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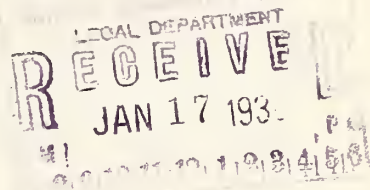
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CALIFORNIA LEADS IN ALLOCATION OF RADIO STATIONS

California had the greatest number of broadcasting stations of any State in the United States at the close of the last fiscal year, according to a report made by the Federal Communications Commission to Congress this week. The number was fifty-three.

New York came second with 49, while Texas was third with 47. Next in line was Pennsylvania with 37. Illinois had 31.

Of California's 53 stations, 37 are unlimited as to time, nine operate daytime only, while seven either are limited or share time with other stations. Only twenty-two of New York's stations are unlimited, while 20 share their frequencies with other stations.

In the distribution of clear channels, New York and Illinois are tied with six each, while California has only four and Texas three. Five of New York's clear channels are unlimited, and one is shared, while Illinois' are split 3-3 as to unlimited and shared.

As for regional channels, California again takes the lead with 33. The only other State approaching this figure is New York with 27.

No one State has a corner on the local channels, but Texas leads with 30. California has 16; Illinois 15; New York 16; Pennsylvania 19, and Michigan 14.

Another table prepared by the FCC for Congress showed that the majority of American cities are in the primary service areas of one or more broadcasting stations.

Of the 982 cities in the United States with populations above 10,000, the FCC said that 368 have broadcasting stations. Five more exist in United States possessions.

Of the 700 stations licensed at the end of the last fiscal year, 89 were in towns of less than 10,000 population, while 138 were in cities of between 10,000 and 24,999 inhabitants.

The table showing the distribution of stations according to size of cities follows:

| <u>Size of Town</u> | <u>Number of Cities</u> | <u>Cities With Stations</u> | <u>Number of Stations</u> | <u>Percent of Stations</u> |
|-------------------------|-----------------------------|-------------------------------------|-------------------------------|--------------------------------|
| Under 10,000 | 15,616 | 87 | 89 | 12.7 |
| 10,000-25,000 | 606 | 136 | 138 | 19.7 |
| 25,000-50,000 | 185 | 81 | 90 | 12.9 |
| 50,000-100,000 | 98 | 67 | 85 | 12.2 |
| 100,000-200,000 | 52 | 48 | 94 | 13.4 |
| 200,000-300,000 | 16 | 16 | 49 | 7.0 |
| 300,000-400,000 | 7 | 7 | 30 | 4.3 |
| 400,000-500,000 | 5 | 5 | 19 | 2.7 |
| 500,000 and over | 13 | 13 | 106 | 15.1 |

(Table includes three cities in Alaska, two in Hawaii, and three in Puerto Rico.)

The disclosure that the FCC had quietly driven off the air 357 unlicensed radio stations during the past fiscal year was also contained in its report to Congress. Also, it investigated 3,796 complaints of interference with reception.

"During the fiscal year reports were received of the operation of 477 unlicensed radio stations", the report said. "The action taken by the Commission resulted in the discontinued operation of 357 stations, leaving 120 stations under investigation at the close of the fiscal year.

"During the fiscal year 3,796 complaints of interference with radio reception were received by the Commission. In addition, 430 cases were carried over from the previous fiscal year. As a result of investigations, remedial action was taken in 3,995 cases. The remaining 231 cases were under investigation at the close of the fiscal year."

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PARLEY OF PRESS ASSOCIATIONS CALLED BY FCC

The Federal Communications Commission has invited press associations together with other interested parties to attend an informal conference called for 10 A.M., January 27th, in the offices of the Commission. This conference is for the purpose of discussing the rules and regulations which may be necessary to provide for the occupancy of frequencies above 30,000 kilocycles recently allocated to mobile press stations. These rules are necessary since the type of service contemplated by Order No. 19 has not heretofore been recognized and it is the desire of the Commission that any rules adopted should provide for the maximum usefulness of these frequencies.

