

HEINL RADIO BUSINESS LETTER

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FCC ENGINEERING DEPARTMENT SPEEDS REALLOCATION REPORT

Aiming to submit a preliminary report to the Broadcast Division of the Federal Communications Commission before Christmas, the FCC Engineering Department is beginning to draft its recommendations after a study of the mass of testimony and evidence presented to the October broadcast hearing.

While it is still too early to predict what policies may be adopted by the Commission, indications are that the engineers will have definite proposals to make with regard to super-power, clear channels, and other controversial issues debated at the hearing.

Taking cognizance of the predominance of economic factors discussed at the inquiry, the engineers probably will recommend the creation of a new section of the FCC to keep in touch with the economic trends in broadcasting just as the engineers follow the technical developments.

Establishment of such a section, it is believed, would enable the Commission to obtain first hand information on the market and trade factors in allocation broadcast facilities. With the quota system abolished, the FCC already is giving more attention to the economic questions, such as whether a community is able to support an additional station and whether a new outlet might undermine the investment in existing stations.

Whatever new policies are adopted by the Commission probably will not become effective before early Spring. Reports now prevalent are that the FCC order may be issued about mid-February to become effective at the end of 30 days.

The super-power and clear channel issues offer much more difficult problems for the engineers and the Commissioners because of the sharply divided opinion among broadcasters. As a consequence, the engineers are expected to recommend that each application for 500,000 watts be considered on its individual merits rather than that any broad policy for handling such applications be adopted.

There are also indications that the engineers may propose the further breaking down of clear channels to make way for a new class of stations using directional antennas. One prediction is that the number of clear channels will be reduced from 30 to 25.

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Horizontal increases in power for both regional and local stations is expected in view of the lack of opposition to this demand at the October hearing.

To make room for more broadcasting stations the "high fidelity" band of 1500-1600 kc., now in the experimental category, may be opened with ten channels to accommodate about two-score new regional stations. Applications for assignments in this band have been filed already in anticipation of this change.

As was predicted in October, there appears no likelihood of any general reallocation of facilities such as that of 1928. Existing stations, providing they are performing good service, rather will be given the preference in the allocation of improved channels or power increases, it is believed.

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CRUSE NAMED FCC AID: STILL IN COMMERCE DEPARTMENT

Although Andrew W. Cruse, well-known in the radio industry as Chief of the Electrical Division of the Bureau of Foreign and Domestic Commerce, has been appointed Assistant Chief Engineer of the Federal Communications Commission, he had not left his post at the Commerce Department early this week.

While it was assumed that the delay was due to inter-departmental courtesy, Mr. Cruse said that he did not know when he would leave the Commerce Department job.

A graduate of the Naval Academy, Mr. Cruse has been with the Commerce Department since 1933. He has specialized in television research and was the official U. S. Government observer of television on a European tour in 1935.

When he joins the FCC, he will be assigned to the Telephone Division, filling a vacancy created by the resignation of W. G. H. Finch more than a year ago.

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Venezuela has allocated 2,817.80 bolivars (\$717) to the Caracas Police Corps for 12 radio sets for the use of the motorized police units. The sets are being supplied by an American firm.

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TELEVISION DEVELOPMENTS LEAD INDUSTRY MERRY CHASE

That the development of the art of televising are changing so fast that the industry is having difficulty keeping apace, was indicated by David Sarnoff, President of the Radio Corporation of America recently in a lecture before the Franklin Institute of Philadelphia, in which he said:

"In our present field tests we are using 343-line definition. In cooperation with the industry, we have recommended to the Federal Communications Commission the adoption of 441-line definition as a standard for commercial operation. Our New York transmitter will be rebuilt to conform to the recommended standards. That also means building receivers to conform to the new standards of the transmitter. The necessity of synchronizing transmitting and receiving equipment carries with it serious responsibilities. On the one hand, standards cannot be frozen prematurely or progress would be prevented; on the other hand, frequently changing standards would mean rapid obsolescence of television equipment."

