

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF OCTOBER 13, 1936

| | |
|---|----|
| Regional Stations Bombard Clear Channel Group..... | 2 |
| Radio Education Committee Makes Reports..... | 3 |
| Continued Progress Of Radio In Sweden Reported..... | 3 |
| Tax On Listeners Urged By Music School Head..... | 4 |
| WGY Seeks Power Increase To 500 KW..... | 5 |
| New Tube Seen As Boon To Television..... | 5 |
| U. S. Has All Stations It Can Support, Says Lafount..... | 6 |
| British Television Described In U. S. Market Report..... | 6 |
| 500 KW Station Would Cost \$16,000 A Month, FCC Told..... | 7 |
| Canada Blocks Plan To Transmit U. S. Programs..... | 7 |
| FCC Explains Law Giving Browder Radio Rights..... | 8 |
| "Who's Who" Lists Few Radio Notables..... | 9 |
| Television Signals Exceed 25 Miles..... | 9 |
| Industry Notes..... | 10 |
| Can Zenith Keep Up The Pace? | 11 |
| Radio Manual Issued By Education Office..... | 12 |

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October 13, 1936

REGIONAL STATIONS BOMBARD CLEAR CHANNEL GROUP

Releasing a bombardment of technical data, the National Association of Regional Broadcast Stations early this week attacked the claims of the so-called Clear Channel Group and urged the Federal Communications Commission to reject the latter's plea for super-power.

Paul D. P. Spearman, a former counsel of the Federal Radio Commission, took the lead in submitting surveys, analyses, charts and the like to support his contention that (1) there is no necessity for the clear channel stations to employ 500 KW power, and (2) such super-power is economically unsound.

He asserted that the clear channel stations, most of which now use 50 KW power, now reach more than 90 percent of the country's population and that the increased expense of jumping to 500 KW is not worth reaching the other 10 percent.

Analyses of the coverage of both the Columbia Broadcasting System and the two networks of the National Broadcasting Company were given by Mr. Spearman to show that network programs are available to practically the entire country. He declared that the majority of programs carried on the clear channels are of network origin and that these high-power stations consequently duplicate the service of regional stations of less wattage.

Unless the clear channel stations can offer a distinctive and un-duplicated program service to the listeners of the country, he said, there is no necessity for them at all.

Dr. G. W. Pickard, also appearing for the Association, discussed the technical aspects of the regional station claims in more detail. He presented lantern slides to support his contention that there is much duplication of service by clear channel stations.

Answering the assertion of the clear channel stations that they want more power to serve rural listeners, Dr. Pickard said that not only would 500 KW not provide reliable daytime service for the wide open spaces but that even 5,000 kw. stations could not give such service.

Turning to the international problems he charged that operation of 500 KW stations in this country would create interference in South America, in portions of Europe, in Asia and Africa, and over large portions of the Pacific Ocean.

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RADIO EDUCATION COMMITTEE MAKES REPORTS

The Federal Radio Education Committee, of which Dr. John W. Studebaker, U. S. Commissioner of Education, is Chairman, has made public two reports by subcommittees designated to outline the procedure which the Committee as a whole should follow in its radio work.

The Technical Subcommittee, under the chairmanship of Dr. W. W. Charters, Director, Bureau of Educational Research, Ohio State University, recommended sixteen separate and distinct projects for research and investigation. Problems to be studied include: the possibilities of organizing a comprehensive system of listening groups on a national basis, the use of broadcasts by schools, teacher training courses in the use of radio programs for instructional purposes, the development of an experience and idea exchange, and the influence of radio upon children and adults.

The Subcommittee on Conflicts and Cooperation, headed by Dr. Arthur G. Crane, President, University of Wyoming, and Chairman, National Committee on Education by Radio, recommended three projects: (1) the discovery, analysis, and tabulation of important difficulties and conflicts which have in the past or are currently reducing or preventing effective educational broadcasts; (2) a survey to discover the difficulties and conflicts, the successful devices and policies affecting the efficiency of broadcasting to classes in schools; (3) a study of the basic forces and principles at work in American broadcasting which affect educational values.

These reports are subject to review by the Executive Committee. Just how much of the program can be financed has not been determined as yet.

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CONTINUED PROGRESS OF RADIO IN SWEDEN REPORTED

That radio has been making notable progress in Sweden is revealed in a report to the Commerce Department from the American Commercial Attache at Stockholm.