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U. S. RADIOS IN PRINCIPAL MARKETS ABROAD

American-made radio trade names are numerous in foreign markets, according to results of a Federal inquiry abroad.

At the request of the Radio Manufacturers' Association, a survey of trade names and brands of radio sets appearing on foreign markets has been made by the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce. The survey covered capitals of twenty-eight countries where the Federal Bureau has offices and a total of 103 American names were found in the foreign markets as compared with fifty-two trade names or brands from sources other than U. S. and their own domestic manufacture. Many European manufacturers employ a separate trade name for each model in their lines. Other summarized results of the Government survey were as follows:

"The largest number of names is reported from Belgium, where 159 domestic makes are listed, imported sets number 26, of which 16 are American. The United Kingdom has 84 domestic names listed, and 29 American sets are reported to be on sale. Information as to imported sets other than American is as yet incomplete. Brazil, reporting 62 American makes, leads in this respect, with 6 other imported and 9 domestic. Argentina shows 48 American, 4 others imported, and 25 domestic.

"The Dutch 'Philips' and German 'Telefunken', from among the foreign makes were reported from the greatest number of markets. Much of the trade in these two makes is actually produced in several branch factories in as many countries. British GEC and Marconi, Austrian Horniphone, and German Korting, Nora, Mende and Blaupunkt (sometimes sold under the name 'Blue Spot') also have wide distribution.

"Although this survey was made primarily to obtain information regarding possible infringement of American trade names by foreign companies, only one case was reported where such infringement was evident. This case is being appropriately investigated."

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POWER OF DON LEE TELEVISION STATION IS INCREASED

The transmitting power of the Don Lee television station in Los Angeles, W6XAU, will be increased from 150 watts to 1 KW as a result of authority granted this week by the Federal Communications Commission.

Station W6XAU has been one of the pioneer experimenters in the television field during the last several years.

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FCC SETS WIRE, RADIO RATE PROBE; CRAVEN DISSENTS

Over the objection of Commissioner T.A.M. Craven, the Federal Communications Commission this week scheduled a rate hearing in conformance with a request of the major telegraph, radio and cable companies. The hearing will begin at 10 A.M., February 14th.

Commissioner Craven, in a dissenting opinion, stated that two inquiries should be conducted by the FCC, one limited to the rate problem and a second "monopoly" investigation with the purpose of determining a "modern national communication policy for the nation".

The Commission action was taken upon a petition asking for a 15 percent rate rise, filed recently by the Postal Telegraph-Cable Co., Mackay Radio & Telegraph Co., the Western Union Telegraph Co., and R.C.A. Communications, Inc.

In ordering the inquiry, the FCC stated that it would be expanded to include evidence or testimony that may have a bearing on the case.

Commissioner Craven in his dissenting opinion said:

"In my opinion, the order designating the foregoing petitions for investigation and hearing permits an expansion of inquiry to include undefinable matters not clearly specified. I recognize, however, the need for a hearing on limited issues because the petitions appear to make out a prima facie showing sufficient to warrant an investigation and hearing limited to the issues therein presented. They recite that the situation of the carriers is highly critical and unless properly met by an increase in their revenues, their ability to function will be seriously impaired. It would, therefore, seem that a long drawn out rate case would not meet the situation presented, but that an early hearing limited to the financial issues alone would produce accurate facts upon which to reach a decision, and if the Commission finds it proper, to grant temporary relief.

"It is possible that a rate increase may only be a palliative and that it is necessary to probe more deeply into the matter in order to arrive at a more permanent solution of the problems confronting the carriers. However, such an investigation would be long drawn out and it is entirely possible that if the carriers are now confronted with an emergency financial situation the delay involved in such an extensive investigation would be perilous.

"I respectfully submit that it is necessary for the Commission to conduct a thorough investigation of the entire communication structure of the United States for the purpose of assisting in the determination of a modern national communication policy for the nation. It is specifically necessary for the

Commission to study related competitive and economic factors which, at present, seem to indicate a trend toward a monopoly of communications rather than the competition contemplated by the Communications Act of 1934.

"This investigation and study would involve a consideration of many more phases of communications than an increase of telegraph rates and would include many more interested parties than would be affected legally in the determination of a rate increase in the domestic telegraph field.