Speaking along the same line to members of the press assembled at the recent television demonstration in New York, Mr. Sarnoff said:

"In our present field tests we are using 343-line definition. Radio Corporation of America and the radio industry have, through the Radio Manufacturers' Association recommended to the Federal Communications Commission the adoption of 441-line definition as a standard for commercial operation. Our New York transmitter will be rearranged to conform to the recommended standards. That also means building synchronized receivers to conform to the new standards of the transmitter."

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FCC GRANTS 54 NEW STATION PERMITS DURING THE YEAR

With still several weeks to go, the Federal Communications Commission has granted construction permits authorizing erection of new broadcast stations to 54 applicants during 1936, bringing the total number of stations in the country to 675, according to a compilation by Broadcasting, radio trade magazine.

This total represents an increase of 50 over the number of stations in operation after the reallocation of 1928, but is about 60 under the total that existed in 1927 when the old Federal Radio Commission took over the job of radio regulation.

Of the 54 new stations authorized, 19 are identified with newspapers. California and Texas tied for first place in obtaining the new facilities. Each got seven stations.

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CBS RAISES RATES WITH AVERAGE INCREASE 9 PER CENT

Following closely on the heels of the similar action by the National Broadcasting Company, the Columbia Broadcasting System has announced a new rate card schedule, effective January 1, 1937, and raising rates on an average of 9 percent. The NBC average increase was 10 percent.

The new rates are applicable immediately, however, only to new advertisers, present sponsors being permitted to renew contracts at present rates until January 1, 1938.

Station WABC, New York, will become the most expensive outlet in the country with an hourly rate of \$1,250 when the new schedule becomes effective.

For the 90 cities listed, the new card specifies a night rate of \$19,920 per hour, \$11,960 per half-hour and \$7,980 per quarter-hour. These compare to the present rates for 96 cities of \$18,395 per hour, \$11,045 per half-hour and \$7,370 per quarter-hour. The new rate card takes into account changes in outlets in certain cities.

The rate for WABC was increased from \$1,000, \$600 and \$400, to \$1,250, \$750 and \$500. The WLW rate is \$1,200 per hour, \$800 per half-hour and \$532 per quarter-hour. Rates for both WEA and WJZ, NBC New York keys were increased from \$1,000 per hour to \$1,200 per hour, \$720 per half-hour and \$480 per quarter-hour in the revised schedule announced two weeks ago.

Hugh K. Boice, Vice-President in Charge of Sales for CBS, explained the new schedule thus:

"The new card reflects a year's progress. It lists 19 stations which have increased their power since the last Columbia rate card was issued 12 months ago. It includes 10 strategically located stations which have been added to the network, replacing previous facilities or still further intensifying Columbia's coverage in new areas.

"And in these past 12 months - with an unprecedented total of almost 8,000,000 new sets purchased for the home or the automobile - the radio audience has recorded its increasing interest in broadcasting.

"Many of these new sets were bought by radio families as additions or replacements, to continue and improve their listening; others went to new radio families, raising last year's total of radio homes in the United States (22,869,000) still closer to complete saturation of the country's population.

"These new Columbia station facilities, new sets and new radio families in 1936, following hard on the previous record increases of 1935, have increased the Columbia Network audience by over 30%, in the two years since Columbia's current rates were established."

THREE RADIO FIGURES IN THE 75TH CONGRESS

There will be three graduates of radio's school of experience in the 75th Congress. One of them is a newcomer, and two are hold-overs.

Luther Patrick, of Birmingham, the new addition, until recently conducted the "Good Morning, Neighbor" program on WBRC, Birmingham. The two who were re-elected are Karl Stefan (R.), of Nebraska, formerly a news commentator on WJAG, Norfolk, Nebr., and Frank E. Hook (D.), of Michigan, associate owner of WJMS, Ironwood, Mich.

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RADIO ADVERTISING GAINS 22% IN SEPTEMBER SPURT

Broadcast advertising during September amounted to \$8,541,218, an increase of 22.1 percent over August, according to the National Association of Broadcasters. Gains were general throughout the medium. National networks showed the greatest increase in volume, rising 29.6 percent over August.