Official statistics show that the number of receiving set licenses issued has progressively increased since 1929, totaling 109,953 in 1935 as against 66,822 in the preceding year. The total number of licenses in effect at the beginning of the current year was 843,143, it was stated.

Domestic production of radio apparatus in Sweden has sharply advanced in the past three years.

Imports of radio apparatus and parts into Sweden during 1935 were valued at 13,472,132 crowns (\$3,368,000) compared with 10,691,968 crowns (\$2,780,000) in the preceding year. Netherlands, Germany, the United Kingdom and the United States in the order named were the most important suppliers of Swedish radio imports during the past year, statistics show.

Swedish imports of American receiving sets and parts have sharply advanced since 1933, the report shows, increasing from a total value in that year of 337,752 crowns (\$74,300) to 1,542,716 crowns (\$385,600) in 1935. The improved position of American apparatus, it is pointed out, is particularly attributed to the greater demand for American parts because of the expansion in the local sale of short-wave sets.

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TAX ON LISTENERS URGED BY MUSIC SCHOOL HEAD

A direct tax on radio sets for the subsidy of entertainers was proposed this week at Rochester, N. Y. before 250 members of the Society of Motion Picture Engineers by Howard H. Hanson, Director of the Eastman School of Music.

Dr. Hanson declared that the huge costs of presenting programs by such groups as symphony orchestras should be borne by the listeners. He cited that it is impossible to support the finest of artists on the basis of box-office receipts alone, and public subscription campaigns must be conducted.

"Viewed from our American way of doing things, this may seem right and proper", he added, "but the fact remains that it places organizations which are not commercial in their conception upon a definitely unstable economic basis.

"Music should not be foisted upon the American people. Those who listen to it should in all fairness pay for it.

"There is much to be said in favor of the European system of a direct tax upon radios, the returns from that tax to be used solely for the subsidy of those organizations which cannot exist without financial support."

Several of the engineers took issue with Dr. Hanson.

"The public most certainly does pay for its radio entertainment when it buys its groceries, its cars and other products manufactured by radio sponsors", was the consensus of their views.

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WGY SEEKS POWER INCREASE TO 500 KW

WGY, Schenectady, N. Y., last week filed an application with the Federal Communications Commission to increase its power from 50 to 500 kilowatts. Along with this petition the General Electric Company asked permission to remove the WGY transmitter station from the South Schenectady plot on the Mariaville Road to some other location yet to be determined.

In making these applications, C. H. Lang, Manager of Broadcasting for the Company, explained that the Company desires - as in the past - to keep pace with the radio art, that other stations have applied to increase their power to 500 kilowatts, and that if WGY is granted this ten-fold increase it might be necessary to relocate the transmitting station and antennae equipment.

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NEW TUBE SEEN AS BOON TO TELEVISION

A new vacuum tube of novel construction, expected to have "far reaching effects" in the development of television and other services on the ultra-high-frequency waves, was described last week at a meeting of the Institute of Radio Engineers in New York City by A. L. Samuel and N. E. Sowers of the Bell Telephone Laboratories.

The new device, as reported by the New York Times, is actually two tubes inside one glass bulb or envelope three inches in diameter and two inches long. It generates ten watts of radio power at a wave length of about one meter (300,000,000 cycles). The tube is expected to help solve the problem of how to obtain high stable power for commercial services on waves now relegated almost entirely to pioneers in experimental fields.

Bell Laboratories engineers said the principles of construction found necessary for ultra-high-frequency efficiency in this tube can be applied to larger radio tubes with corresponding gains in power output. No number or name has yet been assigned; it is merely known as a "push-pull radio-amplifier pentode." The two sets of elements inside the glass bulb include two plates, two grids, two filaments and the necessary extra circuits to make the tube a pentode (five-element) device. Each element assembly is a half-inch long. Two-assembly construction, it was explained, greatly decreases the length of all necessary connecting wires and makes for higher efficiency at the shorter waves. Revolutionary glass techniques are also employed.

The elements are semi-cylindrical in shape being separated from each other by only two to three thousandths of an inch, thus permitting the electrons emitted by the hot filament to leap the gap to the plate without an appreciable time lag. This is one of the cardinal principles invoked.