"Hence, it appears to be in the broad interest of the public to limit the issues in the hearing on the petitions to the questions raised directly in the petitions and to formulate forthwith a preparation for a comprehensive and basic investigation of the major and more fundamental problems involved in the existing communication structure of the country."

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THREE NEW STATIONS RECOMMENDED BY EXAMINERS

Construction permits for three new broadcasting stations were recommended in reports of Examiners to the Federal Communications Commission this week.

The applicants and facilities are:

Harwell V. Shepard, Denton, Tex., 1420 kc., 100 watts power, daytime.

Gila Broadcasting Co., Safford, Ariz., 1420 kc., 100-250 watts, unlimited hours.

Sims Broadcasting Co., Globe, Ariz., 1210 kc., 100-250 watts power, unlimited time.

Unfavorable reports were filed on the applications of William C. Smith, of Bogalusa, La., and the Curtis Radiocasting Corp., Evansville, Ind., for a station to be located at Richmond, Ind.

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A sample of what State Police radio can do is told in the report of the Illinois Director of Public Works, F. Lynden Smith, who said that the State Police radio network has returned 1,058 stolen automobiles in the first 17 months of operation. The automobiles recovered were valued at \$432,200.

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RMA CONDUCTS DRIVE AGAINST EXCISE TAXES

A vigorous campaign for repeal or a substantial reduction of the Federal excise tax of 5 percent on radios and phonographs has been started by the Radio Manufacturers' Association, Bond Geddes, Executive Vice-President, stated this week.

The Treasury Department and a tax sub-committee of the House Ways and Means Committee, recommended repeal of a few outright "luxury" taxes, including sporting goods, furs, cameras, phonograph records, and chewing gum, but did not include radio. The RMA protested to the Treasury Department and the House sub-committee, of which Representative Fred Vinson, of Kentucky, is Chairman in charge of the new tax bill, and asked for repeal or material reduction of the tax on radio, because of its wide public service and use, and on the ground that it is not a luxury but a public convenience and necessity. Support for the RMA plea came from several Congressmen.

That at least "the poor man's" radio should be given tax exemption has been emphasized in the early and informal discussions in Washington. A tentative proposal was made for tax exemption of radio sets sold for less than \$50, covering the low and medium price range of the ordinary and general purchaser. Certain results would be reduction of prices to millions of radio purchasers, together with increased sales and increased employment in the radio industry.

Chairman A. H. Gardner of the RMA Legislative Committee and industry leaders have acted promptly in the tax matter, and the entire industry and trade are being asked to assist in proper representations to the House Ways and Means Committee and also later to the Senate Finance Committee.

The House Ways and Means Committee will hear the RMA representatives on the radio tax next Thursday, January 20th.

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RADIO PROGRAMS SHOULD BE IMPROVED, SAYS CRAVEN

While suggesting that a Congressional investigation of radio and the Federal Communications Commission should be delayed, Commissioner T.A.M. Craven believes that the Commission should have more authority to control programs and that the programs should be improved.

Testifying before the House sub-committee on Appropriations, Commissioner Craven said:

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"Personally, I believe there is a great necessity for improving programs in the United States. I think the Commission should do something; I think they already have started on a program of doing something. But there may be some necessity of modifying your law at the present time, particularly with reference to the punishment that we can give a station for violation of the regulations with reference to programs. We have not got all the powers that may be necessary to deal with the situation."

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KELLER RESIGNS AS BROWN'S SECRETARY

Resignation of Joseph E. Keller, who has been secretary to Commissioner Thad H. Brown of the Federal Communications Commission since August 1, 1934, was announced yesterday (Thursday) by Commissioner Brown, effective January 24th. Mr. Keller is resigning to enter the private practice of law with the firm of Dow and Lohnes in Washington, D C.

Subsequently Commissioner Brown announced the appointment of Franklin Cary Salsbury, of Cleveland, as his secretary. Mr. Salsbury was born in Cleveland on September 29, 1910, and is the son of Mr. and Mrs. Elwood Salsbury, 12509 Cedar Road, Cleveland, Ohio. He attended Hotchkiss School, Lakeville, Conn., and was graduated from Yale University in 1932. He specialized in the study of languages at Yale.

