

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 944

July 11, 1936.

BALDWIN REELECTED FOLLOWING STORMY NAB CONVENTION

James W. Baldwin, Managing Director of the National Association of Broadcasters, was reappointed by the NAB Board of Directors following a stormy convention of organized broadcasters at the Stevens Hotel in Chicago, July 6-8, attended by some 800 delegates and guests.

C. W. Myers, President and principal owner of KOIN, Portland, Ore., was elected President of the NAB by the membership at its closing session although a Nominating Committee had proposed Edwin W. Craig, of WSM, Nashville, who is in Europe. Mr. Myers succeeds Leo Fitzpatrick, of WJR, Detroit.

Mr. Baldwin was reappointed despite a one-man revolt on the opening day of the convention and after threatened opposition from the networks subsided.

Isaac D. Levy, of WCAU, Philadelphia, Treasurer of NAB, withdrew his station membership from the organization and stated he would form a rival organization after sharply criticizing the NAB leadership for its actions in connection with copyright negotiations. However, at the conclusion of the convention there was no indication that any substantial number of member stations were joining Mr. Levy's revolt.

The attack on Mr. Baldwin and the Board of Directors came after Mr. Fitzpatrick had made a plea for unity in the industry. Mr. Levy, in making charges of wilfull misfeasance against the NAB leadership, described the Directors as "the secret ten".

No attempt was made by the NAB Managing Director to answer the attack in his subsequent report. He referred the membership to his detailed report on copyright matters last February and asserted it answered adequately all of the charges made.

Meanwhile a move was started by the networks to take copyright matters out of the hands of the NAB on the ground that it is a matter for private negotiations. Mefford R. Runyon, Treasurer and Vice-President of the Columbia Broadcasting System, made the proposal but the membership voted it down and authorized continuance of the Copyright Bureau.

Mr. Levy charged Mr. Baldwin with ignoring instructions of the Board that a letter be sent to the NAB membership urging acceptance of the ASCAP five-year contract under former terms. As a result, he said, the Warner Brothers withdrawal and consequent troubles ensued.

Mr. Baldwin assumed the role of a dictator, the Philadelphian asserted, and failed to consult either with the Executive Committee or the President. His publicity releases on copyright, Mr. Levy said, "tore into shreds this association."

During the course of his speech, Mr. Levy assailed three other persons formerly associated with the NAB and charged them with splitting NAB funds when the Radio Program Foundation dissolved.

"Three gentlemen, Hostetler, Loucks and Schuette formed a corporation", he said, "and they acquired a little music. When they decided to abandon this project as a failure, there was \$5,000 left, which they divided among themselves, and sent a letter to the NAB justifying their action."

Mr. Baldwin in his report made a strong plea for steps toward creation of a cooperative bureau of radio research, for a continuing program of technical research, and urged promotion of the new copyright venture, including operation of the NAB Copyright Bureau.

Summarizing the year's activity, he pointed out that NAB membership is larger today than anytime in its history, totaling 407 members, which is 22 more than last year. The NAB on June 30 had a balance of \$17,451.49 on hand, he said, as against \$46.45 on July 1, 1935.

Other highlights of the convention were:

Regional channel stations organized as a group and elected Walter Damm, WTMJ-Milwaukee Journal, Chairman; Dean Fitzer, WDAF-Kansas City Star, Secretary; and Stanley Hubbard, KSTP-St. Paul, Treasurer.

Some 70 independent station owners, in separate session, voted unanimously to continue the National Independent Broadcasters, Inc., as an organization devoted to interests of local independent stations.

Creation of a Cooperative Bureau of Radio Research was urged by Arthur B. Church, Chairman of the Commercial Committee. He proposed that the University of Pennsylvania be endowed to carry on the work.

A Sales Managers' Division was organized within the NAB "to promote the sale of broadcasting as a medium and establish a round-table discussion of all problems that confront the sales manager in his everyday routine.

Ross Wallace, of WHO, Des Moines, won the NAB golf tournament on Sunday preceding the convention and was awarded the Broadcasting magazine trophy.

Other officers, besides Mr. Myers, elected on the closing day are:

John Elmer, WCBM, Baltimore, First Vice-President; Gardner Cowles, Jr., KSO and KRNT, Des Moines, Second Vice-President, and Harold Hough, WBAP, Fort Worth, Texas, Treasurer.

