

# HEINL RADIO BUSINESS LETTER

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No. 946 -A

July 21, 1936

## POLITICIANS WILL NOW PAY FOR BORING RADIO LISTENERS

Listeners at least now have the satisfaction of knowing that the political address which replaces a snappy swing orchestra these hot Summer nights is being paid for and right dearly.

Following the formal notification ceremonies at Topeka this week political broadcasters are to be treated as any commercial advertiser of wares. Free time on the air for speeches "in the public interest" are taboo, so far as politics is concerned, until after the November elections.

While accurate figures are not available, indications are that the 1936 campaign will establish a record for use of the radio in efforts to win votes. All this means that many dollars will roll into the pockets of broadcasters, compensating for the numerous free periods granted before and during the party conventions.

The Republican and Democratic parties may spend as much as \$1,000,000 each for network, transcription, and spot time on the air before election day, according to one trade estimate. This forecast far exceeds the expenditures for the 1932 campaign, but money is more plentiful and the contest is hotter.

The Democrats spent \$336,508.47 for radio time in 1932, while the Republicans paid \$421,123.33.

Radio costs are higher this year, however, than four years ago. For a coast-to-coast hook-up on the combined major networks, such as is used for a presidential address, the price is approximately \$52,000 an hour.

So far neither of the presidential candidates nor their lieutenants have bought time on the air although Mr. Roosevelt and Mr. Garner were notified that political addresses must be paid for following their acceptance addresses at the Democratic Convention in mid-June at Philadelphia.

President Roosevelt, however, will still be given time on the major networks gratis whenever he speaks non-politically in his capacity as Chief Executive of the United States. Such an occasion was his address upon the dedication of the Shenandoah National Park in Virginia a fortnight ago.

Washington observers expect the campaign to begin in earnest following the Topeka notification ceremony after which Mr.



Landon and Mr. Knox will be in the same class - from the point of view of broadcasters - as Mr. Roosevelt and Mr. Garner or any other political candidates, for that matter.

The policy of charging presidents for political time on the air originated in 1924 when Mr. Coolidge was opposed by John W. Davis. Everett Sanders, later secretary to Mr. Coolidge, but then in charge of the Republican Speakers' Bureau, established what he believed to be the first radio bureau in a national campaign. The networks decided that a President of the United States, running for reelection, should pay for his time just as any other candidate.

Accordingly, President Coolidge was charged \$11,000 for his first network broadcast. Mr. Coolidge thought this charge very high, but it proved reasonable in the light of the \$25,000 to \$30,000 prices paid eight years later by Mr. Roosevelt and Herbert Hoover.

The practice of charging for political time on the air has its critics, who insist that it gives an advantage to the party or candidate with the full war chest.

Raymond Gram Swing, Washington correspondent, in a recent address at the University of Virginia, called it "repugnant to democracy" (see story elsewhere in this release).

The British attitude was reflected in a comment in World-Radio, organ of the British Broadcasting Corporation.

After describing the free broadcasts in party conventions, the publication pointed out that "thenceforth politics presents a commodity-selling aspect, and the politicians, including President Roosevelt himself, will have to pay for their time 'on the air' exactly as they were vendors of soap or automobiles.

"By common consent, political speeches after the candidates are selected fall in the commercial category. Time is no longer given; it must be purchased, and it costs a lot."

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"Does the American public want non-commercial broadcasting?" asks the National Committee on Education by Radio in its current bulletin. "Shortwave station W1XAL, Boston, Massachusetts, is ready to prove not only that many people want it but also that they are willing to pay for it. Since January 1, 1936, the station reports voluntary contributions from hundreds of listeners in thirty States of the United States, and in England, Mexico, Canada, Cuba, Bermuda, and Trinidad."

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## HARBORD ACCLAIMED AT 2ND DIVISION MEMORIAL

High tribute was paid to Maj. Gen. James G. Harbord, who commanded the Second Division when it drove the German army back in the last great thrust toward Paris at the dedication of the Second Division memorial in Washington last Saturday. General Harbord was credited with having done more than anyone else in instigating the erection of this beautiful tribute in stone and bronze in honor of the Division's war dead (The Second Division lost 4,419 killed and had 20,657 wounded during the World War). Because of this General Harbord was chosen as the principal speaker at the dedication.