Mr. Keller was graduated from the University of Dayton in 1928 and was awarded his LL.B. degree from the same university. He completed graduate work in law at Georgetown University and received his Doctor of Jurisprudence degree there in June, 1935.

He is a member of the bars of the State of Ohio, the Federal District Court for the Southern District of Ohio, western division, and the Supreme Court of the United States. Mr. Keller was formerly a member of the faculty of the law school at the University of Dayton and he is now conducting graduate courses in Radio Law and Air Law at Southeastern University. He is the author of several articles on communication law.

Mr. Keller's duties with the firm of Dow and Horace L. Lohnes, (Munsey Building, Washington, D C.) will include legal services with the National Petroleum Association and the American Petroleum Institute.

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RADIO SALES IN 1937 NUMBERED 7,700,000

The total number of radio sets sold in 1937 amounted to 7,700,000 with a retail value of \$450,000,000, O. H. Caldwell, former Federal Radio Commissioner and now editor of Radio Today, will say in the forthcoming issue.

The number of sets fell a little short of the more than 8,000,000 sold in 1936, it appears, but the retail value was slightly higher due to the higher prices.

Mr. Caldwell estimated that there are now 36,800,000 radio sets in use over the United States as compared with 33,000,000 in 1936. Auto radio sets sold last year totalled 1,800,000 with a retail value of \$90,000,000.

The table showing a break-down of the radio trade business for the past year follows:

| | <u>Number</u> | <u>Retail Value</u> |
|---|---------------|---------------------|
| Total radio sets sold during 1937 | 7,700,000 | \$450,000,000 |
| Radio Sets exported | 680,000 | ----- |
| Automobile radios | 1,800,000 | 90,000,000 |
| Home radios sold in U.S. | 5,220,000 | 304,000,000 |
| Consoles | 2,100,000 | 167,000,000 |
| Table models | 3,000,000 | 120,000,000 |
| Combinations | 60,000 | 11,000,000 |
| Home sets sold as replacements | 2,920,000 | 170,000,000 |
| Home sets sold to homes previously without radios | 1,300,000 | 75,000,000 |
| Home radios sold as extra sets | 1,000,000 | 58,000,000 |
| Battery sets | 900,000 | 45,000,000 |
| Tube replacements | 40,000,000 | 40,000,000 |
| Tubes, initial equipment | 51,000,000 | 51,000,000 |
| Total tubes sold 1937 including exports | 101,000,000 | 101,000,000 |

The steady increase in radio set ownership is shown in the following table on radio sets in use since 1929:

Homes with radios, extra sets, auto radios

| | | | |
|------|------------|------------|------------|
| 1929 | 10,000,000 | 1933 | 22,000,000 |
| 1930 | 13,000,000 | 1934 | 25,000,000 |
| 1931 | 15,000,000 | 1935 | 28,000,000 |
| 1932 | 18,000,000 | 1936 | 33,000,000 |
| | 1937 | 36,800,000 | |

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Under the heading of the "Roll Call of the Radio Industry", as of January 1, 1938, Mr. Caldwell listed the following:

| | |
|--|--------|
| Manufacturers of radio receivers | 140 |
| Manufacturers of radio tubes | 14 |
| Manufacturers of radio parts | 625 |
| Manufacturers of test equipment | 60 |
| Manufacturers of broadcast and amateur equipment | 110 |
| Manufacturers of sound equipment | 115 |
| Radio set and parts distributors | 2,088 |
| Manufacturers' agents | 245 |
| Retail outlets selling radios | 61,000 |
| Dealers doing 85% of radio business | 16,000 |
| Servicemen, including dealers' servicemen | 40,000 |
| Radio amateurs and experimenters | 81,000 |
| Broadcasting stations, Jan. 1, 1938 | 701 |

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EDUCATION GROUP ANNOUNCES PROGRAM FOR NEW YEAR

The National Committee on Education by Radio this week in its January bulletin announced its program for 1938 as follows:

(1) To continue promotion of the Committee's plan for an American Public Broadcasting Service.