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10/13/36

U. S. HAS ALL STATIONS IT CAN SUPPORT, SAYS LAFOUNT

The United States has all the broadcasting stations it can possibly support, Harold A. Lafount, a former Federal Radio Commissioner, told the Federal Communications Commission at the broadcast band hearing. Although he declared he spoke in behalf of no one, his pleas was largely for the protection of the independent broadcaster. The networks, he said, can take care of themselves.

Mr. Lafount submitted five proposals to the FCC at the conclusion of a review of the broadcasting setup. They are:

1. That no new broadcasting stations be licensed.
2. That action on the applications for 500 KW permits be postponed until additional information is available.
3. That mileage separation requirements of the Commission be discontinued.
4. That all part-time stations be urged to consolidate, to move to new locations where there are no existing stations, or be given an opportunity to become full-time stations.
5. All broadcasting licenses be issued for a two-year period.

Discussing his first point, Mr. Lafount said:

"With an increased number of stations, advertising rates must be decreased. With decreased advertising rates, more time must be sold in order to operate the station. With more sponsored time on the air, public service and sustaining programs must of necessity be reduced in number."

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BRITISH TELEVISION DESCRIBED IN U. S. MARKET REPORT

A thorough review of the technical aspects of British television is presented in a radio markets supplement just issued by the U. S. Bureau of Foreign and Domestic Commerce and available at 25 cents a copy.

Andrew W. Cruse, Chief of the Electrical Division and author of the report, concludes with the observation:

"The general reaction has not been one of disappointment, but the average 'televviewer' appears to be well aware that it will be some time before he can have a television set."

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10/13/36

500 KW STATION WOULD COST \$16,000 A MONTH, FCC TOLD

Operation of a 500 KW station costs about three times as much as a 5 KW station, or an estimated \$16,630 a month, Louis G. Caldwell, attorney for the Clear Channel Group, told the Federal Communications Commission.

He said that a broadcaster at present operating a 50 KW station, which is the power used by all but two of the 13 clear channel group, would have to expend \$310,000 initially to make the change in equipment.

Electrical current would cost \$6,500, as compared with \$1,600, for the 50 KW transmitter, he added, and the cost of tubes would jump from \$900 to \$4,000. Personnel of the lower-power outlet now averages \$800; the increase would be only \$200 for the super-power station. Miscellaneous expenses would rise from \$200 to \$440.

By adding depreciation charges of \$2,000 and \$4,630 to the maintenance costs of \$3,500 for the 50 KW station, and \$12,000 for the 500 KW outlet, Mr. Caldwell arrived at the total costs of \$5,500 and \$16,630 respectively.

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CANADA BLOCKS PLAN TO TRANSMIT U. S. PROGRAMS

A plan to transmit United States radio programs to Canada by remote control was blocked by the Canadian Radio Commission recently, an Examiner's report to the Federal Communications Commission disclosed this week.

The Ogdensburg Advance Co., Ogdensburg, N. Y., had filed an application for a permit to construct and maintain a studio at Ogdensburg at which programs would be produced and transmitted to Station CFLC, Prescott, Ontario, Canada.

The application was dismissed with prejudice upon the applicant's request, however, after the Canadian Radio Commission had entered a protest.

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An increase in power from 1 KW to 2½ KW daytime was recommended to the Federal Communications Commission this week for KSO, Des Moines, Ia., by Examiner Melver H. Dalberg.

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FCC EXPLAINS LAW GIVING BROWDER RADIO RIGHTS

John B. Reynolds, Secretary of the Federal Communications Commission has replied to the criticisms of organizations which have condemned the action of the Commission in investigating the refusal of Station WCAE, of Pittsburgh, to broadcast a speech by Earl Browder, Communist candidate for President.

Mr. Reynolds' letters, made public October 10th, pointed to those provisions of the Communications Act which set forth that where a station gives time to one candidate it must allow equal opportunity for others.

The letters were addressed to Mrs. Ralph M. Easley, Chairman of the Committee on National Defense Through Patriotic Education, Manhattan Chapter, National Society of the Daughters of the American Revolution, Rye, N. Y., and Archibald E. Stevenson, General Counsel of the National Civic Federation, New York City. That to Mrs. Easley follows, in part:

"In reply, your attention is invited to Section 315 of the Communications Act of 1934 providing among other things that if any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station and the Commission shall make rules and regulations to carry this provision into effect.