Directors elected are Eugene O'Fallon, KFEL, Denver; Edward A. Allen, WLVA, Lynchburg, Va.; L. B. Wilson, WCKY, Covington, Ky.; Arthur B. Church, KMBC, Kansas City, Mo.; John F. Pratt, WGAR, Cleveland and Frank M. Russell, WRC, Washington, D. C.

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ALLEN HEADS EASTERN G.O.P. RADIO UNIT

Theodore F. Allen, of Westport, Conn., has been appointed head of the Radio Division at the Eastern headquarters of the Republican National Committee. Representative Joseph W. Martin, Jr., of Massachusetts, Eastern campaign manager, made the announcement July 10th.

Mr. Allen for eight years has been identified with the Sales Department of the National Broadcasting Company. For the last four months he has been on leave and working for the Republican National Committee at its Washington headquarters. The appointment of Mr. Allen was made in Chicago by Hill Blackett, Director of Public Relations of the National Committee.

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87 MID-WEST STATIONS GROSS \$10,111,645

Total receipts of 87 broadcast stations in Indiana, Michigan, Ohio, Wisconsin, Arkansas and Oklahoma, from sale of radio time during the year 1935, amounted to \$10,111,645. William L. Austin, Director of the Bureau of the Census, Department of Commerce, disclosed this week.

The report includes all broadcast stations in these States which sold time during 1935, except one small station in Ohio. It includes 14 stations in Indiana, 17 in Michigan, 19 in Ohio, 14 in Wisconsin, 11 in Arkansas, and 12 in Oklahoma.

Somewhat less than one-half (43.2 percent) of the time sales of stations in these 6 States was derived from local advertisers. The remainder was received from national and regional advertisers who purchased time directly from the stations, and from national and regional networks as payment for network commercial programs carried by the stations.

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RCA STAGES PLANNED TELEVISION SHOW FOR LICENSEES

Television, as represented in the experiments of the Radio Corporation of America atop the Empire State Building in New York City, has made considerable progress within the past year but is still far from being ready for public consumption.

This is the view of one of the invited guests to the "planned show" given by RCA early this week for RCA licensees.

"Television is still not so good as home movies", he commented, "though I understand that visual broadcasting in this country is far ahead of Europe, where public demonstrations are being held.

"The pictures have lost the greenish tint they had last Fall, but they still lack definition.

"The greatest obstacles to public television transmission, however, is in preparing the programs and in the complexities of reception. Preparation of programs would be as expensive and as complicated as making motion pictures, and yet the pictures could not be repeated as in the films.

"There are fourteen controls on the receiving set; this alone would make it difficult to sell receivers to the public."

The first "act of the television show presented Major Gen. J. G. Harbord, Chairman of the Board of RCA, and David Sarnoff, President, sitting at a desk reviewing television progress. The scene shifted to Otto S. Schairer, Vice-President in Charge of Patents for the organization, who reported to the 225 licensees that there were no plans to design commercial television sets for 1936.

He revealed that three sets were now in operation in the Metropolitan area, the most distant being at Harrison, N. J. Within a short time he estimated more than 100 receivers would be distributed at scattered outposts.

Next there was a dance by twenty girls, introduced as the Water Lily Ensemble. A film was then shown, featuring the streamlined train "Mercury". A glimpse of what is ahead in the world of fashion was given by models from Bonwit Teller. Films were shown of several leaders in the radio industry, and then Henry Hull, actor, entertained with a monologue of his role in "Tobacco Road". Graham McNamee and Ed Wynn showed what comics may do in the future. A film of army manoeuvres ended the performance, after the research engineers had been introduced for a nod across New York

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LOCAL ADVERTISING BACKBONE OF RADIO, CENSUS CHIEF SAYS

An analysis of the revenue received by broadcast stations over the country in 1935 "clearly indicates that local advertising was the backbone of their business in 1935", C. H. Sandage, Chief of the Division of Communications, Bureau of the Census, declared in an address this week at the NAB convention in Chicago.

"The relative importance of local advertising, however, varies by geographical areas", he added. "Thus about 61 percent of the time sales in the Mountain States came from local advertising, while the Middle Atlantic States received only 46 percent of their time sales from this source.

"South Dakota and South Carolina show the highest ratio of local advertising to total net sales, local business accounting for about 71 percent of total station revenue from the sale of time.

