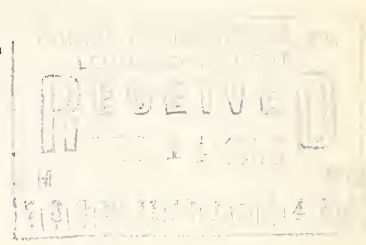


HEINL RADIO BUSINESS LETTER

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GEDDES SEES ALL RADIO INDUSTRY RECORDS BROKEN

The radio industry this year will break all records in production of radio sets, tubes and also export sales, according to Bond Geddes, Executive Vice-President and General Manager of the Radio Manufacturers' Association.

"All previous records in radio production will be eclipsed in 1936 when the records are complete", said Mr. Geddes in a statement estimating this year's production of receiving sets would be 7,600,000 and 96,300,000 radio tubes. The previous peak was in 1935 when 6,300,000 sets were produced and 65,500,000 tubes.

"On January 1, 1937, it is estimated that there will be 24,269,000 radio families equipped, a new high record, but 17,500,000 radio families, or 70 percent, have obsolete sets, without the modern receivers for short-wave foreign broadcasting. In addition there are about 4,000,000 automobile radio sets in use and many thousands of families have two or more radio sets in their homes.

"Improved business conditions, increased buying power, the 'radio election' campaign, wide increase in interest in short-wave international programs, larger purchases of battery and other sets in rural districts and increased foreign buying of American radio all have contributed to the industry peak being established this year. Improvements in radio broadcasting programs both in the United States and also foreign short-wave broadcasting have been a tremendous stimulus to the trade and the usual holiday sales of large volume are again occurring.

"Other outstanding factors in the 1936 records are the increasing use of two, three or more radios in the home and the tremendous popularity of automobile radio. About 1,500,000 automobile radio sets were sold this year through an investment by the American motoring public of \$65,000,000.

"In foreign countries American radio also is proving more popular. Exports of U. S. radio sets this year will be more than \$28,000,000, including about 650,000 sets shipped abroad, an increase of 10 percent over last year's previous high record.

"In excise taxes the government will be paid over \$6,000,000 this year by radio manufacturers, compared with \$4,436,000 in 1935.

"Radio prospects for 1937 are also encouraging, including such outstanding features as the inauguration of President Roosevelt next month and the coronation of a British King.

"The 1936 industry records demonstrate that the so-called 'saturation' point of radio is a myth. New sales largely are for replacement but it is estimated that 1,400,000 new homes were equipped this year with radio, an increase of about 6 percent. Of the 24,269,000 estimated radio families, only about 6,700,000 have modern short-wave receivers to hear international broadcasting, leaving an enormous replacement market.

"Statistics show that 1936 sales increased about 30 percent over last year to an estimated retail value, including exports, of about \$430,800,000, compared with \$332,300,000 last year. It is estimated these sales will be divided as follows: receiving sets, \$315,800,000; tubes, \$70,000,000, and radio parts and accessories, \$45,000,000. While the 1936 set production of 7,600,000 is a new record in number, the dollar volume is comparatively smaller because of the greatly reduced prices, despite vast improvements in radio products in recent years, but the 1936 dollar volume is the largest since 1930."

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ICKES WARNS EDUCATORS AGAINST STANDARDIZED PROGRAMS

The aim of educational broadcasting should be to develop programs for young and old so as to constitute a university of the air, Secretary of Interior Harold L. Ickes told the First National Conference on Educational Broadcasting in Washington this week.

At the same time he warned the educators against dullness and standardization of educational programs.

"Even in mass education", he said, "and educational broadcasting would be just that, there is a real danger of standardization, of regimentation, of putting everything on the same level, resulting in the destruction, or at least the serious impairment, of individuality of thought and action."

Declaring that radio "is both a national and a local institution", Secretary Ickes added that "the appeal of the salesman who forms the backbone of our present radio set-up frequently causes irritation.

"Often with a feeling of despair, not unmixed with disgust, do I snap off my radio, which I had turned on in the hope that I could pick from somewhere in the air something besides blaring discords, rough and tumble dialogue and ecstatic panegyrics of some commercial product", he continued. "This same privilege of 'tuning out' is shared by all and I trust that

eventually its exercise will have the effect of overcoming the ebullience of the advertiser, whose legitimate rights no one will dispute. I believe that in course of time, under the pressure of public opinion, the uses to which the radio may be put will strike a reasonable and satisfactory balance. Even now radio advertisers who are alert to public sentiment sugarcoat their sales talks with programs of good music. Whatever the sponsorship, the radio, because of its educational and entertainment value, must be kept available to serve the best interests of the people.

