# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

# CONFIDENTIAL - Not for Publication

INDEX 3

INDEX TO ISSUE OF NOVEMBER 3, 1936

| Pratt Explains Origin Of Vandenberg Disk Broadcast   |
|--|
| Canada To Resume Messages To Far North5              |
| U. S. Proposes Frequency Tolerances To C.C.I.R6      |
| Broadcasters Reap About \$2,000,000 From Campaign7   |
| Low Power Stations Do Small Share Of Radio Business8 |
| National Lutheran Radio Week Called Successful9      |
| Zenith Offers Guarantee To Its Distributors          |
| A. T. & T. Files Brief Attacking FCC Order           |
| Industry Notes                                       |

No. 977

OX

F. P.J. Wy

## PRATT EXPLAINS ORIGIN OF VANDENBERG DISK BROADCAST

Predicting that the use of records in political campaigns and public addresses will become an accepted practice, Ben K. Pratt, of the G.O.P. Press Division, Chicago, explained the origin and procedure of the sensational Vandenberg broadcast in a letter to the Heinl News Service.

Mr. Pratt, a former Examiner with the old Federal Radio Commission, was generally credited with developing the innovation in the political use of radio.

Fred Gennett, of the Starr Company, Richmond, Ind., who specializes in the manufacture of electrical transcriptions, apparently was the key man in the stunt as he possessed the records of addresses by President Roosevelt back in 1932. He tried to interest the G.O.P. headquarters in the records as early as last May, Mr. Pratt said, but nothing came of it at the time.

Later, after Hill Blackett had become Director of Public Relations in Charge of Radio for the Republican National Committee, the idea was adopted and Mr. Pratt was put in charge and directed to find some recordings of Roosevelt speeches.

It was first planned to have Bill Hard, the G.O.P. commentator, engaged in imaginary debate with the President. The suggestion was made that Governor Landon himself do it. Both plans fell through, however.

Henry A. Rahmel, radio engineer and instructor on leave from the Massachusetts Institute of Technology, was given the job of examining all available Roosevelt records and picking out the ones suitable for broadcasting. Copies were made of the transcriptions then so that unusable portions of the speeches could be deleted.

"In addition we had to go over the speeches for politically vulnerable excerpts", Mr. Pratt said. "This necessitated a great amount of work, particularly on the part of Rahmel.

"In the meantime, I had taken his marked copies of the speeches that we had records for and had sent a file of them to our Research Division, so that proper answers could be prepared.

"Blackett, after casting about for someone to take the place of 'answerer', finally got in touch with Senator Arthur H. Vandenberg of Michigan, who immediately accepted the assignment.

"Working with the Research Division, we picked out a number of excerpts from the acceptance speech of '32 and the inaugural address of '33. These were transferred to a separate record, leaving spaces between the excerpts so that Vandenberg could answer. Rahmel and I then went to Grand Rapids, Michigan, taking these excerpts together with the answers prepared by the Research Division of the Republican National Committee, and conferred for two days with Senator Vandenberg. Naturally there was considerable revision and re-editing. Finally after several conferences it was decided just which excerpts were to be used, this decision coming in the main from Vandenberg.

"We then returned to Chicago, leaving copies of the speeches with the marked excerpts with Vandenberg. In a day or so he had written the complete script himself, including both the excerpts and his answers to them.

"Rahmel in the meantime had been busy re-recording these excerpts on two records. They had to be rushed to New York for pressing and then air-expressed back to Chicago. This was the week prior to the Saturday of the broadcast.

"Senator Vandenberg arrived in Chicago Saturday morning. Senator Vandenberg, Mr. Blackett, Mr. Rahmel and myself then went on Saturday to the Tropical Room of the Medinah Athletic Club here in Chicago, from which place the program was to be broadcast. We spent most of the day rehearsing until finally we had everything letter perfect. However, we never were able to get a dress rehearsal because by the time we were ready for the dress rehearsal the invited guests had started to assemble, including newspaper people. We did not want any inkling of what was going to happen to get out.

"I had had complete copies of the script mimeographed, but nothing was released to the papers until after the broadcast had started.

"The broadcast went on at 8:30 P.M., E.S.T. Prior to that engineers from the Chicago Tribune and the Columbia Broadcasting System had come in to set up their apparatus. In some way H. Leslie Atlass, Vice-President and Western Manager of Columbia, found out about the situation. This was about fifteen or twenty minutes before the broadcast was to go on. He came over and got in touch with Mr. Blackett, and his decision was that transcriptions could not be used. However, there was a conference and he rushed back to his office across the street in the Wrigley Building, where there was much telephoning.