Naturally, the inclusion of network figures (as yet not tabulated) will change the relative position of local advertising in terms of the total broadcasting business. Individual stations, however, should give serious thought to the local factor in their operations."

Explaining that final results of the census of the broadcasting business could not be given because reports had not been obtained from five stations, Mr. Sandage said:

"It is possible to give you the data for all radio stations except those located in Illinois and Louisiana. There were 560 regular radio stations in operation in the United States, December 31, 1935, which sold time during the year. The other 68 stations were operated by churches and schools, or were inactive. Of the 560 time-selling stations, figures have been released for 517, or 90 percent of the total number.

"The net revenue from the direct sale of time by these stations, plus the sums they received from networks, amounted to \$47,957,501. This figure represents net time sales, i.e., gross billings after time and quantity discounts have been deducted. Agency discounts have not been deducted. This is in harmony with the Government practice to collect all sales and revenue data in terms of net.

"The breakdown of this \$47,957,501, shows some interesting facts. Some \$24,000,000, or almost exactly one-half of station revenue, was received from local advertisers - that is, those business houses selling their merchandise or services largely within one trading area. Of the remainder almost one-half was derived from national and regional 'spot' advertisers; and an equal amount from networks as payment for carrying network commercial programs. This latter figure for these 514 stations amounted to \$11,920,543.

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"The total non-network time sales of these stations amounted to \$36,036,958. This incomplete figure is only \$308,465 less than the estimate of station time sales for 1935, made by your association. Your estimates were indeed conservative. An industry - especially an advertising industry - that understates rather than overstates its size and importance is a rarity. You are to be congratulated!

"Employment data for broadcast stations outside Illinois and Louisiana show that an average of 11,446 persons were employed in 1935. They received an annual pay roll of \$18,972,845. More than 90 percent of this sum was paid to full-time employees. The total payroll amounted to more than 40 percent of the advertising revenue of those stations.

"Employment and payroll figures include only those persons in the direct employ of broadcast stations. Many persons appearing before the microphone are employed and paid by the advertisers and by networks. The latter are to be shown separately, as network personnel. Direct employees of advertisers are not reported.

"A more detailed analysis of employment for a representative week shows that station talent, including artists and announcers, make up the largest number of employees and receive a greater portion of the annual payroll than any other functional group. Station technicians are second, both in number and payroll. Employment figures indicate that a relatively large part of the revenue of stations is paid out for personal service, the greatest single portion going to those who appear before the microphone.

"With the exception of artists, or those furnishing entertainment, most employment is on a full-time basis. It is difficult to define part-time employment, but taking the figures as reported, about 53 percent of all artists employed by stations worked on a part-time basis. They accounted for more than 75 percent of all part-time employment."

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Denial of an application filed by J. R. Maddox and W. B. Hair, of Chattanooga, Tenn., for a permit to erect a new station and operate on 590 kc., with 1 KW power, unlimited hours, was recommended this week to the Federal Communications Commission by Examiner Ralph L. Walker.

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N. J. GOVERNOR TO SUE RADIO COMMENTATOR

As an aftermath of the Lindbergh kidnapping investigation, Governor Hoffman, of New Jersey, announced this week that he had authorized the filing of a \$100,000 suit against Boake Carter, radio news commentator, and others.

Charges in the action are to be based on broadcasts by Mr. Carter before and on the day of the Hauptmann execution at Trenton, according to William Conklin, the Governor's secretary, after a conversation on the subject with Mr. Hoffman. The Governor authorized the suit, Mr. Conklin said, after a conference at Trenton, with Harry Greene, his attorney, who has offices at Newark.

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RADIO CLEAN-UP DRIVE FORECAST BY AMUSEMENT ORGAN

A radio clean-up drive patterned after the film sapolio movement launched by the Catholic Church, is in prospect and probably will come in the open early this Fall, according to the current issue of Variety. It continues:

"While a lid of secrecy has been imposed, those acquainted with the strategy disclose that church and fraternal groups will be invited to take part in a nation-wide crusade to whip offending broadcasters into line and improve the moral tone of air entertainment. A 'black list' of potential victims already is being compiled.

"Campaign will be two-edged, according to present indications, and will assume an important political aspect. Crowd gunning for transgressors will inject the issue of more stringent radio regulation into the Congressional competition.