"The aim of educational broadcasting should be to develop programs for young and old so as to constitute a university of the air. In order to accomplish this it is important that those who participate in the programs should be informed persons who know intimately the subjects with which they are dealing and who have the important knack of being able to transmit their information to their audience. It must be recognized that there are many who have a vital message but who nevertheless cannot get it over to their audience, although if they could be seen the magnetism of their personalities might turn the trick. A radio personality is the result of training applied to native ability.

"Just as in any classroom, certain fundamentals must be adhered to and one of them, if I may be permitted to indulge a personal prejudice, should be that an absolute prerequisite to any educational broadcasting should be correct grammar and proper pronunciation. I regard the radio as the greatest instrumentality that we have for the cultivation of good English. Most grammatical errors are transmitted from mouth to ear. After all, the first consideration in educational broadcasting should be the correct use of our native language. Fortunately, rising standards make failures on this score so glaring that they will be self-eliminating.

"The radio presents a magnificent chance to solve some of the problems of child education as well as of adult education by offering facilities to those who, by force of economic circumstances, have been denied opportunities that every American ought to have as a matter of course.

"Any educational system on the air would be but a hollow thing if it were not fundamental in it that those participating in the program were free at all times to seek the truth wherever it might be found, and, having found it, to proclaim it. Unless the people in their might stand firm to protect educational broadcasting from the witch-hunters, then it had better not be undertaken at all. Freedom of the press, freedom of assemblage, freedom of speech and that academic freedom which is implicit in freedom of speech, constitute the piles driven to bedrock upon which our institutions securely stand. These rights must, as a matter of course, extend to and be inseparable from any program of educational broadcasting that is worth the snap of a finger. While the radio should not be subjected to

abuse, neither should it suffer from the strangulation of either standardization or censorship.

"In the never ending process of education, the radio is a new and powerful instrumentality. Like many another implement its uses and capacities are discovered only through the time honored system of trial and error. In the Office of Education, we have been experimenting with educational broadcasting. Essentially, what we have done is to bring together those trained in broadcasting and those trained in education and let them work out together programs for the radio which have a definite educational value.

"It appears to me that this work of the Office of Education has made definite contributions in the field of educational broadcasting. We have found that it is necessary, in a unique degree, first to get and then to hold the interest of an audience. A radio program is, as a usual thing, heard only once. There is very rarely a second chance to win the interest of an audience if a broadcast does not have a considerable measure of appeal to those listening in for the first time. For this reason we have experimented with and checked as far as possible a variety of forms for presenting educational material ranging from speeches by individuals to dramatized presentations. We are beginning to get facts upon which we hope to be able to base a conclusion as to the proper use and results of each form."

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VAN LOON CHIDES EDUCATORS ON OVER-ENTHUSIASM FOR RADIO

Hendrik Willem Van Loon, the author, stuck his tongue lightly in his cheek last week and very urbanely warned educators gathered for the Washington conference against expecting too much of the radio in the way of mass education.

"There is only one way in which to give a person a real education, and today, as a thousand or ten thousand years ago, a school consists of just two things: of a teacher and pupils sitting - the one teaching, the other learning", he said.

"This, however, does not in any way weaken or defeat the role the radio can play in our general scheme of education. The basis of all meals is two people, the one cooking it on a stove and the other sitting down at a table with a spoon and a fork and a plate, ready to eat. Granted, radio will never be an adequate substitute for that person standing in front of the stove, but radio, by its intelligent hints about the noble art of cookery, can do a lot to make the life of the person with his fork and plate a great deal happier than it was in the days of the frying-pan unaided by the advice of those culinary experts who have set out so bravely to make the radio defeat the bottle of bicarbonate of soda as an inevitable adjunct of the average American meal.

"I think that we can also unanimously agree upon the following: that the influence of radio in extending that primary education given by the living teacher is almost unlimited and has never yet begun to be either suspected or developed. Whatever we have done so far has been merely of an exploratory nature. For this, radio cannot be blamed. It started only day before yesterday, so to speak, and pedagogy is as old as the hills of Attica and God knows, pedagogy as such is not yet a sweet dream of perfection, but beset by endless doubts and misgivings.