The Second Division, he said, captured about one-fourth of all prisoners taken by the A.E.F., captured one-fourth of all cannon taken and suffered one-tenth of the total casualties in the American armies.

"It never went backward in the face of an enemy. It failed on no objective. It has been said, but not by one of us, that the Second Division played a greater part in changing the course of the World War after America entered it than any other American division, a greater part than any single division in Europe of any army."

In his address, which was broadcast, General Harbord said the American soldier did not consider himself a crusader for democracy nor was he inspired by the belief this was a war to end wars.

"Their soldier vision revealed to them no league that could guarantee the peace won by their devotion", General Harbord said. "If there was a common sentiment among them aside from the impulse to duty in time of the Nation's danger, it was that their world, their own people, believed in the sacredness of treaties."

A combination of military precision and expert radio timing was a notable feature of the dedicatory exercises. There were no long-drawn out prayers, no long-winded speakers, and no presiding officer telling the audience what it already knew.

This was no doubt due to the fact that Maj. Frank E. Mason, President of the Second Division Association, presiding officer of the occasion, is Vice-President of the National Broadcasting Company in New York, and knows how these things should be done. Major Mason himself set the good example of brevity and the longest address of the afternoon was that of General Harbord, admirable in every respect, which seemed to have been not more than 20 minutes in length.

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## LITTLE PRESS OPPOSITION TO COMMERCIAL TELEVISION SEEN

Discussing the recent engineering hearings before the Federal Communications Commission, Editor & Publisher, in an editorial in the current issue foresees little opposition to eventual commercialization of television.

"To date, there has been little resistance by newspapers to the thought that television may become a new advertising medium, subject to some of the limitations of aural broadcasting, but presenting some inherent advantages to certain advertisers", it states. "There has been little advocacy of the idea that television might be made available to the public by assessing owners of receiving sets a small license fee, as in Great Britain.

"Strong arguments exist on both sides. Television, like radio and motion pictures, is primarily a medium for entertainment and education. Intrusion of commercial sponsorship will arouse resentment, as it has among intelligent patrons of both radio and movies. Public opinion has brought some improvement in radio's commercial continuity, and it has almost entirely eliminated it from the films. Must this job be done again with television?

"Advocates of the license system point to Britain's radio procedure as ideal, but impartial investigation discounts this judgment. The British Broadcasting Company programs are not superior to American commercially sponsored presentations, despite their freedom from advertising. The BBC does not succeed in keeping the British ether free from commercial messages, broadcast by British firms via continental stations. Nor does the BBC disdain advertising revenues, gathering its share through advertisers' patronage of the magazine it produces from its non-commercial radio material.

"The time to consider all phases of television control is within the next year, before the thing bursts full formed as did radio and sound pictures. Protagonists of commercial sponsorship and government licenses have their opportunity now to put their ideas before the public, and guide the infant marvel by a plan which will guard both public and private rights."

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## THREE 100-WATT STATIONS RECOMMENDED BY EXAMINERS

The granting of construction permits for establishment of three 100-watt broadcasting stations in California, Texas, and Florida was recommended to the Federal Communications Commission this week by Examiners.

Applicants are: K. K. Kidd and A. C. Kidd, of Taft, Calif., for 1420 kc., daytime only; Navarro Broadcasting Association, Corsicana, Tex., for 1310 kc., daytime; and Earl Weir, St. Petersburg, Fla., for 1370 kc., unlimited time.

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## CENSUS REPORT ON STATIONS IN WEST SOUTH-CENTRAL STATES

Total receipts of the 65 broadcast stations in the West South-Central States from sale of radio time during the year 1935, amounted to \$3,684,427, William L. Austin, Director of the Bureau of the Census, Department of Commerce, reported July 21st.

The report covers all broadcast stations in the four West South-Central States which sold time during 1935, except one station in Louisiana which failed to submit a schedule. It includes 11 stations in Arkansas, 12 in Louisiana, 12 in Oklahoma, and 30 in Texas.