Total broadcast advertising volume in September was 50.6% greater than during the corresponding month of the preceding year. This was the greatest gain to be experienced in many months. Increases were general, with national non-network volume increased to the greatest extent. Volume in this field rose 76.2% above the September 1935 level.

Total non-network advertising increased 13.7% as against August. This was due to substantial increases in the clear channel and regional group stations. While all portions of the country enjoyed increased volume of business, the New England-Middle Atlantic area led with a gain of 31.6%. Compared to last September greatest gains were shown in regional station business and in the South Atlantic-South Central area.

In the non-network field, all forms of rendition increased over the previous month, except announcements, which declined 1.0%. The most important gains over the preceding month were registered in the live talent field. Compared to last September all forms of rendition increased. Transcriptions increased 60.5% and live talent 73.3% as compared to September 1935.

Gains were general in the various sponsor groups compared to August. Automotive and clothing advertising showed the principal increases in the national network field. Regional network confectionery, soap and kitchen supplies and financial advertising experienced significant gains. Department store

advertising rose in both the national non-network and local fields. Radio set advertising increased 60.4% in the latter.

Compared to September of last year, automotive, soap and kitchen supplies, and tobacco advertising showed the greatest gains on the national networks. Gains were fairly general in the regional network and national non-network fields. Local tobacco and kitchen supply advertising showed gains of 73.5% and 161.4%, respectively.

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FOREIGN LANGUAGE NET FORMED IN NEW ENGLAND

Viola & Furman, New York foreign-language station representatives and radio production firm, announces formation of a four-station network in New England devoted exclusively to foreign language broadcasts. The network has been in operation for the past month and includes WELI, New Haven; WNBC, New Britain, Conn.; WSPR, Springfield; WCOP, Boston. Arrangements are being made to extend the network into the Providence area.

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TELEVISION MAKING STRIDES IN SOVIET RUSSIA

Television in Russia, although introduced comparatively recently, seems to have become popularized far more quickly than elsewhere, according to World-Radio, BBC journal. The State has installed a number of low-definition television transmitters in Moscow and elsewhere, and has placed receivers in large factories and in the halls of communal dwellings; program features seem equally far advanced.

Such events as boxing-matches have apparently been televised, and circus performances were in contemplation, as well as a novel kind of transmission called "Film Talks", in which explorers would speak of their expeditions and slides illustrating their work would be televised. A growing number of amateurs are building their own television receiving sets.

A special "Television Centre" is shortly to be built in Moscow, and is to be equipped with the latest apparatus to work on a 6-metre wavelength with 343 lines definition. Two ultra-short wave transmitters of 7.5 KW capacity will be constructed within the centre, one to broadcast vision, the other sound. The studios, which will cover an area of 320 square metres, are to be erected in another building.

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UNIVERSITY FINDS "MIKES" INCREASE CLASS EFFICIENCY

Officials at the Georgetown University School of Law, Washington, D. C., are studying the effects that a newly installed public address system may have on classroom efficiency.

Earlier experiments with the "necklace" microphones worn by professors during lectures proved so satisfactory, the Rev. Francis E. Lucey, S.J. Regent of the school, explained that the system has been installed permanently in the three largest halls.

"No doubt", he said, "other departments of the university may adopt a similar public address system to suit their needs."

From the viewpoint of both professors and students at the law school, Dr. Lucey claimed, the system already has served to facilitate class work. It not only has made lecturing easier on the vocal cords of professors, who sometimes come to class after a strenuous court trial, but it also makes it possible for 175 or 200 students in a crowded hall to hear distinctly every word that is uttered. As a result, he said, the attention of students is less apt to stray.

The microphone worn by the professor is shaped like a small box, about 2 inches square and is attached around the neck by a long cord that makes it possible for him to move about the platform or use the blackboard while lecturing. Instead of the usual megaphone-shaped amplifiers, a new and inconspicuous type has been attached to the rear and two side walls.