"Nor do I feel that I am in any way competent to tell you how and in what manner we should supplement the real education given by the living voice. That is not a one man's job. It will take the ingenuity of all of us and it will take the ingenuity of all of us for several generations before we shall even have made a first beginning.

"And now one final word - and again I fear me it is a word of warning, for there have been many dangers within that particular field of experimentation that have made us fear for the future - let us remember that within the realm of education - no matter what sort of education - there must never be any compromise in regard to quality. The second-best may do within the field of public entertainment but not within that of education. Just any old thing will do - is the one and only advice that should never be given when it is a question of educating our children. From listening to much that has been offered to us so far, all of us must have come to the conclusion that even where efforts were made to go in for something educational, their efforts were at best, second best.

"Whereas a sponsor, trying to impress himself upon his public, would go to endless trouble and expense to get the very best talent he could lay his hands on, the educational program often seemed to have been a sort of after-thought. 'Oh Lord! yes, next Tuesday there is that educational hour. Hey, you there! are you busy? No? Well, we need thirteen minutes on the battle of Bunker Hill. Just give us something nice - you know the old stuff - Yankee Doodle and the spot where Warren fell.' And then we cheerfully entrust our billion dollar youth to a twenty dollar a week youngster who does the best he can, no doubt, but only those who have listened carefully and attentively to his little efforts will know what a very sad best that was.

"Whatever we do, let us guard against that sort of penny wisdom and pound foolishness when it comes to education in radio. Only the best and the very best should be given. Not indiscriminately or wholesale. Education, let me repeat it once more, is not the same as public entertainment and real education can never be made a mass-product. Only the best and that in small quantities and in a supplementary form to education offered by our schools and colleges. That is what we should strive after if we want to render a real service."

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CRAVEN CITES LIMITATIONS OF PRESENT BROADCAST BAND

The First National Conference on Educational Broadcasting was warned against making excessive demands for radio facilities, because of the limitations of the broadcast band, by Commdr. T.A.M. Craven, Chief Engineer of the Federal Communications Commission.

"We all know radio would be of great value to education", he said. "In talking with some educational experts I find that they envision a future requirement of something in the order of 15,000 stations to serve the 127,000 school districts in this country alone. I must be frank and state to you that if we were to be confined to the present spectrum, and if the educational institutions demanded frequencies for 15,000 stations and used them for communication free from interference, the present radio spectrum from 10 to 30,000 kc would be a mere 'drop in the bucket' in the solution of the educational radio problem.

"In my opinion, and taking into consideration many of the economic factors such as standardization of receivers, cost of transmitting equipment, and the fact that educational systems of the country are recognized on a State and municipal basis, only a small portion of the existing spectrum could be considered useful, and even then this small portion could be used by only a very small part of the vast number of 15,000 educational stations which some have estimated would ultimately desire to use radio.

"Furthermore, if educational groups, regardless of difficulties, should attempt to make the spectrum from 10 to 30,000 kc conform to the needs of such a huge number of stations, they would be confronted, and rightfully so, with the demands of other nations for the proper use of radio for services that need communications and can use no means other than radio, and they would also be confronted with the necessity of eliminating the use of radio for various types of service other than educational, which the public wants and uses.

"Thus it seems to me that generally speaking, if education is to apply radio to its uses, it must find practical ways which give consideration to the radio spectrum limits which confront us all."

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RADIO ADVERTISING UP 32.7% FOR THIRD QUARTER

Broadcast advertising during the third quarter of the current year showed an increase of 32.7 percent over the corresponding period of last year, the National Association of Educators announced this week.

Gross time sales for the first nine months of 1936 were ahead of the corresponding period of 1935 by 18.2%. All portions of the medium experienced gains both when compared to the third quarter and the first nine months of last year.

Non-network advertising for the third quarter increased 33.2% over the corresponding period of last year. All sizes of stations, as well as all sections of the country experienced increases. The greatest gains were in the regional and local groups and in the South Atlantic-South Central Area.

Total transcription, live talent, and announcement volume increased approximately one-third over the corresponding period of last year. In the national non-network field, announcement and record business showed the greatest gains, while transcriptions and live talent business enjoyed the greatest increases in the local field.

