI Broadcasting Corporation for the purpose of carrying out this agreement.

The lease agreement provides for the leasing of the transmitter equipment, including the land and structures at Weymouth, Mass., all broadcasting and studio equipment and the broadcasting business of The Edison Company for a period ending April 1, 1943, at a rent of \$18,250. per month. The lease agreement also grants to Columbia the right to purchase Station WEEI upon the same terms and conditions which are offered to The Edison Company by any other party and which The Edison Company may be willing to accept. Similar provisions extending to Columbia the right to renew the lease or enter into an affiliate arrangement with Station WEEI at the end of the lease period are also included.

The contract also recognizes the possibility of technical developments and changes in the present plan of broadcast allocation by providing that both parties will cooperate in securing promptly the approval of the Federal Communications Commission to the installation of a 5,000 watt transmitter, the cost of which, including land, buildings, towers and equipment, is to be paid by The Edison Company up to \$150,000. The lease provides that the present 1,000 watt transmitter is to be retained for use as an auxiliary transmitter as long as Columbia desires, and the lease also contemplates the installation of additional new equipment for the improvement and betterment of the station during the term of the lease.

Arrangements have also been completed whereby Columbia will occupy space in the Edison Building on Tremont Street, facing the Boston Common, for use as studios and offices for the station and as the Boston headquarters for the network.

It is expected that Station WEEI will replace Station WNAC as the basic Columbia outlet in Boston by January 1, 1937.

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FCC MAKES CHANGES IN HIGH FREQUENCY ALLOCATIONS

Bringing its regulations up to date with current practices in anticipation of the broad engineering hearing set for June 15, the Federal Communications Commission this week reallocated some of the channels in the high-frequency radio bands. The changes, while minor in character in comparison with the reallocations which are expected to follow the June meeting, make available additional channels for broadcasting, inter-city police communication services, and point-to-point telegraph services.

The revised regulations (amendments to Rule 229), which become effective July 1st, put an end to television experiments in the medium high-frequency bands and open the way for additional experimental stations and assignment of more "apex" stations.

In brief, the new rules provide:

1500 to 1600 kc. band assigned to broadcasting, but no immediate change contemplated in present allocations of "high fidelity broadcasting" stations on the 1530, 1550 and 1570 kc. frequencies on an experimental basis.

Experimental visual broadcasting eliminated in the 2,000 to 3,000 kc. band "on the basis that the consensus of engineering opinion and the inspection of reports submitted by visual broadcast stations reveal that these frequencies are not particularly suited for television" nor that they ever will be.

Eleven television stations in this band will be assigned to ultra-high frequency channels following the June 15th conference.

The band between 25,600 and 26,600 kc. was set aside for international broadcasting pursuant to the terms of the Madrid Telecommunications Convention. Part of this band will be used, however, for ultra-high frequency local broadcasting (apex), but specific frequencies will not be assigned until later.

Four channels between 40,000 and 42,000 kc. were set aside for special experimental broadcasting, particularly frequency modulation experiments such as those contemplated by Maj. Edwin H. Armstrong, who recently filed an application to use 40,000 watts peak power in an experimental station.

Law enforcement officials hailed the assignment of additional channels for inter-city police communications services as a step forward in the move to establish a nation-wide police radio network for the speedy apprehension of criminals, such as kidnappers, who cross State lines.

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The television experiments who will be assigned to ultra-high frequencies, if they justify themselves, are:

John V. L. Hogan, Long Island City, N.Y.; Sparks-Withington Co., Jackson, Mich.; University of Iowa, Iowa City; Kansas City College of Agriculture, Manhattan, Kans.; Pioneer Mercantile Co., Bakersfield, Cal.; NBC portable; NBC, Belmore, N. Y.; NBC, Chicago; First National Television Corp., Kansas City; Purdue University, Lafayette, Ind. and Atlantic Broadcasting Corp. (CBS), New York City.

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GERMAN S-W EXPERT COMES OVER ON "HINDENBURG"

A passenger on the initial trip of the "Hindenburg" to the United States was Dr. Kurt von Boeckmann, of Berlin, in charge of short-wave broadcasting of the German radio company. Following a brief visit in New York, he started for Chicago and Los Angeles.

In Washington, Dr. von Boeckmann was the guest at a luncheon given by Hans Luther, the German Ambassador. Others present were Anning S. Prall, Chairman of the Federal Communications Commission; Col. Frank R. Curtis, Harry H. Lyon, Oswald F. Schuette, Robert D. Heinl, and Kurt Sell, Washington representative of the German Broadcasting Company. Colonel Curtis and Mr. Lyon have been conducting experiments in rebroadcasting the German programs in this country.

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COPELAND FORECASTS CHANGES IN SEA SAFETY BILL

Announcing that his bill to amend the Communications Act of 1934, relative to the use of radio at sea, would be greatly altered as a result of hearings, Senator Copeland (D.), of New York, on May 13th reintroduced the measure in the Senate.

A report on the measure, together with the amendments, are expected before the end of the month.