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ALL CROSLEY EMPLOYEES TO GET XMAS BONUS

Powel Crosley, Jr., President of the Crosley Radio Company, has announced that the Board of Directors has decided to give each person on the company's payroll between November 20 and December 20 a Christmas bonus check.

Announcement was also made that the management has arrived at a flat increase in the factory hourly rate of pay for men and women that will amount to approximately six percent of the payroll. The increase in the hourly rate of pay will become effective the week beginning November 30.

The Christmas bonus plus the increase in the flat hourly rate of pay to the factory hands will amount, it is estimated, to approximately a quarter of a million dollars in 1937, Mr. Crosley said.

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 ::: NOTES :::
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Two Washington radio stores are engaged in litigation because one allegedly copied the slogan, front and window designs of the other. The Sun Radio Service & Supply Co., as a consequence, has appealed to relief in the District of Columbia Supreme Court. The defendant is the Metropolitan Radio Co., Inc.

The Columbia Broadcasting System has issued an analysis of what it terms "The Leading Advertisers' Choice of Radio Network Facilities", which lists 100 advertisers, 22 of whom are exclusively on CBS, 7 on the NBC-Red Network, and 8 on the NBC-Blue Network. The total on each network is distributed thus: CBS, 41; NBC-Red, 34; and NBC-Blue, 26.

E.P.H. James, Promotion Manager of the National Broadcasting Company, calls attention to a statement by S. C. Johnson & Son, which cites a sales increase of from 30 to 50 percent and attributes much of the gain to the NBC radio program "Fibber McGee and Molly".

Adolph J. Opfinger has been appointed program coordinator of the Mutual Broadcasting System, effective December 14. Harry Carlson, announcer, has been appointed to the post of Production Manager of WOR, effective December 13, replacing Mitchell Bonson, who is now Assistant Program Director, replacing Mr. Opfinger.

A new and valuable service for the engineering staffs of RMA member companies is the "RMA ENGINEER", a new quarterly publication of important technical data. The first issue was distributed in November and contains a wide variety of technical information.

Michael J. Meehan, who made Wall Street history in 1928 with his coup in RCA stock, a series of deals supposed to have shown profits of \$5,000,000 to \$15,000,000, has been confined to a private sanitarium since last Summer, it was learned last week.

An order has been entered by the Federal Trade Commission directing Sutton Laboratories, Inc., Chapel Hill, N.C., to discontinue misrepresenting the therapeutic value of "Linoil", a proprietary preparation intended for use in the treatment of skin diseases. The respondent corporation has engaged in radio advertising.

David Sarnoff, President of the Radio Corporation of America, will be heard on the air when, as Honorary Chairman, he will address the third joint luncheon-meeting sponsored by the New York Building Congress; the National Research Council and the Producers' Council Club of New York in the Hotel Commodore, on December 9.

Mr. Sarnoff will introduce Dr. Frank B. Jewett, President of Bell Laboratories, who will speak on "Research and Progress in Communications."

Valuable television equipment of the Baird Television Laboratories was destroyed November 30th in a fire that raged the famed Crystal Palace in London. The major BBC television station, however, is in Alexandra Palace.

Costa Rican duties on radios and accessories remain unchanged in the new trade agreement reached between the United States and Costa Rica.

Metropolitan Opera will be broadcast this season to radio listeners throughout the world under sponsorship of the Radio Corporation of America, it was announced this week by David Sarnoff, President of RCA and a Director of the Metropolitan Opera Association, Inc. The regular Saturday matinee performances will be carried to the radio audience in the United States for the sixth consecutive year over the nationwide NBC-Blue Network. In addition, Station W3XAL and other short-wave transmitters affiliated with NBC will make the programs available to listeners in all parts of the world.

Among the Americans disembarked by the U.S.S. Raleigh at Marseilles, France, November 25, were Col. Sosthenes Behn, President of the International Telephone and Telegraph Company; F. T. Caldwell, General Manager of the Spanish National Telephone Company and American employees of the latter company. Colonel Behn and Mr. Caldwell plan to return soon to Spain where the I.T. & T. has an investment in American capital of \$130,000,000 tied up in the Spanish National Telephone Company.