"Upon receipt of a complaint against Station WCAE filed by William Z. Foster, Chairman National Campgian Committee, Communist party, the Commission directed both the complainant and the station licensee to submit statements under oath setting forth all facts in order that the Commission might be fully informed in the matter for the purpose of performing its duty under Section 315 of the Communications Act of 1934.

"In your letter you state that other offenses are being committed, making particular reference to Section 6, Title 18, of the United States Criminal Code. Your courtesy in offering voluntary legal assistance is appreciated. This Commission, however, has no jurisdiction over the enforcement of the provisions of that section of the law. It is suggested, therefore, that you may wish to present full information concerning any evidence of violations of the United States Criminal Code to the United States District Attorney in the appropriate district who may prosecute delinquents for crimes and offenses cognizable under the authority of the United States."

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"WHO'S WHO" LISTS FEW RADIO NOTABLES

Further evidence that the radio industry is new and has not received its proper measure of recognition is the fact that so few of its leaders are listed in the 1936-1937 edition of "Who's Who in America" just off the press.

Aside from the biography of several members of the Federal Communications Commission, the work of only one Federal radio expert is apparently recognized. That is Dr. J. H. Dellinger, head of the Radio Research Section, Bureau of Standards.

An hour or more of searching through the latest edition of the book has revealed but ten sketches of radio industry leaders. By invitation they are written by the men themselves, and the data, therefore, is authentic. These include:

Gen. James G. Harbord, Chairman of the Radio Corporation of America; David Sarnoff, President of the Radio Corporation of America; William Paley, President of the Columbia Broadcasting System; Major Lenox Lohr, President of the National Broadcasting Company; Commander E. F. McDonald, Jr., President of Zenith Radio Corporation; Powel Crosley, Jr., President of Crosley Radio Company and WLW, Cincinnati; Atwater Kent, who recently retired from the radio manufacturing business; A. L. Ashby, Vice-President and General Attorney for the National Broadcasting Company; Thomas P. Littlepage, radio counselor and Oswald F. Schuette, Public Relations Counselor for the Radio Corporation of America.

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TELEVISION SIGNALS EXCEED 25 MILES

It had been previously estimated that television signals from the BBC station at the Alexandra Palace would provide satisfactory reception to owners of television receivers within a radius of approximately twenty-five miles from the transmitting aeriels.

During the recent tests, however, it was found that signals were received in places as far distant as Birmingham, Nottingham, Bournemouth, and Felixstowe, the BBC reports.

"While it is as yet too early to say definitely whether such reception is only of a 'freak' nature, or whether it may become a regular practice, it is now felt that the original estimate of twenty-five miles was on the conservative side," it observes.

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 :::: INDUSTRY NOTES ::::
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French manufacturers are active in propaganda against American radio imports, according to the Radio Manufacturers' Association. The radio trade press of France, it is stated, contains attacks against American radio, charging that imports of radio parts from the U. S. have injured French manufacturers.

"Reduction of American import quotas under the reciprocal trade treaty with France is an apparent object of the French manufacturing interests and other French industries are also agitating for additional protective tariff action", the RMA statement said.

The RMA Export Committee, of which S. T. Thompson, of Long Island City, is Chairman, has called the matter to the attention of the State Department at Washington, to protect the American trade interests involved.

Sir John Reith, Director-General of the British Broadcasting Corporation, will pay his respects to the National Broadcasting Company, now celebrating its tenth anniversary, on Thursday, October 15th, from 6 to 6:30 P.M., E.S.T., over the NBC-Red Network from London, England. The special broadcast will also include the BBC Variety Orchestra and prominent English radio stars giving their impressions of an old English Music Hall.

Applications for exhibit booths in the first National Parts Trade Show to be held under the auspices of the Radio Manufacturers' Association and the Institute of Radio Engineers, at Chicago next Spring, soon will be forwarded to all manufacturers of radio parts, accessories and tubes, according to Bond Geddes, Executive Vice-President and General Manager of the RMA. The Stevens Hotel, Chicago, has been chosen for the National Parts Trade Show, which will be held either late in May or early in June and probably in conjunction with the thirteenth annual convention of the RMA and also Spring meetings of the IRE.