All types of sponsorship showed increases over the third quarter of 1935. Principal gains were shown in the automotive, beverage, confectionery, financial, soap and kitchen supply, radio set and tobacco sponsor groups.

Retail broadcast advertising increased 25.3% as compared to the third quarter of 1935. Automotive, clothing, household equipment, radio dealers, and department stores showed the greatest increases.

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CONFERENCE ON BLANKET FIELD INTENSITY CALLED

An informal engineering conference on the definition of blanket field intensity has been called by the Federal Communications Commission for January 18th to which all persons and organizations interested in broadcast allocations have been invited. The purpose of the hearing was explained in the following statement:

"At the informal engineering hearing on broadcasting held before the Federal Communications Commission beginning October 5th, 1936, representatives of the radio industry presented testimony to the effect that the field intensity now taken as the limit of the blanket area of a broadcast station should be increased. The intensity now used as a reference for allocation

problems is from 125 to 175 mv/m. Certain engineers, representing their respective groups, recommended that a field intensity of 1 v/m be selected as the limit of the blanket area, in view of improvements in broadcast receivers during the last few years. Others stated that they did not care to commit themselves at the present time since they had not studied this subject in detail.

"The Engineering Department of the Federal Communications Commission is not satisfied that sufficient evidence was presented in support of the 1 v/m recommendation, nor was sufficient evidence presented to determine just what value of field intensity should be employed. The Engineering Department therefore desires to obtain further information on this subject from organizations not present at the hearing and which have intimate contact with field problems on blanketing. The opinions of, and data from, radio receiver service organizations, receiver manufacturers, the Commission's inspectors, and a summary of the many letters the Commission's offices receive complaining of blanketing, will be useful. Also, any further data that broadcast station licensees, broadcast system engineering departments, the Radio Manufacturers' Association, the Institute of Radio Engineers, consulting radio engineers, and other interested parties care to submit will be considered."

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INDUSTRY TO HAVE HAND SELECTING CRUSE SUCCESSOR

Rather than appoint a successor outright to Andrew W. Cruse, Chief of the Electrical Division, Bureau of Foreign and Domestic Commerce, Secretary Roper has asked the principal national electrical and radio associations for their recommendation as to the proper man. Mr. Cruse resigned last Thursday and will take up his new duties as Assistant Chief Engineer of the Federal Communications Commission December 16th, according to Commander T.A.M. Craven, FCC Chief Engineer.

The industries which have been asked for their advice in the selection of Mr. Cruse's successor are the National Electrical Manufacturers' Association, the Radio Manufacturers' Association, the National Association of Broadcasters and the Electric Institute.

"We are not bound to appoint the man agreed upon by the electrical industry", Ernest G. Draper, Assistant Secretary of Commerce said, "but I hope we may find it possible to do so. We are endeavoring in a serious way to find a man to succeed Mr. Cruse who has the confidence of the entire electrical industry."

Accordingly a canvass is being made of the four representative organizations by the Commerce Department with the result to be announced later.

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500 DELEGATES AT FIRST PARLEY ON EDUCATIONAL BROADCASTING

Some 500 delegates representing 18 organizations were attending the First National Conference on Educational Broadcasting in Washington the latter half of this week. The meeting was held in cooperation with the Federal Communications Commission and the U. S. Office of Education.

Anning S. Prall, Chairman of the FCC, advised the delegates against a trend toward European forms of broadcasting while at the same time assuring them of the keen interest of the Commission in their endeavors to improve and broaden educational broadcasting.

"It is my personal opinion that American listeners would not stand for the payment of a receiving set tax", Mr. Prall said. "It is my judgment that it would be most unpopular in this country. It is not the American way of accomplishing things."

On the subject of educational broadcasting, Mr. Prall said that the FCC was "sincerely interested and wholeheartedly supporting the movement looking toward the development of a comprehensible plan for education by radio."

(Editor's Note: Other significant speeches are included elsewhere in this issue and a general round-up will be carried in the Tuesday release.)

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INJUNCTION SIGNED IN TELEVISION CORP. SUIT

A temporary injunction restraining the Television Corporation of America, its President, Oliver C. Harriman, and six other defendants from any transactions in the corporation's stock was signed December 17th by New York Supreme Court Justice Salvatore A. Cotillo on application of Attorney General John J. Bennett, Jr.

