

# HEINL RADIO BUSINESS LETTER

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No. 1112

March 29, 1938.

## ICKES SUGGESTS HE OPERATE PAN AMERICAN STATION

Secretary Ickes, who gave commercial broadcasters a fright when he equipped the new Interior Building with an elaborate broadcasting studio, has suggested to the House Naval Affairs Committee that he be placed in charge of the proposed government-owned Pan American station, it was learned this week.

Reporting along with the Navy and War Departments on the Celler Bill, upon which hearings may soon be held, Mr. Ickes said he believed the Interior Department is better equipped than the Navy to operate the station.

Mr. Ickes added that he had no objection to letting the Navy remain in charge of the transmitting equipment, which would be separate from the studio, as the Interior Department is not equipped with radio engineers.

The Navy and War Departments were somewhat non-committal about the advisability of building the station, but they advised the House Committee they had no objections and that the station might have a war-time value. No mention was made of the objective of the station to offset European propaganda transmitted to Latin American countries in peace time.

"At the present time", the Interior report stated, "people of Latin America are privileged to tune in American short-wave stations owned by American broadcasting organizations.

"During the evening hours, the best time for listening in Latin America as well as in the United States, these short-wave stations carry commercially sponsored programs almost exclusively. Were a powerful government station established to broadcast programs of a cultural and educational nature, it would appear that a service would be rendered in the development of good relations with our neighbor nations that is not now duplicated by the usual run of commercial programs on the short-wave broadcasts."

The Navy Department pointed out that the estimated cost of building the station would be nearer \$1,200,000 than the \$700,000 authorized in the Celler Bill and that the annual maintenance cost would be \$160,000 instead of \$100,000.

Admiral William D. Leahy, Acting Secretary of the Navy, suggested that the modern broadcasting studio in the new Interior Building be used in connection with the station but that the Navy retain engineering control.

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"While there is no express provision in the bill to the effect that this station will be available to the Navy for military use in time of war or national emergency", Admiral Leahy added, "the Navy Department considers this to be the intention of the bill."

Louis Johnson, Acting Secretary of War, expressed the belief that the Pan American station "would have no peacetime military value to the War Department although it might have some military value during war or national emergency."

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#### METAL RADIO TUBES BEING USED IN GERMAN AUTOS

At the annual German automobile show recently held in Berlin, several of the new automobile radio sets which were exhibited were equipped with steel tubes in place of the conventional glass tubes, according to a report by the American Consulate General at Berlin made public by the Department of Commerce.

This was the first time that metal radio tubes have appeared on the German market as standard equipment for receiving sets, according to the report.

The American Consulate General stated that the German radio industry disposed of 1,570,000 receiving sets on the domestic market during 1937, as compared with 1,300,000 sets sold in the preceding year. Exports totaled 116,600 sets and were only slightly smaller than in 1936.

Stocks of radio receiving sets on hand in the industry at the end of 1937 totaled 108,000, or about 42,000 receivers less than at the end of the previous year.

In addition to the 2.00 reichsmarks fee collected each month by the German Government from each owner of a household radio receiving set, an additional fee of 0.50 reichsmarks per month is now being collected from such owners for radio sets installed in the automotive vehicles.

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## 86% OF STATION TIME RECORDINGS, FCC TOLD

While the Federal Communications Commission plans to study duplication of radio programs on network stations, it received a new complaint this week regarding an independent and small-powered station which Congressmen contend is the backbone of the broadcasting industry.

Examiner John P. Bramhall, in recommendial denial of the application of KTSM, El Paso, Texas, for a transfer from 1310 to 1350 kc. and an increase in power from 100-250 watts to 500 watts, complained that 86 percent of the station's time is now devoted to recordings or transcriptions.

"Applicant contemplates the continuance of its pre-present policy with respect to programs and submitted a sample of its programs broadcast for the week ending March 28, 1937, the report stated. "The week's program consumed 106 hours and 5 minutes of broadcast time and contained 337 spot announcements and 310 transcriptions and recordings. Applicant has classified as local talent farm flashes, news, religious and studio talks, lost and found announcements and reports of sport activities. Using this classification the station during the 106 hours and 5 minutes of broadcasting time devoted 14 hours and 23 minutes or approximately 13.5% to its so-called local talent programs; 4 hours and 39 minutes or approximately 4.37% of which was sustaining and 9 hours and 44 minutes, or approximately 9.16% sponsored.