"Finally at about 8:30 I stepped to the microphone in the capacity of master of ceremonies, and made my preliminary announcement, introducing Senator Vandenberg. For the first three or four minutes we were not on the air over Columbia. They were listening, however, in the control rooms. A decision was made by someone to go ahead with the broadcast. In the meantime it was being carried in full over WGN, the Chicago Tribune station. We, however, went ahead as though nothing were happening.

"The novelty of the thing came as a complete surprise to practically everyone in the room, which included high officials of the Republican Party and others prominent in business and newspaper life. I had asked them not to applaud during the broadcast because of lack of time, but the expressions on their faces when they heard the voice of Roosevelt come from the loudspeaker were amusing. We had the loudspeaker on a little raised platform immediately back of the microphone where Vandenberg and I stood. It was draped and insofar as the audience was concerned looked merely like a stand. After the first excerpt using Roosevelt's voice we pulled the drapes aside and all could see it was a loudspeaker.

"The broadcast continued to its end, and then the newspaper men crowded around the Columbia announcer and engineers to
find out what had happened, it being noised about that we had been
cut off the air.

"We had taken the precaution to have the full program recorded over the WGN wire. We immediately sent Rahmel to New York with this recording; masters were made, and from the master recording pressings were made, which we sent out all over the country.

"The hardest part of the whole job was the part taken by Rahmel because of the technical difficulties he encountered in transferring records that were four years old.

"The statements have been made that we deliberately attempted to malign the voice of Roosevelt by not making it as clear as necessary. The fact of the matter is that we did everything we could to clear up the Roosevelt voice. It was to our advantage to have his voice as clear and understandable as possible, so there could be no mistaking. It would have been silly for us to have jumbled his words in any way because we wanted everyone to recognize who it was who was speaking.

"The Roosevelt speech recordings were picked up originally by Mr. Gennett; that is, the ones we used. Others we got in many other places, including New York. However, as you may recall, in those days there was only spasmodic recording of political speeches, and we could not get all of them.

"I believe the use of records will become an accepted part of the political campaigns of the future. I believe that this established a new step in political battling, and I think it is one of the most fair ways in which a man can be quoted. As you and I both know, I may quote a man perfectly and by inflection, even though I use his exact words, destroy the meaning of what he says. With recordings there can be no mistake in his meaning because you hear him say what he said in just the way he did say it, with all inflection, etc. I do believe it will make public speakers a little bit more careful about making promises that may fall back and him them years later.

"Some objection was made to the effect that we only took the excerpts we wanted to from his speeches. Has not this been the practice of public speakers ever since political campaigning began?

"There was absolutely no violation of the ethics of political campaigning in this program. As a matter of fact, it was far more fair to Mr. Roosevelt to use his exact words and his inflections than to merely quote from his speeches, which we have a right to do and which has been done many times. Mr. Roosevelt himself has done the same thing in quoting other speakers, so I can hardly see how he or a fair minded person could possibly object.

"I do believe that recordings of the speeches and statements of presidents, cabinet officers and other highly placed executives will ultimately become the historical record of the country and will be of untold value to future generations. For example, wouldn't it be a wonderful thing if today we had a recording of Lincoln's Gettysburg Address or the Washington Farewell Address?"

#### X X X X X X X X X X

#### CANADA TO RESUME MESSAGES TO FAR NORTH

On Saturday, November 7 at 11 P.M., EST, the Canadian Broadcasting Corporation will put into operation for the fourth consecutive season the "Northern Messenger" service to the far north. The renewal of this service will make possible once again the broadcasting of personal messages from friends and relatives of hundreds of persons in the northern and Arctic regions who are otherwise out of touch with civilization during the Winter months.

"Those desiring to have messages transmitted are invited to address letters to any Corporation station or to the Corporation headquarters at Ottawa", the Canadian Corporation stated. "All messages written in either French or English, with the exception of code messages, will be transmitted as far as possible during the first program period following their receipt."

## U. S. PROPOSES FREQUENCY TOLERANCES TO C.C.I.R.

The United States Committee preparing for the fourth meeting of the C.C.I.R. at Bucharest this week submitted to the State Department its proposed scale of frequency tolerances for all classes of radio transmission. The opinion will be transmitted to the International Telecommunication Union at Berne, Switzerland.