"Tentative decision to start rating stations and boycotting repeated offenders followed realization that little can be expected from the Federal Communications Commission in the way of help in penalizing big broadcasters and in busting up alleged monopolistic control of the radio industry. Blue-noses feel the FCC has had plenty of opportunity to swing into action, if it seriously intends to do something about low-quality air entertainment, and there is no longer any sense in staking hopes on the government agency.

"Like the Legion of Decency movement, the radio clean-up effort will be a non-partisan affair, with all groups interested in the moral tone of broadcast programs invited to take part. Just who will lead the drive has not been decided, but it probably will not be the Catholic group which was the spark-plug of the moving picture chastisement."

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FOUR WASHINGTON STATIONS GROSS \$739,530

Sale of radio time grossed the four Washington stations \$739,530 in 1935, it was disclosed this week by the Census Bureau in its eighth report of a series on the broadcasting business. More than 55 per cent of the time sales was derived from local advertisers.

Maryland and Delaware stations with time sales of \$873,401 led all other States in the South Atlantic States division. The total for the region amounted to \$4,505,167. Revenue as reported by the stations 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.

The 63 South Atlantic stations employed a total of 963 persons with an annual pay roll in 1935 of \$1,541,433. More than 95 percent of this was paid to full-time employees. The total payroll of District stations was \$264,568.

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FRANCE BUILDING STATION OF 120 KW. POWER

The Ministry of the P.T.T. has announced that work on the installation of the new broadcasting station at Muret will soon be completed. This station will be one of the most important in France as it will reach a power of 120 KW.

The general plan of broadcasting in France will, with the Muret station, be practically completed. For the last few months, the stations at Lille, Strasbourg, Lyons, Marseille, Nice and the Paris-P.T.T. have been broadcasting on a power of 60 to 120 KW. and the stations under construction in the region of moulins of Radio-Paris and the Centre d'Emissions Coloniales will be amongst the most powerful in Europe; plans are also being made for the installation of stations in the regions of Limoges and Grenoble. With the full realization of this plan France hopes to be able to successfully compete with other European countries along that line.

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MUTUAL NETWORK OFFICIALS AT CHICAGO LUNCHEON

More than thirty officials of the member and affiliated stations of the Mutual Broadcasting System and Judge Eugene O. Sykes of the Federal Communications Commission were guests July 6 of W. E. Macfarlane, President of the Mutual network, at a luncheon which was held on the concert platform of Studio 1 of WGN's radio studio building on Michigan Avenue in Chicago.

No official business of the network was discussed but in a short statement to the luncheon guests Mr. Macfarlane reviewed the past two years history of the network and commented on future plans.

"The Mutual Broadcasting System, now less than two years old, has done well on the foundation that the system was built for advertising and sales coverage at the lowest cost and minimum of waste", Mr. Macfarlane said. "It has appealed to members and affiliates by giving them the majority of the gross from time sales. It has also done well because its originating stations produce the best in remote dance music, sports and special events including political broadcasts. Mutual's coverage of the Democratic and Republican conventions drew much favorable comment.

"The announcement of the Mutual network's extension to the Pacific Coast through stations KFEL-KVOD in Denver and the Don Lee Network in California, the extension to take place the last of this year, has aroused much interest among large broadcasters. We have every reason to feel the progress of Mutual in 1937 will be even greater than in the first two years of its existence."

Among those present at the luncheon were: W. E. Macfarlane President of the Mutual network; Quin A. Ryan and Carl J. Meyers, of WGN; Alfred J. McCosker, Chairman of the Board of Mutual and T. C. Streibert of WOR; Judge Eugene O. Sykes, Federal Communications Commission; Louis G. Caldwell, of Washington; Louis Crosley, John Clark, Frank Smith and Don Becker of WLW; John Shepard of the Yankee Network; Frank Ryan, CKLW; Owens Dresden, Don Lee Network; John Gillin, WLW; Gardner Cowles of Des Moines, Iowa; Don Withycomb and F. R. Rosenbaum of WFIL; Ford Billings, WCAE; John Patt, WGAR; E. J. Lounsberry, WGR-WKBW; Eugene O'Fallon of KFEL; Harry Stone, WSM, C. T. Lucy, WRVA; Fred Weber, General Manager of Mutual.