Slightly more than one-half (55.6 per cent) of the receipts from the sale of time 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.

Texas stations, with total time sales of \$2,220,821, accounted for 60 percent of all time sales in the four States. Of this sum \$1,265,791 (or 57 percent) was received from local advertisers. Oklahoma's stations received \$785,098 from the sale of time, but 62.5 percent of this was received from local advertisers.

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

The 65 West South-Central stations employed a total of 980 persons (monthly average) with an annual pay roll in 1935 of \$1,312,086, 89 percent of which was paid to full-time employees.

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U.I.R. TO URGE RADIO AS INSTRUMENT OF WORLD PEACE

The International Broadcasting Union, which recently concluded the twelfth of its annual series of Summer meetings at Ouchy, near Lausanne, will continue its efforts to preserve broadcasting as an instrument of peace and good-will among the nations, according to World-Radio, British Broadcasting Corporation organ.

Representatives of twenty-three European national broadcasting organizations took part in these meetings, as well as observers from fourteen European Post Office organizations. The Bureau of the Union Internationale de Telecommunications, the League of Nations, and the two large American networks - the



NBC and the CBS - the Dutch East Indies' Service (NIROM), and the Central Chinese Station of Nanking were also represented.

In the opening address of the Council the President, Mr. Rambert, Administrator-Delegate of the Swiss Broadcasting Society, announced that the number of receiving stations throughout the world had actually reached 57,200,000, and the total number of listeners at least 230 millions. Broadcasting has thus certainly become one of the most powerful (and in some countries the most powerful) means of influencing public opinion and general culture.

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#### CORRESPONDENT RAPS SALE OF POLITICAL TIME

Raymond Gram Swing, former editor of The Nation, told the Institute of Public Affairs last week at Charlottesville, Va., that radio may destroy American democracy unless its programs are better edited and political broadcasting is separated from commercialism.

The radio presents "public affairs in such a muddle of confusion that listeners are unable to cope with the flood of material", while another danger lies in the "sale of radio time for political purposes", he said.

The present method of handling public affairs, he said, leads listeners to conclude that they are "too difficult to think through."

Sale of radio time for political purposes is a "thorny problem", Mr. Swing declared. "But the principle that radio companies may derive revenue from selling political time is fundamentally repugnant to democracy, for it limits the radio to political interests which have money to pay for the time, and that at once makes ability to pay the test of time."

He expressed "sympathy" for broadcasting companies, which give their time free of charge three years, but which cannot afford to do so on election year, when so much more time is demanded.

"The truth remains", he added, "that the moment broadcasters sell time for political purposes, they cease to be democratic. If newspapers were to cease publishing political news unless they were subsidized by political parties, they, too, would cease to be democratic institutions."

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## NLRB CITES RCA IN CAMDEN LABOR ROW

The National Labor Relations Board announced July 19th through its Philadelphia office that it had issued a complaint accusing the RCA Manufacturing Company, of Camden, N. J., of fostering and assisting the Employees Committee Union in its plant in violation of "company union" regulations of the National Labor Relations Act.

The NLRB action followed a week-end of rioting in which 101 persons were arrested and held in total bail of \$523,000.

Both the RCA Manufacturing Co. and its parent organization, the Radio Corporation of America, were cited in the complaint, which, the Board said, was "based on charges filed by the United Electrical and Radio Workers of America, which is conducting a strike in the Camden plant."

The hearing of the complaint will be joined with a hearing fixed by the Labor Board for 10 A.M. next Saturday to determine the collective bargaining agency for plant employees.

Most of the 101 arrested are still in jail because neither the Union nor relatives and friends were able to raise the bail fixed by Justice Frank T. Lloyd of the State Supreme Court and Police Judge Lewis Libberman. The bail averaged about \$5,000 a prisoner, although it was \$10,000 in several cases.

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## PRESS WIRE NEWS FOR RADIO ON 18-HOUR SCHEDULE

A new 18-hour daily leased wire news service into broadcasting stations in 15 cities, chiefly eastern, has been started by United Press. Twenty of the 75 or more stations now being served by United Press will get the new service, it was stated, and it probably will be expanded gradually. The service, to start July 27, will bring UP reports specially written for broadcasting and ready to go on the air directly into the stations.

