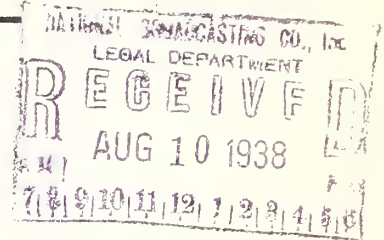


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication



INDEX TO ISSUE OF AUGUST 9, 1938

Foreign S-W Programs Seen As Educational Aid.....	2
Musicians Postpone Independent "Deadline".....	4
RCA Mfg. Co. Signs FTC Stipulation.....	5
Publisher Granted CP; Another Recommended.....	5
Improved Radio Reception Ahead, Say Scientists.....	6
BBC To Televisе Radiolympia Visitors.....	6
WNYC Investigation Attacked In Court Move.....	7
Printer's Ink Looks At Past And Future Of Radio Ads.....	8
Trade Notes.....	10
Monopoly Probe No "Witch Hunt", Says Columnist.....	11
NBC Signs 27 New Fall Sponsors.....	12

No. 1148

2 p g m

August 9, 1938.

FOREIGN S-W PROGRAMS SEEN AS EDUCATIONAL AID

Short-wave broadcasts from abroad offer great educational possibilities for this country, although foreign transmission needs to be improved, according to a survey of short-wave reception just completed by Ohio State University.

The survey was concerned chiefly with broadcasts from Latin American countries and only superficially with reception of European stations.

Reporting on the study, made possible by a grant from the Rockefeller Foundation and the lending of receiving equipment by the Zenith Radio Corporation, William Samuel Hendrix, of the Ohio State University staff, said:

"Educators in the United States are beginning to realize that radio can plan an important part in education. Little by little we are learning how to use this new scientific tool in teaching. Very much remains to be done.

"But still more remains to be done in the utilization of the short-wave for purposes of education. Whenever it is possible to receive clearly and consistently shortwave programs from abroad, and experts tell us that will not be long, an enormous new field will be open to the American students. Our project has had to do with programs from abroad in foreign languages, with the exception of course of programs broadcast from Great Britain. However, programs in English from foreign countries to students of other subjects than foreign languages can be arranged as soon as the technical difficulties have been overcome. The European and Spanish American countries would be very happy to present a program in English about any aspect of their cultures and civilizations. The experts in the various fields would be delighted to broadcast to an American audience.

"If there were an organization for the reception of broadcasts in classes of English and comparative literature, one could easily persuade prominent writers abroad to prepare for our students discussions of their own books or discussion of the literature of their time or of their country. European professors of European history would be delighted to speak to American students of history. And so it would be with all the subjects which can be successfully taught over the radio. It is only a question of time, and of a very brief time relatively, before such a series of programs will be possible; but will the United States' high schools, colleges, and universities be prepared to use these broadcasts when they become possible?

"One of the important results of listening to a series of broadcasts from Spanish America, even when they are not planned programs, is the realization which comes to the average American that Spanish America is not one country but a large group of countries who differ greatly from one another and who have their own individuality. The experience of amateur shortwave broadcasts is the same. Through radio they receive a new and accurate idea of what foreign countries are like. This same type of information can be organized and presented to classes in schools and colleges. A series of planned programs from abroad, representing four or five different nations, would be a tremendous stimulus to any group of students. The stimulus will be all the greater when the students realize that these programs have been prepared especially for them and are being addressed to them by a speaker in a foreign land. The Mexican series for 1937-38 was addressed to the students and faculty of Ohio State University as well as to those interested in Mexico in the United States. Whenever that announcement came over the air to the students listening in here, it was easy to see that they got a definite thrill out of it. One would imagine that the same thrill would come to American students listening to lectures prepared especially for them and delivered by foreigners directly to them from abroad whatever the subject might be. Imagine what pleasure the students of modern English drama would have from a talk by George Bernard Shaw on the Shavian theater!"