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DON FLAMM TAKES BRIEF EUROPEAN RESPITE

Donald Flamm, President of the Knickerbocker Broadcasting Company, of New York, sailed for Europe last Friday. He will be gone about a month.

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ARGENTINA CHANGES REGULATION ON RADIO TUBES

Andrew W. Cruse, Chief, Electrical Division, Bureau of Foreign and Domestic Commerce, Department of Commerce, reports that the Minister of Finance of Argentina has decided to grant advance exchange permits (which entitle the holders to purchase official exchange) for the importation of radio tubes and about 50 other categories of non-radio goods from the United States. Heretofore it has been necessary to purchase exchange in the open market at a rate 20 percent above the official rate.

More complete information is understood to be forthcoming and when received will be made available by the Bureau.

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RCA LAUDED FOR PROTECTING FREE SPEECH DESPITE STRIKE

Dorothy Thompson, in her syndicated column last Thursday discussed the significance of the speech of John L. Lewis over the NBC network even while labor unions were battling with the RCA at its Camden plant. She said, in part:

"There is one highly ironic fact to Mr. Lewis' denunciation of the economic tyrants who control our world and prevent democracy. Mr. Lewis issued his call to the workers of America over a Nation-wide hookup on time provided him free. The NBC is an affiliation of the Radio Corporation of America. And at this moment Mr. Lewis is at grips with this company in a strike which he has called in the Camden plant. The circumstances of that strike do not quite bear out Mr. Lewis' picture of the workers in relation to corporate industry. In this conflict and from the outset and before the strike began the company offered to proceed in accordance with the principles of the Wagner labor act. It offered to respect the decision of a majority of the workers, as expressed in a free and secret ballot, to be taken under the auspices, not of the industry but of the Government, and to recognize whomever the workers might elect as the representative of all of them for collective bargaining. Mr. Lewis rejected this offer for obvious reasons. Not thus would he win the fight.

"The RCA has not called in strike-breakers, it has not called out troops, nor armed the workers, the majority of whom have not responded to the strike summons. But there has been violence and a great deal of it has been committed by the 'peaceful picketers' whose methods of persuasion have been to add the black-jack to the argument. The RCA has not yielded to Mr. Lewis. But it has also remained true to its policy of keeping the air free for public discussion.

"There is something to be said for this democracy, even with its economic tyrants."

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 ::: INDUSTRY NOTES :::
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Major-General James G. Harbord, Chairman of the Board of the Radio Corporation of America, will be principal speaker on Saturday, July 18th, at the dedication in Washington, D. C., of the Second Division's memorial to its World War dead. The ceremonies will be broadcast over the nationwide NBC-Red network from 3:00 to 4:00 P.M., E.D.S.T. General Harbord was Chief of Staff of the A.E.F. during the World War.

The Electrical Division, Bureau of Foreign and Domestic Commerce, has just issued supplemental radio market reports on radio tariff in the United Kingdom, characteristics of the Australian radio set, and regular reports on the radio markets in the Bahamas and British Malaya. Copies may be obtained at 25 cents.

With advertisements to be placed in 200 newspapers, reaching 15,000,000 readers per insertion, a record for newspaper advertising of radio sets will be established by the new Philco campaign, plans for which were announced this week by E. G. Loveman, Advertising Manager of the Philco Radio & Television Corporation. Mr. Loveman declared that the new schedule will exceed even that of last year when Philco did more newspaper advertising, according to his statement, than all other radio manufacturers combined.

A salute to WBT, Columbia's 50,000-watt transmitter in Charlotte, N. C., honoring its fifteenth anniversary of continuous broadcasting and the opening of its new studios, was carried over the CBS network last Thursday night. WBT's new studios and offices, which occupy an entire floor in the heart of downtown Charlotte, are constructed and equipped along the most modern lines. The studios themselves are replicas, in the modern manner, of those at Columbia's New York headquarters.

The radio audience which listened to the Louis-Schmeling fight broadcast Friday, June 19, under the sponsorship of the Buick Motor Car Company, reached record-breaking proportions, according to a statement issued by the Cooperative Analysis of Broadcasting. The fight was broadcast over the red and blue networks of the National Broadcasting Company from 9 to 10 P.M. (E.S.T.) and according to C.A.B., 57 percent of the set owners interviewed, reported hearing the fight. Eighty-eight percent of families who used their sets at any time after 7 P.M. EST reported listening to the fight.

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