"A further examination of the local talent phase of the program discloses only 46 minutes or less than 1% of the total broadcast time of 106 hours and 5 minutes was devoted to musical entertainment by local talent. But few of the items in this program which applicant has classified as local talent should be dignified with the name local talent. Talent has been defined as unusual mental ability or a special gift. Transcriptions and recordings consumed approximately 86% of the total time of the station. Just what is the saturation point in the use of recordings and transcriptions in broadcast programs there seems to be no fixed standard; if however, 100% should be the standard, then applicant has all but reached that goal.

"A station which devotes the major portion of its time to broadcasting phonograph records or electric transcriptions is not rendering to the public a service which it cannot readily obtain without such a station. This is particularly true where the station is located in a city such as El Paso where there is ample program material.

"There was also used by the station on a few occasions one minute for spot announcements. This will account for the entire broadcasting time of the station for the period given."

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## STATIONS ASKED FOR DATA ON EARNINGS, INVESTMENTS

Apparently seeking information to be used in recommending an appropriate tax or license charge on broadcasting stations, the Federal Communications disclosed this week that it had ordered all such stations to report their earnings and investments for 1937.

While no mention of the tax study was made in the FCC announcement, it is known that Chairman Frank R. McNinch has been instructed by President Roosevelt to investigate the possibilities of raising special revenue from broadcasting stations because of Congressional agitation.

The President is said to favor a gross receipts tax rather than the wattage levy proposed in the Boylan Bill. Whether a report will be made by the FCC before Congress adjourns is not known.

A form for supplying the information requested is being sent to all licensees affected by the order. Returns must be made on or before April 25th.

Announcement of the order was accompanied by a press release issued by Commdr. T.A.M. Craven. The Commissioner said that the FCC order "was pursuant to the recommendation contained in the report on the social and economic aspects of broadcasting prepared by the Engineering Department of the Commission on July 1, 1937."

Commissioner Craven, who prepared this engineering report, said that the "objective of the order is to secure vital information urgently needed by the Commission in establishing policies with respect to the regulation of the broadcasting industry."

Commissioner Craven stated that his purpose in urging the Commission to secure information with respect to the financial situation of broadcasting had no relation whatsoever to any consideration of the advisability of prescribing a uniform system of accounts for broadcast stations.

In addition to the requirement for each station to file information with the Commission, the Chief Accountant was directed to secure from chain companies more comprehensive information as to their financial situation.

"This was done in order that the Commission might have accurate data and a more complete understanding of the complex financial structure involved in the operation of broadcasting as a system in this country", Commissioner Craven said.

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Commissioner Craven stated that information of this character will be of substantial assistance and benefit to all concerned in the progressive development of broadcasting, particularly in the social and economic phases of the application of this relatively new invention to the service of the public.

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### SEATTLE LAWYER BUYING HEARST'S WINS

Close on the heels of a formal denial by Joseph V. Connolly, Chairman of the Board of Hearst Radio, Inc., that any Hearst radio stations other than KEHE were to be sold, Col. Arthur O'Brien, Seattle attorney, late last week stated he will purchase WINS, of New York, for about \$250,000 as soon as the deal is approved by the Federal Communications Commission.

Connolly later confirmed the report and said that "negotiations are nearing completion".

He made no mention of earlier reports that six of Hearst's ten radio stations are on the market or in the process of being sold.

Mr. O'Brien plans to spend \$250,000 in building up programs for WINS. He said 60% of the broadcast time would be non-commercial.

Mr. O'Brien, who specializes in Federal law, moved to Seattle two years ago from Washington, D. C., where he served as Democratic Committeeman. He owns an interest in KIRO, CBS station in Seattle, and will leave A. Cormier in charge of the station when he moves to New York.

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David Hofman, who, as producer and announcer was associated with Station CFCF, Montreal, for several years, has been appointed announcer in the BBC's television service from Alexandra Palace. Mr. Hofman, who is thirty years of age, has had ten years' experience of stage and film work, including eight years in Canada and the United States. During the depression in the American entertainment world, he worked as a lumberjack at various Canadian camps. He returned to England two years ago.