Announcement was made recently in Los Angeles by Donald Thornburgh, CBS Vice-President in charge of coast activities, of the appointment of John M. Dolph as Coast Sales Manager for the Columbia Broadcasting System. Mr. Dolph entered advertising at the close of the War as a partner in the W. S. Kirkpatrick Advertising Service in Portland, Oregon. Since then he has been head of his own agency in Los Angeles, and a New York and Philadelphia executive for N. W. Ayer & Son. His headquarters will be maintained in San Francisco.

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CAN ZENITH KEEP UP THE PACE?

This question is asked in "Commerce" official magazine of the Chicago Association of Commerce, which goes on:

"It is a question which diverts LaSalle Street month in and month out as the stock of the West's principal radio manufacturer continues to spiral upward.

"Zenith has been one of the sensations of LaSalle Street. It has multiplied its price by eight in the last year and has risen from under \$5 to \$39.50 (current at this writing). Literally hundreds of men in LaSalle Street offices watched it month on end with an order to 'buy on the backswing.' They had a rare opportunity to do so early in August when stop-loss orders and other factors gave Zenith one of its few set-backs.

"This department does not run a 'tip' service. It does not advise purchase of stock. Its conductor a year ago thought that the profit on a purchase at \$5 and a sale at \$7 a share was sufficient on Zenith.

"He and few others realized then and few know now that a new giant in the radio industry was in the making. The new giant was no youngster but it grew with such prodigious rapidity that even the men at the head of it could not quite see where it was going. It now ranks 2-3 in the American radio industry and is the biggest company in the world devoted exclusively to the production of the single product, receiving sets.

"Zenith's policy formerly was to advertise sets at \$2,500. At that time its popular line sold around \$280. When the depression arrived the necessity for a new policy was obvious. Throughout 1929 its sales sank lower and lower. For the year constituted by eight months in 1929 and four months in 1930 it fell from a million dollar profit to a \$258,000 loss and its stock tumbled from \$62.50 a share to \$2 a share. In the early depression days the so-called wealthy were scratching for dimes while their securities and properties were sinking in value and there was nobody to buy Commander McDonald's deluxe radio receivers. Mr. McDonald and his associates realized that they could adapt the quality features and performance of their product to a moderate priced radio and quickly began effecting a change to reach the popular priced market. This took two or three years of hard work but was successful from the start and the company is now in its fourth year 'in the black.'

"The two big months of the Autumn season are October and November. When these are past Zenith will move out of the familiar old quarters at 3620 Iron Street and the beehive of surrounding buildings into which its production has splashed over. In December it will begin production in a West side plant in

10/13/36

which it will have 400,000 square feet, nearly all on one floor, with 150,000 square feet vacant adjacent to it for expansion. This is the former Majestic plant on Austin Avenue."

"Zenith is a speculative stock and has not paid a dividend since 1929. Control is held within the company's officers and there are about 5,000 stockholders outside. It is said in LaSalle Street that insiders were buying the stock all the way from \$2 up and were still buying it at the price of \$39.50, the figure when this review was written.

"The company has just paid \$410,000 for its new plant and is setting aside \$200,000 for the erection of a heating plant and moving its equipment in December, all out of earnings. The plant is conceded to be a bargain but just what effect the outlay will have on dividend policies in 1936 has not been made known. Before the depression, under the old policy, Zenith paid 50 cents quarterly with extras.

"The question 'Can Zenith keep up the pace' can be answered by the results of its Spring sales meeting - \$4,200,000 in orders for immediate delivery against \$1,200,000 a year ago - and by the fact that its 2,000 employees are working full time through August, one of the critical months. Zenith does not make sets unless it sells them. Zenith's outlook is to continue capacity production for some time and after its December move, to produce with a greater margin of profit than now.

"The half year for Zenith ends October 30. At that time holders of the stock hope for a statement predicting just how far the new young giant has gone as a money maker in 1936."

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RADIO MANUAL ISSUED BY EDUCATION OFFICE

A radio manual giving suggestions to school and non-professional groups for the production of radio programs has just been issued in mimeographed form by the Educational Radio Project of the U. S. Office of Education.

The Educational Radio Project has published also a "Glossary of Radio Terms", which will be invaluable to the beginner. A manual giving suggestions for organizing and administering radio production units will be forthcoming. These publications may be secured on request from the Educational Radio Project, U. S. Office of Education, Washington, D. C.

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