(2) To continue publishing the bulletin, Education by Radio, as a means of appraisal and interpretation of the developments in radio that affect the interests of educational broadcasting.

(3) To continue the stimulation of more intensive training in educational broadcast production and in the uses of radio in schools and colleges.

(4) To make both educators and the public increasingly conscious of radio as an educational and cultural agency.

(5) To maintain the informed and vigorous support of the Committee's policies and program on the part of its constituent member organizations.

(6) To supply information to the Federal Government upon the request of either Congressional committees or the Federal Communications Commission.

A request has been made to the Payne Fund for a grant with which to carry out this program, the announcement stated.

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TRADE NOTES

President Leslie F. Muter, of the Radio Manufacturers' Association, has called a meeting of the Association's Board of Directors on Thursday, January 27th, at the Roosevelt Hotel, in New York City. Many important industry and trade matters are scheduled for discussion and action, including the present inventory and merchandising situation and also procedure before Congress in the RMA effort to secure repeal or substantial reduction of the 5 percent radio excise tax.

Presaging national standardization and further development of sound effects equipment, the National Broadcasting Company has created a Sound Effects Development and Maintenance Division. N. Ray Kelly, former head of the NBC New York Sound Division, has been appointed to act as Manager of the new Department, which will serve all NBC managed and operated stations.

Increase in power for Station WSAY, Rochester, N. Y., from 100 watts to 250 watts daytime, 100 watts at night, was recommended this week by Chief Examiner Davis G. Arnold, in a report to the Federal Communications Commission. Station WSAY operates now on 1210 kc., daytime only.

Continued increase of exports in American radio was recorded in the November 1937 report of the U. S. Bureau of Foreign and Domestic Commerce. The November exports totaled \$2,696,018, a substantial increase over the November 1936 exports of \$2,587,819. The total American radio exports for the eleven months of 1937 ending in November were past \$29,000,000, and also the total radio exports for the entire year of 1936.

Federal officials are investigating an advertisement which referred to President Roosevelt in profane terms. The attack appeared in "QST", official organ of the American Radio Relay League, Inc., and the International Amateur Radio Union. In minute type at the top of the advertisement, sketched to depict the heading of a newspaper, the President was referred to as "the President of these United States of America."

Federal officials absolved the publishers of intentional guilt. So minute was the type that magnifying glasses were necessary to read the words, investigators said.

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NBC SEES NEW RECORD IN JANUARY BUSINESS

Network business for the National Broadcasting Company is expected to set an all-time record for the month of January, and perhaps for any month in broadcasting history, with seventeen advertisers starting nineteen new shows over NBC networks during the period January 1-January 31st. New network programs starting in January a year ago totalled only six, making this year's new business figure 200 percent larger.

A variety of industries is represented by the sponsors of these new programs - steel, glass manufacturing, tobacco, food, toilet supplies, and housekeeping supplies.

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THREE STATIONS ADDED TO CBS NET

The Columbia Broadcasting System this week announced the addition of three radio stations - KARM, Fresno, Calif.; KROY, Sacramento, Calif.; and WBRK, Pittsfield, Mass.

KARM and KROY, situated in the rich Central Valley Region of California, join the network on January 15th as members of the Pacific Coast Group.

Station KARM - serving 32,000 radio families in the Fresno trading area - delivers intensive local coverage of the wealthiest per capita retail market in America.

Station KROY, Sacramento, also serves an exceptional market with intensive local coverage. Capital city of California, Sacramento has become the nation's leader in retail sales for cities of its population class. In the city, and in the area immediately around it, there are over 33,400 radio families.

Station WBRK Pittsfield, joins the CBS on or about February 1st, as a member of the Basic Supplementary Group and the Columbia-New England Network. The station operates on 250 watts daytime and 100 watts nighttime power. A conservative estimate of the primary listening area for WBRK includes a population of 125,000 and 98,280 radio listeners. The area is high above the U. S. average in retail sales and buying power.

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