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BORAH CANCELS RADIO ADDRESS WHEN HELD TO HALF-HOUR

The refusal of Senator William E. Borah, of Idaho, to go on the air from Newark the night of May 14th over a NBC-WJZ hook-up because the network would allow him only a half-hour, recalls the comment of another Republican leader, Representative Bertrand Snell, of New York, during the recent CBS radio forum.

Asked by Boake Carter, the interviewer, whether "a political speaker who runs over time should be allowed to continue into the time bought by someone else" or whether he should "be cut off at the end of his allotted time".

Snell replied: "He should be made to adjust his speech to the time given him; then, if he is not through, cut him off."

The case of Senator Borah's last address in his presidential campaign was somewhat different, however, in that his time was consumed by an introductory speech made by Representative Hamilton Fish, his Eastern campaign manager.

Network officials thought Borah was to go on the air about 8:30 P.M. Instead Fish talked until 9 P.M., at which time a NBC announcer stated that "due to a change in the order of speakers, we are unable to present Senator Borah because of commercial commitments."

Senator Borah said he had no grievance against the broadcasting company, but that he had declined to have only part of his speech broadcast.

"My speech was to be a long one", he said. "The radio people offered me only thirty minutes. They would have had no beginning and no end of it. If the broadcast cuts off the head and tail of your speech, there is no sense to it."

He said that the broadcasting companies had been very generous to him in the past.

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House action on the Wheeler Bill (S.2243) to abolish the Davis Equalization clause in the Communications Act, is expected May 18th as a result of a favorable report made by the House Committee on Interstate and Foreign Commerce. The measure has passed the Senate.

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::: INDUSTRY NOTES :::
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Ossola Bros., Inc., Pittsburgh, Pa., has entered into a stipulation with the Federal Trade Commission to stop using the words "Imported from Italy" in advertising its olive oil products over a Pittsburgh station in Italian.

Radio market review for the Canary Islands has been issued by the Bureau of Foreign and Domestic Commerce and is available at 25 cents a copy.

Under the title "Broadcasting and the American Public", the Columbia Broadcasting System has issued a brochure carrying pertinent quotations from prominent personages interviewed recently over the network by Boake Carter, news commentator.

The Daily News Corporation, of St. Paul, Minn., has withdrawn its appeal in the United States Supreme Court of the District of Columbia from a FCC decision granting a construction permit to Edward Hoffman for erection of a new station at St. Paul to operate on 1370 kc.

The annual award of the Society of Arts and Sciences will be presented to Owen D. Young, Chairman of the National Broadcasting Company's Advisory Council, and Chairman of the Board of General Electric Company, during a broadcast from the Society's 54th annual dinner on May 20th, at 10 P.M., E.D.S.T., over the NBC-Blue network.

Station WSPD, Toledo, has made application to the Federal Communications Commission for a license to cover construction permit for equipment, changes and increase in power from 1 KW night, $2\frac{1}{2}$ KW day, to 1 KW night, 5 KW day.

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I. T. & T. CHANGES CAPITAL VALUE OF STOCK

The annual meeting of the International Telephone and Telegraph Corporation was held in Baltimore on Wednesday, May 13th, at which the following Directors were elected: Arthur M. Anderson, Sosthenes Behn, F. Wilder Bellamy, Edwin F. Chinlund, Philip K. Condict, John W. Cutler, Charles E. Dunlap, George H. Gardiner, Allen G. Hoyt, Russell C. Leffingwell, Clarence H. Mackay, John L. Merrill, Walter E. Ogilvie, Henry B. Orde, Samuel G. Ordway, Frank C. Page, Bradley W. Palmer, George E. Pingree, Wolcott H. Pitkin, Lewis J. Proctor, Lansing P. Reed, Gordon Rentschler, and William F. Repp.

Directly following the regular meeting, a special meeting was held at which a proposition to restate the amount of capital represented by each share of stock of the Corporation from \$33-1/3 to \$20 was passed. A resolution authorizing the Corporation to acquire and retire 206,808 shares held by trustees for employees stock purchase plans and 36,698 shares held in the treasury of the Corporation was also adopted. Stockholders at this special meeting also voted to amend the charter of the Corporation so as to provide that any action, including the making of future charter amendments, may be taken by the affirmative vote of the holders of a majority of shares outstanding and entitled to vote.

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RCA ENGINEER GIVEN LIEBMANN AWARD

The Institute of Radio Engineers announced May 13th at its convention in Cleveland that it had awarded the Morris Liebmann Memorial prize for 1936 to B. J. Thompson, in charge of the Electrical Research Section of the RCA Tube Laboratory at Harrison, N. J. The award was for Mr. Thompson's "contribution to the vacuum tube art in the field of very high frequencies."

From his analysis of the fundamental frequency limitations of the conventional type of tube, Mr. Thompson worked out a new conception of mechanical and electrical design which would permit the operation of tubes at ultra-high frequencies. The "acorn" tube was the result of this research. It extended the useful radio frequency range far beyond previous practical possibilities.

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B.L. CORRECTION

In the account of the dinner given by the Press Club in Washington last Saturday night to President Roosevelt, Vincent Callahan, who was one of the guests, was inadvertently designated as Vice-President of the National Broadcasting Co. Mr. Callahan is Assistant to Mr. Frank M. Russell, Vice-President of the NBC in Washington.

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