The order set December 18th for a hearing on a permanent injunction and the appointment of a receiver. It follows an order obtained November 15th for examination of the corporation's books and records and an investigation by Ambrose v. McCall, Assistant Attorney General.

The complaint by the Attorney General charged that stock, with a par value of \$1, had been sold in up-State counties at from \$5 to \$10 a share through fraud and misrepresentation. The charge was supported by affidavits from elderly widows and other purchasers.

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METROPOLITAN LIFE MAGAZINE PLAYS UP McDONALD INTERVIEW

A front page spread is given by the Executives Service Bulletin of the Metropolitan Life Insurance Company to an interview with Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, captioned "The Arctic Inspires a New Product - and Opens a Market." It tells how when Commander McDonald accompanied MacMillan on the famous Arctic trip the former saw the need of a satisfactory radio battery charger and how, in his effort to supply people of the Far North with such a device, he hit upon the idea of applying wind mill power to the task and eventually pioneered in supplying farmers with wind power for their radios.

The Metropolitan Life magazine interview is illustrated by a striking photograph of Commander McDonald aboard his yacht "Mizpah".

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SAY BRITISH CRISIS INCREASED S. W. SET SALE

The following is an extract from an advertisement of the Pilot Radio which appeared in the New York Times the morning the King announced he would abdicate:

"British crisis has brought tremendous orders to Pilot's factory in London . . . Traced to Britishers wanting American stations for complete, uncensored dope anent Crown situation. Their sets couldn't tune in America. They need Pilot's magnificent power for that purpose."

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KARK, LITTLE ROCK, JOINS NBC NETWORKS

Station KARK, of Little Rock, Ark., one of the most popular radio outlets in the Southwest, will become an affiliate of the National Broadcasting Company on January 1, 1937, according to a joint announcement by Lenox R. Lohr, President of NBC and G. E. Zimmerman, KARK Vice-President and General Manager.

KARK is constructing a new transmitting plant, using RCA High Fidelity equipment, and a new antenna. It operates on a frequency of 890 kilocycles, with a power of 1,000 watts daytime and 500 watts night.

With the signing of KARK, 112 stations from coast to coast, in Canada and Hawaii, have now become affiliated with the NBC networks.

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NOTES

One of the applications of Eugene Meyer, publisher of the Washington Post, for radio facilities in Washington, was set for hearing this week by the Federal Communications Commission. The application is for a new station to operate on 1310 kc., with 100 watts nighttime and 250 watts daytime power.

David Freedman, 38-year-old comedy script writer, died last Tuesday at his apartment in New York City during the midst of his \$250,000 suit against Eddie Cantor. A mistrial in the suit consequently was ordered.

William Merrigan Daly, National Broadcasting Company conductor, died last Friday of a heart attack at his New York residence. Funeral services were held in Boston. Surviving are the widow, Mrs. Elizabeth Harding Daly, and a daughter Eileen.

Justice Joseph W. Cox of the District of Columbia Court last week enjoined the Metropolitan Radio Co., 940 F Street, from using window color schemes or slogans in imitation of those used by the Sun Radio Service & Supply Corp., next door to it at 938 F Street. The decree was granted by consent of attorneys for the Metropolitan company.

The Federal Trade Commission has issued a complaint against Birconjel Corp., Inc., with offices at 420 Lexington Avenue, and 37 East 28th Street, New York City, alleging unfair methods of competition in connection with the sale of "Birconjel", offered as a hygienic product for use by women. The respondent corporation is said to advertise the product in radio broadcasts, newspapers, on cartons, and by other means.

A "Transatlantic Number" of World-Radio, journal of the British Broadcasting Corporation, reached the United States this week. It contains numerous articles on broadcasting in this country, together with a complete list of the medium-wave broadcasting stations.

A daily paper devoted to radio is soon to appear. It will be known as the Radio Daily and will be gotten out by the publishers of Film Daily.

The Mutual Broadcasting System and WOR claimed a scoop on American broadcasters Thursday when, in cooperation with the British Broadcasting Corporation and the Canadian Broadcasting Corporation they rebroadcast from London the text of Prime Minister Baldwin's speech before Parliament while the speech was actually in progress. "Takes" of the text were rushed to a BBC announcer who read it over the air. WOR also claimed to be the first metropolitan station to broadcast a news flash which officially announced that King Edward VIII had abdicated.