"The purpose of the project was to determine how clearly and dependably shortwave broadcasts from abroad could be received in the vicinity of Columbus, Ohio; and to determine whether schools and colleges in the United States would be justified in setting up radio receivers for the reception of foreign short-wave broadcasts by foreign language classes. The project was also to determine if possible the type of broadcast usually transmitted by foreign short-wave stations which could be heard in the United States."

After a detailed analysis of the principal Latin American broadcasts heard in this country had been made, the report concludes as follows, in part:

"(1) As yet daytime reception of shortwave broadcasts from abroad are not altogether satisfactory. This is particularly true in the mornings and for our location this unsatisfactory condition continues until about two o'clock in the afternoon, Eastern Standard Time. From that time on reception grows gradually better until by dark it is in general satisfactory.

"(2) It is perfectly obvious from our experience this year that utilization of shortwave reception for foreign language teaching must be based on planned programs. Furthermore, these programs must be to a large extent spoken programs. An analysis of our records for the year shows that most of the programs listened to are music, and one cannot study a foreign language

unless he is listening to the foreign language. The newscasts and other spoken programs during the period of our experiment were not sufficiently constant for us to use them as a basis of foreign language study. Furthermore, several of the newscasts which were available to us were not presented in good, clear Spanish. Several were 'mouthed' and had other qualities than those of good style and clear pronunciation.

"(3) Since planned programs are the basis of education by shortwave radio, it will be necessary if we are to have such training by radio, first, to arrange programs with those countries who have stations which can be heard in the United States. At present the number of countries having stations clearly understandable in this are are few. It is to be hoped that the various countries of Spanish America will perfect their shortwave sending apparatus so that we may hear them clearly and consistently in the United States. When that is done, and only when that is done can be plan a series of programs from various parts of the Spanish-speaking world. Secondly, there must be set up a central office for the organization of these programs. This clearing house will have to fit the programs into school days, which includes several time zones, and also balance these various programs with each other. This general office should be under private control, but should have active governmental support and cooperation.

"(4) A very important part of the problem is to secure the cooperation of school administrators and teachers in the reception of programs when once they have been properly established. To secure this cooperation would be a function of the central office, and support would be forthcoming from the more progressive educational and radio organizations.

"Finally, it may be said that the reception for educational purposes of cultural shortwave broadcasts from abroad will, with few exceptions, depend on better foreign transmitters and on an organization in this country which will plan, arrange, and give proper publicity to suitable programs."

X X X X X X X X X X

MUSICIANS POSTPONE INDEPENDENT "DEADLINE"

The American Federation of Musicians has postponed until September 1st the "deadline" for independent broadcasters to sign new AFM contracts, the National Association of Broadcasters announced this week. The decision was reached at a conference last week in New York City between AFM officials and representatives of the National Committee on Independent Broadcasters.

X X X X X X X X X X

RCA MFG. CO. SIGNS FTC STIPULATION

RCA Manufacturing Company, Inc., Camden, N. J., has entered into a stipulation with the Federal Trade Commission to discontinue certain misleading representations in the sale of radios and radio accessories.

The company agrees to cease using or cooperating with others in the use of certain advertising matter featuring a purported price figure, either independently or in connection with a pictorial representation of or any allusion to a radio, so as to imply that the set to which such figure purportedly refers can be obtained by a purchaser for the price designated, or that the purchaser can obtain the benefit of the featured price without additional cost, when such is not a fact.

According to the stipulation, the advertised radio was not obtainable at retail for the featured price alone, but the purchaser was required to buy additional equipment at extra cost in order to obtain the benefit of such price. This fact was not properly and conspicuously disclosed in the advertising, according to the stipulation.

The stipulation provides that the featured price, if it refers to the price of the radio alone, shall be accompanied by suitable words, figures or other explanation printed in equally conspicuous type so as to indicate clearly the combined or total price of the radio and accessory, when and if such radio cannot be obtained without such additional equipment at extra cost to the purchaser.