It will also include special radio features. It will run 18 hours a day, with UP absorbing the line costs. Webb Artz will be editor.

Following are the stations scheduled for the service: WEAf, WJZ and WHN, New York; WCAU and KYW, Philadelphia; WBAL, Baltimore; WBAX, Wilkes-Barre; WRC and WJSV, Washington; KDKA, Pittsburgh; WWVA, Wheeling; WJAY, Cleveland; WSPD, Toledo; WXYZ, Detroit; WGR and WKBW, Buffalo; WHAM, Rochester; WGY, Schenectady; WEEL, Boston; WDRG, Hartford.

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## GENERAL MEETING ON CAIRO PROPOSALS PLANNED

A general meeting of the committees preparing for Cairo Radio Conference will be held at 10 A.M., Wednesday, August 5th, in the offices of the Federal Communications Commission, Room 1413, New Post Office Building, 12th and Pennsylvania Ave., N.W., Washington.

An effort will be made at this meeting to complete the preliminary preparatory work on the Cairo proposals. If this can be done, it will not be necessary to hold any further meetings during the Summer.

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## N.Y. STATIONS HOLD RECORD MUSIC PUBLIC

New York City radio stations accused of "bootlegging" music through the medium of recorded selections played on the air intimated this week that they assumed the music is public property once a record is purchased, except in cases where public performance is expressly prohibited, according to the New York Times. The suits were filed last week under sponsorship of the National Performing Artists' Association.

A representative of WNEW, against which suit was brought by Paul Whiteman, said:

"We just go ahead and play any record we feel like using, as we have done for years. We utilize records constantly as a source of program material, and most artists are glad to have us do so. We have no arrangement with Whiteman or any other artist for the use of their recordings. Many stations of the country use records as we use them. As to the suit, we have twenty days in which to file a reply, but we do not yet know just what form it will take."

Speaking of WEVD, owned by the Debs Memorial Fund, Inc., Henry Greenfield, the station's general manager, said that recordings of Lawrence Tibbett's songs, particularly "De Glory Road", have been used "only on sustaining or non-commercial programs", and that he had not been aware it was on any "prohibited list" of the singer's repertoire.

In an action filed by Mr. Tibbett against the station, the singer said he made the record solely for use on phonograph machines and reserved for himself all other rights to the song.

A spokesman for Teleflash, Inc., against which Walter O'Keefe filed suit, said his organization had never used an O'Keefe recording of the recitation, "The Daring Young Man on the Flying Trapeze", as was alleged by the performer.

A representative of the Marcus Loew Booking Agency, against which Frank Crumit, radio singer, brought suit for an alleged commercial use of his recordings over WHN, said no action has been taken in the matter.

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## FIRST SOUTH AFRICAN RADIO RECEIVER MANUFACTURED

The Viking All-Wave Radio Receiver, the first radio receiver to be built in South Africa, attracted a great deal of attention at the Rand Agricultural Show held at Johannesburg recently. The Mars Manufacturing Co. (Pty.) Ltd., manufacturers of the set, reports that 150 of the sets were sold during the week of the show.

All electrical fittings and parts used in the Viking sets are imported, chiefly from the United States, and are mounted on a frame stamped in South Africa. Cabinet work is done locally of imported laminated wood with American walnut and bird's eye maple veneers. Retail prices including installation and one year's radio permit (£1.15s. per person in Johannesburg and varying through the Union) with 10 percent discount for cash, are as follows:

Nine tube radio-phonograph combination	£69.10s
Seven tube radio-phonograph combination	42.10s.
Six tube Table Set	25. 0s

The manufacturers claim that the set represents the most modern development in radio that it has been tested in America, and that the report on the tests shows "that the sets are equal or superior in R.F. performance as compared with the finest American sets of a similar size. . . . internal noise level of the tuning unit was the lowest of all." Silent tuning is another feature being stressed.