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## ULTRA-HIGH WAVE BAND HEARING POSTPONED

The Federal Communications Commission this week announced the postponement of a scheduled hearing on frequency allocations to services in the bands from 30,000 to and including 300,000 kc. until June 6. The hearing had been set for April 11.

Frequency allocations in the ultra-high bands were made last Fall subject to a public hearing attended by the licensees involved. The order does not become effective until next October.

All of the frequencies listed in the range 30,000-300,000 kc., except amateurs between 56,000 and 60,000 kc., are assigned to specific services. All except the amateur and point-to-point communication in Hawaii are experimental.

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## NEW STATION IN NORTH CAROLINA RECOMMENDED

Examiner Tyler Berry this week recommended to the Federal Communications Commission that it grant a construction permit to the Piedmont Broadcasting Corporation for erection of a broadcasting station at Salisbury, N. C., for operation on 1500 kc. with 100-250 watts power, unlimited time.

The same Examiner filed a favorable report on the application of KSRO, operated by the Press Democrat Publishing Co. at Santa Rose, Calif., for modification of its license. KSRO requests unlimited time on 1310 kc. with 100 watts nighttime and 250 watts daytime in lieu of daytime operation on 250 watts.

An unfavorable report was made by Examiner Robert L. Irwin on the application of WDNC, Durham, N. C., for a permit to transfer from 1500 to 600 kc. and increase its power from 100 watts to 1 KW.

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TRADE NOTES

J. R. Poppele, Chief Engineer of WOR, will embark April 6 on a seven-weeks tour of Europe to conduct an exhaustive survey of radio broadcasting and its allied industries in the Old World. Mrs. Poppele will accompany him. Nine countries are on the itinerary, including England, Germany, France, Holland, Belgium, Switzerland, Italy, Norway, Sweden and Russia.

During 1937 the number of licensed radio receiving sets in Australia passed the 1,000,000 mark for the first time, the number of licensed listeners at December 31, 1937, standing at 1,008,595, compared with 887,015 at the end of 1936 and 258,179 at the end of 1927.

What is believed to be the longest commercial contract ever signed in radio is the 99-year agreement signed by the makers of Golden Blossom Honey who participate in the announcements on the Alfred McCann Food Hour over WOR. The sponsor is so confident in the selling ability of this program that to insure its continuance the long term contract was drawn up.

The American Consulate General, Habana, reports that there is no demand in Cuba for crystal radio receiving sets, and while the market for all-wave modern radio receivers is stated to be good, requirements are supplied by many well-known American manufacturers of such equipment, as well as others, who have established branches or representatives in this country.

The New Zealand Government has announced, effective March 1, 1938, increases in import duties on 6 tariff items, ranging from 5 to 20 percent ad valorem, and including radio receiving sets among other items, according to a cablegram from the American Consulate General, Wellington, March 1.

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"LIP MIKE" DEVELOPED BY BRITISH

As a result of the production by the British Broadcasting Company's research engineers of a new type of microphone, a new technique in presenting commentaries on sporting events is likely to be adopted by the corporation.

The instrument is known as a "lip" microphone. It is mounted on a short handle, and is a modification in miniature of the standard ribbon-type microphone used in the studios of the BBC. It is insensitive to sound coming from more than a few inches away, and thus meets the need for an instrument that would enable the commentator to disregard extraneous sound when choosing his position - in other words, for a microphone that, while responding to the commentator's voice, would exclude background noises. To ensure that the commentator's mouth is always the requisite two inches from the microphone, the instrument is fitted with a guard which must be kept pressed against the speaker's upper lip. The quality of the output of the new device is equal in every way to that of the ordinary studio microphone.

Used first during the descriptive commentary broadcast from Guildhall, London, on the occasion of the Lord Mayor's banquet last November, the lip-microphone has made practicable a new method of describing outside events for listeners to BBC programs.

The method provides a solution to an old problem in broadcast description: the fusion of the descriptive skill of the experienced commentator and the unique knowledge of the expert. Two observers will be stationed at one point; one will give the commentary heard by listeners, and the other - at the elbow of commentator No. 1, but unheard by listeners - will "feed" him with extra details and facts about the event for incorporation in the broadcast description. Thus, in the words of the originators of the scheme, there will be "one voice, but foureyes", satisfying in a way that has not been possible before the demands of both the general and the specialist public.