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INDIA IS GROWING MARKET FOR RADIO SETS, TRANSMITTERS

American broadcasters were advised this week by the U. S. Bureau of Foreign and Domestic Commerce that India is growing in importance as a market for radio receivers and transmitting equipment.

With the government of India planning to add five more broadcasting stations, Andrew W. Cruse, Chief of the Electrical Division, commented:

"The demand for radio receiving sets in India has increased enormously during the course of the last two years. Total imports of "wireless apparatus" (a high percentage of which is believed to be receiving sets, although these are not separately classified by the Customs) amounted to 2,830,000 rupees during the fiscal year 1935-36, which represents an increase of 75 percent over 1934-35 and 150 percent over 1933-34. The demand for American sets greatly increased, 1935-36 imports amounting to 1,242,627 rupees as compared with 830,348 rupees in 1934-35 and 178,994 rupees in 1933-34.

"Owing to lack of classification, it is difficult to analyze the shares of other countries, but the 1,048,701 rupee share of the United Kingdom is believed to have included a very considerable amount of broadcasting equipment. The Netherlands supplied 381,256 rupees worth of equipment and it is believed that they hold second place after the United States in receiving sets. The rest was made up of some 93,000 rupees from Germany and approximately 65,000 rupees from all other countries.

"Bombay remains the largest importer of wireless apparatus, followed by Bengal and Sind, in the order mentioned. It is believed that more wireless apparatus other than radio sets was imported at Bombay and at Sind, while the majority of Bengal's imports was radio.

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GERMAN GRAMOPHONE FIRMS WIN SUIT AGAINST RADIO

The German Supreme Court of Appeal, the Reichsgericht, in Leipzig, has reversed the lower courts and given a judgment entirely favorable to the seven leading manufacturers of gramophone records in their suit against the German Broadcasting Company.

The defendant was ordered to pay all costs and damages for infringement for all broadcasts of records manufactured by the plaintiffs since April 5, 1935.

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RCA VOTES 87½ CENT DIVIDEND ON NEW STOCK

David Sarnoff, President of the Radio Corporation of America, announced last Saturday that a dividend on the outstanding shares of the Corporation's \$3.50 Cumulative Convertible First Preferred stock had been declared by the Board of Directors. The dividend is 87½ cents a share, covering the period from October 1 to December 31, 1936. It is to be paid on December 26, 1936, to the holders of record of such stock at the close of business on December 9, 1936.

Mr. Sarnoff stated that the dividend will also be paid, as soon as practicable after December 26th, to holders to whom \$3.50 Cumulative Convertible First Preferred stock is issued after December 9 and prior to January 1, 1937, upon the conversion of "B" Preferred stock of the Corporation, or upon the surrender of Deposit Receipts for "B" Preferred stock or of script certificates for fractional shares of \$3.50 Cumulative Convertible First Preferred stock.

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NBC PLANS DAILY PROGRAMS FOR LATIN-AMERICA

A daily schedule of programs arranged especially for South American reception, will be inaugurated in the very near future over Station W3XAL, NBC's short-wave transmitter at Bound Brook, N. J. The new schedule amplifies the thrice weekly programs begun last Summer.

This announcement follows up a few days, the declaration of John F. Royal, NBC Vice-President in Charge of Programs, that NBC would broadcast radio programs from the United States into South and Central America to compete with the European programs now dominating the air there.

To facilitate the reception of NBC's programs in South America, a new directional-beam antenna is being constructed at Bound Brook. It is expected to be completed about January 1st. The beam will have a spread sufficient to cover all of the South and Central American regions.

Two Spanish-speaking members of the NBC staff, Dan Russell, announcer, and Charles Carvajal, production man, have been placed in charge of building and producing all-Spanish programs for the broadcasts. The programs are planned to foster a better understanding between the peoples of the North and South American continents.

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