The U. S. proposal was based on the premise that "technical progress in the maintenance of frequencies is such that all stations can be held within suitable tolerances as to frequency, thus avoiding the undesirable interference caused by the wide frequency variations if transmitters required to conform only to instability specifications."

The Committee's proposal is that all stations be required to be operated within the following tolerances, the first listing to be applicable only until January 1, 1940:

|    |   | Tolerances for transmitters installed before Jan. 1, 1934 | Tolerances for new transmitters installed after Jan. 1, 1934 |
|----|---|---|--|
| Α. | From 10 to 550 kc (a) Fixed stations (b) Land stations (c) Mobile stations using                            | 0.1%  | 0.1%<br>0.1%   |
|    | specified frequencies (d) Mobile stations using damped waves or simple                                      | 0.5%  | 0.5%   |
|    | oscillator transmitter<br>(e) Broadcasting stations   | s 1.0%<br>0.05 kc   | 0.5%<br>0.05 kc  |
| В. | From 550 to 1500 kc. (a) Broadcasting stations  | 0.05 kc.  | 0.05 kc  |
| C. | From 1500 to 6000 kc (a) Fixed stations (b) Land stations (c) Mobile stations using frequencies not normal: | 0.03%<br>0.04%  | 0.01%  |
|    | used for ship radio-<br>telegraph transmission<br>(d) Mobile stations using                                 | s 0.05%   | 0.02%  |
|    | any wave within the bar   | nā 0.1%   | 0.1%   |
| D. | From 6000 to 30,000 kc. (a) Fixed stations (b) Land stations  | 0.02%<br>0.04%  | 0.01%<br>0.02%   |

## D. From 6000 to 30,000 kc. (Continued)

(c) Mobile stations using frequencies not normally used for ship radiotele-graph transmissions 0.05% 0.02% (d) Mobile stations using any wave within the band 0.1% 0.1% (e) Broadcasting stations 0.01% 0.01%

## X X X X X X X X X X X

## BROADCASTERS REAP ABOUT \$2,000,000 FROM CAMPAIGN

Although final figures on expenditures of all political parties for time on the air during the presidential campaign may not be available until party reports are filed in Congress, indications on the eve of the election were that the total may reach nearly \$2,000,000.

Although the major parties were slow to start their active campaigns this year, the fever point it has attained during the last few weeks has brought dollars rolling into the pockets of broadcasters throughout the country.

Preliminary estimates are that the Republican National Committee has spent \$800,000 for radio time, while the Democratic National Committee has used \$500,000. These figures do not take into account the money spent for regional hook-ups and local time by State and Municipal Committees and candidates.

"Including the time buying by minor parties", says Broadcasting, trade organ, "it is conservatively estimated that not less than \$2,000,000 will have been spent with the networks and stations during the 1936 political campaign.

"CBS and MBS have declined to divulge political revenues until the campaign is over, but NBC reported that up to October 17 the Republicans had spent \$275,000 on its two networks, and had \$90,000 more worth of time booked for the rest of the campaign. Democrats, NBC reported, up to the same date had spent \$165,000 on its networks, the Communists \$20,000. On NBC-owned and managed stations political revenues up to Oct. 17 amounted to \$75,000 from all parties. The Democrats had \$65,000 more worth of time booked, the Communists \$15,000, the Socialists \$7,000 and the Union Party \$9,000."

"The Communist radio campaign has been one of the surprises of the political picture", comments Newsdom, publishers' newspaper. "Financed by small contributions, and with Earl Browder, presidential nominee, as the main speaker, the party

has staged eight national broadcasts of fifteen minutes each, at a cost of \$32,000, according to the Communist headquarters.

"But \$33,000 more has been spent for local broadcasts in many sections of the country, a technique found valuable by other minor parties, notably the Socialists.

"In New York State, for example, the Communist party has given six fifteen-minute programs over state networks, three New York City broadcasts and thirty short programs over local stations, at a total cost of only \$5,500, an unusually small cost for such coverage in a most densely populated area.

"The Socialist party has spent \$15,000 for four national broadcasts upon major issues, and from \$15,000 to \$20,000 on some forty local programs."

## X X X X X X X X

## LOW POWER STATIONS DO SMALL SHARE OF RADIO BUSINESS

New data on the broadcasting power issue before the Federal Communications Commission came this week from the U. S. Census Bureau as it announced complete figures on the exhaustive economic survey of American radio stations.