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## FINCH GIVEN PATENT FOR TELEPHONIC PHOTO DEVICE

A new patent (No. 2,047,863), of basic importance in the telephonic transmission of pictures, was issued July 14th to William G. H. Finch, head of the Finch Telecommunications Laboratories, Inc., New York, according to Editor & Publisher. Mr. Finch, holder of 10 patents covering radio and wire transmission of news and pictures said that his process is the only one which can practicably utilize the telephone for news picture transmission without violating the FCC rules prohibiting physical connection with telephone lines.

His system, according to the patent description, contemplates a novel method of inductively inducing picture signals into the telephone line at the transmitter by a novel portable member which may be applied to any telephone subscriber station call box.

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## KFUO PLANS \$3,000 EXPENDITURE FOR NEW EQUIPMENT

Station KFUO, the unique religious outlet operated by the Concordia Seminary at St. Louis, plans to spend \$3,000 in 1936 for new equipment to bring the station up to the standard required by the Federal Communications Commission, the annual report issued by Herman H. Hohenstein, Director, discloses.

"Our equipment, purchased in 1927, is holding out well", he said.

However, the station plans to buy a high voltage rectifier, monitoring equipment, and to make changes in its transmitter.

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## CBS JUNE BILLINGS 40.9% ABOVE LAST YEAR

Time sales on the Columbia network for June - highest June in CBS history - totalled \$1,502,768, an increase of 40.9% over the same month's billings in 1935. This marks the sixth successive month that CBS revenue has increased the gap between this and last year's figures.

These increases have been as follows: January over January, 7.5%; February over February, 15.4%; March over March, 18.7%; April over April, 20.8%; May over May, 35.9%. The total for the first six months of 1936 represents a 21.3% increase over the corresponding period of 1935.

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## COURT RESERVES DECISION IN TUBE SUIT

Federal Judge Francis G. Caffey reserved decision last Friday on an application for an injunction by the National Union Radio Tube Company seeking to restrain the Radio Corporation of America, the General Electric Company and the Westinghouse Electric and Manufacturing Company from cancelling a license agreement under which the plaintiff manufacturers millions of tubes a year.

The tube company declared that the defendants had threatened to abrogate the contract because it had failed to pay \$50,000 royalties under patent licenses held by the electrical companies. Benjamin A. Javits, counsel for the National Union company, argued that his client's claims against the defendants exceeded the sum of the royalties and accused R.C.A. of price-fixing and of giving preferential treatment to other licensees.

Opposing the suit, John T. Cahill, counsel for RCA, described the plaintiff's charges as "vicious and astounding." He told the court that RCA had generously helped the tube company through its financial difficulty by loans and otherwise and declared that the filing of the injunction action comes a month before a considerable debt of the National Union to RCA becomes due. He also questioned the plaintiff's good faith.

Others who argued against the suit were Bruce Bromley, for Westinghouse, who said the license agreement called for termination within thirty days if royalties were not paid; and Stephen H. Philbin for General Electric, who said the application did not give a cause in against General Electric and Westinghouse.

The tube company has a \$15,000,000 triple damage suit under the anti trust laws pending against the defendants, also in Federal Court.

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#### WMCA ADVERTISES BY QUOTING FROM ITS CRITICS

A novel advertising brochure has been issued by WMCA, New York, presenting a picture of the broadcasting station as seen by its critics. Prefaced by a humorous skit presumably from the pen of Donald Flamm, President, the WMCA brochure promises that it does not contain photos of executives, staff members, or equipment, biographies of executives, or photos of blues singers or dancers.

Showmanship ratings by Variety, program criticisms by newspaper and magazine commentators, WMCA coverage as seen by the radio engineer, the station's commercial record as seen by the advertisers, and finally "as seen by other stations" constitute the major sections of the brochure.

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#### NBC HAS NEW SYSTEM ON SPEEDING NEWS FLASHES

A new speed-up system for broadcasting news bulletins within seconds after they have been received has been installed in the Radio City studios of the National Broadcasting Company and went into operation July 20th.

The office of the supervisor of announcers has been converted into a broadcasting studio, with microphones, automatic volume control panel and other technical facilities built onto the supervisor's desk. The second a bulletin of transcendent importance is received, the announcer on duty can push a button which automatically connects his desk microphone to the networks and without any delay, read the important news over the air.

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