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## EMPLOYMENT ANGLE OF PRESS-RADIO RIVALRY CITED

The following discussion of comparative employment in the broadcasting and newspaper publishing industries appeared in the current issue of Editor & Publisher:

"An aspect of the press-radio skirmishing that has seldom seen print was discussed last Sunday in the Washington Herald-Times editorial page. With the political aspects upon which the editorial pinned its points, this column is not immediately concerned, but some of the statements that followed may interest our readers on both sides of the fence. For instance:

"The average broadcasting station employs a mere handful of engineers, performers, announcers, office workers, and salesmen. In 1935, the Department of Commerce found only 14,561 people employed by all chain and local broadcasting in the United States.'

"There are 2,200 people at work on the Washington Herald and Times alone. Add to these the number hired by the other papers here, the correspondents for out-of-town newspapers and their secretarial help, and one realizes that newspapers give at least half as many jobs in Washington alone as does radio for the whole country.

"A newspaper is not simply the result of effort by a small number of editors, reporters, and photographers. It is the product of team-work by high-salaried and skilled workers many readers never heard of - stereotypers, engravers, linotypers, monotype operators, pressmen, make-up men. Add to these the executive staff, advertising salesmen, galley boys, apprentices, printers, newspaper carriers, delivery boys, telegraphers, clerks, accountants, typists, painters, carpenters, janitors, elevator operators, truck-drivers. The weekly Social Security taxes alone on such an organization are greater than the whole payroll of the average radio station.'

"There are no reliable and complete statistics on the number of people who contribute to the manufacture of the country's daily press - but if the number averaged only 50 each for the 2,000 dailies published, the total would be 100,000. The fact is that there are that many carrier boys. There are more than half that many members of the Typographical Union employed on newspapers. There are probably 30,000 or more editorial people, not counting string correspondents. A good guess would be that newspapers employ more nearly half a million than 100,000 directly and on part-time jobs. What their annual pay is runs still further into the realm of speculation. One of the great chains alone had a total payroll in 1936 of \$64,000,000. The bulk of newspaper expense is for payment of personnel - two-thirds of total expense would be a modest estimate. At that rate newspapers paid out last year close to half a billion dollars, for payroll alone."

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## PALEY TO PUT CBS REPORT ON THE AIR

William S. Paley announced this week that he will address his annual report as President of the Columbia Broadcasting System to the listening public as well as to the company's own stockholders. Besides sending the report to stockholders in the usual way, Mr. Paley will deliver it over the air on Tuesday, April 5, at 10 P.M., EST, when it will be heard over WABC and the Columbia network.

Mr. Paley said he had decided to put his report on the air because of the widespread general interest in broadcasting and added that he hoped to stimulate public thinking about broadcasting by discussing industry problems with the audience just as frankly as he does with the company's own stockholders.

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## MASON HEADS NBC SHORT WAVE UNIT

Short-wave radio has assumed such importance both technically and as the voice of American culture and ideals beyond our borders, that Lenox R. Lohr, President of the National Broadcasting Company, has assigned his assistant, Vice-President Frank E. Mason, to superintend all of NBC's activities in this field. Mr. Mason will have complete direction of NBC's increasingly numerous broadcasts of news, entertainment and other programs transmitted to Europe and South America, and the short-wave operations of the company.

Mr. Lohr said:

"While the licenses under which short-wave stations operate are experimental and carry no public obligation per se, the National Broadcasting Company feels that it, along with other private broadcasters, must see to it that the United States does not lag behind other nations in international short-wave broadcasting.

"In this period of world stress and widely conflicting political ideologies, it is especially important that NBC be alert to the needs of the United States for communicating its policies and actions to all parts of the world.

"Short-wave radio has become increasingly important, as improvements effected over the period of the past twelve months at Station W3XAL increased the range, and consequently the audience, which could be reached by American broadcasts.

"With his background of experience as former President of International News Service, and as Vice-President in charge of NBC's Station Relations for a number of years, Mr. Mason is exceptionally well qualified to guide our short-wave plans and their development. He has held newspaper positions of importance in various European capitals over a number of years, and, speaking several languages, he is an apt interpreter of the American viewpoint to foreign listeners. Since the principal feature of short-wave broadcasting is news, his experience as a journalist will enable him to give these highly important activities such direction as few others could bring to radio's newest sphere."

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