Filling in figures that were released last August, the Census Bureau observed that the 238 stations operating with a minimum power of 100 watts or less in 1935 did only 11.4 per cent of the year's \$86,492,653 business although they constituted 42.8 per cent of all commercial broadcasting outlets.

"There were 37 stations in the 200 and 250 watt group (only two operated with 200 watts power)", the report states. "The number in this group represented 6.6% of the total and did 2.7% of all station business. In the next group, for the most part 500 watters, were 94 stations, or 16.9%, of the total number and they did 13.5% of the total business. Thus the stations operating with a minimum power of less than 1,000 watts represented two-thirds (66.3) of all stations, but did only slightly more than one-fourth (27.6%) of the total business."

"It is interesting to note that as power increases the relative importance of local advertising decreases. Stations with power of less than 1,000 watts accounted for only 27.6% of total station time sales, but for 42.1% of time sales to local advertisers. Stations with 50,000 watts or more accounted for only 16.1% of the local business although they did 32.4% of all business.

"More than one-half (55.5%) of all radio stations did less than \$50,000 of business each in 1935. These stations accounted for only 11.8% of all 1935 stations business. Thirty

of these stations, however, operated less than 12 months in 1935. Considering only those stations that operated during the entire year, 53% received less than \$50,000 annual revenue.

"Stations with low revenue received most of their business from local advertisers. Those in the less than \$50,000 group accounted for 20.3% of all local advertising revenue. Of the total business of these stations, 85.1% was from local advertisers.

"Stations with low revenue were, in general, stations with low power. Thus, of the 309 stations with less than \$50,000 revenue, 208 operated with 100 watts, 72 with 101 to 999 watts, 25 with 1,000 to 4,999 watts, and four with 5,000 watts or more. Only 25 of these stations were affiliated with a network.

"Revenue per station increased with the size of the community, the 111 stations (19.7% of total) located in the 17 cities of 400,000 population and over doing 51.9% of all station business, the Bureau found. More than a fourth (27.6%) of all commercial stations were located in communities of less than 25,000 but they received just 5.6% of the total station revenue. Two-thirds of these locals operated with 100 watts or less and only 13.6% had power of 1,000 watts or more.

"It should be noted that the lower power stations obtain the bulk of their revenue from local advertisers regardless of the size of the community in which they operate", said the Bureau. "The relatively higher amount of local advertising of stations under 5,000 watts power operating in cities with a population of 400,000 or over is probably due to the fact that most of such stations were not affiliated with a network."

## X X X X X X X X

## NATIONAL LUTHERAN RADIO WEEK CALLED SUCCESSFUL

Observation of National Lutheran Radio Week October 25-31 was carried out with Lutheran broadcasts in every locality where a radio station was available, the Directors of KFUO, St. Louis, the Lutheran station, report.

The Rev. Herman H. Hohenstein, Director of Station KFUO, made the following statement in connection with National Lutheran Radio Week:

"The Lutheran Church regards radio as an effective means of carrying out the Lord's commission. 'Preach the Gospel to every creature.' Through KFUO, the Lutheran Hour, and the many independent Lutheran broadcasts throughout the North American Continent, millions of souls, during National Lutheran Radio Week, heard messages on the doctrine of the Bible and of the Reformation, namely 'that a man is justified by faith, without the deeds of the law.'"

## ZENITH OFFERS GUARANTEE TO ITS DISTRIBUTORS

Offering what is said to be the first guarantee of its kind, the Zenith Radio Corporation has sent guarantees, accompanied by explanatory letters, that Zenith will not change its present line of radio sets or add new ones before the end of the current radio season in April, 1937.

"Without such a guarantee no radio inventory is a safe investment for the dealer", the letter states. "You should impress your dealers with the thought that cabinet changes in the middle of the season are not made for his benefit, but for the benefit of the manufacturer whose models did not move as he expected.

"Any dealer who is foolhardy enough to purchase any stock of any manufacturer without such a guarantee from now on until April is likely to find himself loaded with old models that do not move. If you can get your dealers to demand the same kind of guarantee in writing from other manufacturers and distributors that you are willing to give now that you have our assurance, you may be able to save them many dollars and you will acquire for yourself and Zenith the larger degree and the greater confidence which our policy of protecting the dealer merits. Such a guarantee will not only protect the dealer's stock but also his time payments, as the public will not want to continue time payments on radios purchased in November that are obsolete in January."

#### XXXXXXXXXXX

## SARNOFF AND MARCONI IN ARMISTICE DAY BROADCAST

Two airplanes, flying high over New York, will be the focal points of a special four-way short-wave broadcast between the United States and Europe on Armistice Day. Messages of peace and international goodwill will be exchanged by outstanding American and European radio leaders.

David Sarnoff, President of the Radio Corporation of America; Senator Guglielmo Marconi; Robert Jardillier, French Minister of Communications, and Maurice Rambert, President of the International Broadcasting Union, will take part in the broadcast.

The program will be heard from 2:15 to 2:45 P.M., EST, over the NBC-Red Network, and will be sent to Europe by short-wave.

The broadcast will occur during a flight to Buffalo,

Niagara Falls and Washington D. C. appeared for a large delaga-

Niagara Falls and Washington, D. C., arranged for a large delegation of European radio executives, who will be in this country for a study of American broadcasting methods and facilities.

X X X X X X X X

11/3/36

## A. T. & T. FILES BRIEF ATTACKING FCC ORDER

Briefs were filed with the United States Supreme Court last week by the American Telephone and Telegraph Company and associated companies and by the General Telephone Company group in suits to enjoin the enforcement of an order of the Federal Communications Commission prescribing a uniform system of accounts for telephone companies.

A reply brief by the Commission is expected this week. Oral argument, with each side allotted one hour and a half, are scheduled for Nov. 13.

John Dickinson, First Assistant Attorney General, will argue for the Department of Justice and the FCC. John E. Benton, General Solicitor for the National Association of Railroad and Utility Commissioners, will present the arguments of that group. William D. Mitchell, former Attorney General, and Charles M. Bracelen, General Counsel of the A. T. & T. Company, will represent the Bell System, and Alden Klots will appear for the General Telephone group.

A ruling by the Supreme Court is anticipated by both sides before the postponed date of Jan. 1, 1937, for effective operation of the new accounting system.

## XXXXXXXX

NBC SIGNS WSM AGAIN, TO BOOST NETWORK RATES

The National Broadcasting Company late last week renewed its contract with WSM, Nashville, and thereby defeated an apparent move on the part of the Columbia Broadcasting System to take over the station as it had three other NBC outlets in recent weeks.

At the same time it was disclosed that NBC is planning to boost its network rates on both the Red and Blue hook-ups probably January 1st.

## X X X X X X X X

Judge Sykes, one of the Federal Communications Commissioners is scheduled to speak from Washington tonight over the NBC-Blue Network on the subject "Sixteen Years of Broadcasting." Judge Sykes' address will have special significance for the broadcasting industry since it marks the anniversary of the beginning of broadcasting on a regular schedule. On Election Eve, 16 years ago, KDKA, which claims to be the country's pioneer radio station, broadcast bulletins on the presidential election that put Warren G. "araing in the White House.

| the same of the sa |   |   |
|--|---|---|
| 1  |   |   |
| • • • •  | • | ۰ |
| :::: INDUSTRY NOTES ::   |   |   |
| · · · · THIOQINI NOIDO · ·   |   |   |
|  |   |   |
| 1111   |   |   |

William C. Perry, Musical Director for the NBC studios in New York and former director of many Broadways shows, died at the Banning Sanitarium, Banning, Calif., after an illness of several months. His age was 40.

CBS has distributed a handsome brochure concerning the return of the Chevrolet program with Rubinoff and other artists to a 92-station hook-up on October 18. The brochure also calls attention to the commercial success of Chevrolet, which led the low-price auto field this year.

NBC will be host to 1600 distinguished guests during a special Tenth Anniversary banquet in the Grand Ballroom of the Hotel Waldorf-Astoria in New York on Monday evening, November 9th.

Station KFYR, Meyer Broadcasting Co., Bismarck, N. D., has applied to the Federal Communications Commission for a modification of license to change power from 1 kilowatt nighttime, to 5 kilowatts daytime day and night. It now operates on 5 kilowatts daytime.

Under the title "Great and Growing Greater", NBC has issued a "blue book" describing the expansion of the NBC-Blue network. E. P. H. James, Advertising and Sales Promotion Manager, stated that in the first nine months of 1936 advertisers had spent well over \$8,000,000 in NBC-Blue network time.

Expenditures for the first nine months of 1936 show that the drug industry still retains its 1935 title of the greatest user of NBC network facilities with an expenditure of \$7,741,753. The next ranking user is, again, the food industry, with an expenditure of \$6,841,437.

The most important gain was recorded by the automotive industry, which so far this year has expanded \$1,940,603 with NBC, as compared with \$1,127,528 for the same period in '35.

X X X X X X X