X X X X X X X X

PUBLISHER GRANTED CP; ANOTHER RECOMMENDED

The Federal Communications Commission this week granted a construction permit to Harry M. Ayres, of Anniston, Ala., publisher of the Anniston Star, a daily newspaper, for building and operating a broadcasting station in Anniston using 1420 kc., with 100 watts power, daytime. There is no other station in the town.

Examiner John P. Bramhall recommended to the FCC that the application of the Eastern Carolina Broadcasting Co., of Goldsboro, N.C., for a construction permit to use 1370 kc. with 100 watts power, unlimited time, be granted. One of the officers of the corporation is Talbot Patrick, local newspaper publisher.

X X X X X X X X

IMPROVED RADIO RECEPTION AHEAD, SAY SCIENTISTS

Radio reception should be greatly improved during the next five or six years, according to Dr. A. G. McNish, of the Carnegie Institution of Washington, and Dr. Harlan T. Stetson, of the Massachusetts Institute of Technology.

Declaring that the maximum of sunspot activity apparently had passed, they foresaw wet and cool weather for the next several years.

Dr. Stetson declared that the sunspot maximum was reached a year ago when the number of spots on the sun's surface was the largest since 1870. The number declined abruptly until last January when a sudden flare-up occurred. Since then, however, there has been comparatively little activity.

Dr. McNish, specialist in the effects of sunspots on the natural magnetism of the earth, said that the last magnetic storm causing radio and telephone communication troubles occurred in April. Its appearance coincided with discovery of a single large spot on the surface of the sun.

X X X X X X X X X

BBC TO TELEVISION RADIOLYMPIA VISITORS

Visitors to this year's Radiolympia, the annual radio exhibition held at Olympia, London, will be invited to face the BBC's television cameras, so that their friends can see them on demonstration receivers in different parts of the building. The exhibition, the seventeenth to be organized by the Radio Manufacturers' Association, will be held from August 24 to September 3.

A large television studio, fully equipped for actual transmissions, will have glass walls to enable visitors to see in production the programs that will be radiated daily, and which will supplement the normal transmissions from Alexandra Palace. A garden will be laid out in one corner of the studio, for use in broadcasts by C. H. Middleton, famous among British listeners for his talks on gardening. Between five and six hours of television programs will be radiated from the exhibition each day.

BBC mobile television units will be in use during the exhibition period, one being installed at Olympia to relay the programs to Alexandra Palace for re-transmission, and another at the Kennington Oval for the final Test Match, and later at the Zoo to provide two half-hour animal programs daily.

8/9/38

The BBC's display stand will also emphasize the fact that this year's exhibition will be largely a television Radio-lympia. By means of actual equipment and scenic models used at Alexandra Palace, visitors will be shown in detail the various processes that go to build up a television program.

X X X X X X X X

WNYC INVESTIGATION ATTACKED IN COURT MOVE

A legal move to halt the municipal investigation of Station WNYC, of New York City, was started in the New York Supreme Court this week by Acting Corporation Counsel Frederick Bryan on instructions from Mayor LaGuardia.

On the basis of an allegation that the committee lacks legal power to conduct the WNYC inquiry, Mr. Bryan obtained from Justice Peter Schmuck an order directing the committee to show cause Thursday before Justice Kenneth O'Brien why a subpoena issued for Morris Novick, director of the station, should not be vacated.

Mr. Bryan supported his allegation by citing the fact that the resolution creating the committee and authorizing the investigation never was submitted to Mayor LaGuardia for approval. Contending that no Council resolution is effective without the Mayor's signature, Mr. Bryan declared that the Council's move was ineffective. As in the case of WNYC, the relief investigating resolution never was submitted to the Mayor for his approval.

The WNYC investigation is based on charges that its facilities were used for an allegedly communistic broadcast. As one of its first acts, the committee requested Mr. Novick to appear with his books and records and transcripts of the broadcasts in question.

X X X X X X X X

In the annual report of John Maxwell, Chief Constable of Manchester, reference is made to the regional scheme for the transmission and reception of police messages by radio. Experiments are being made in the field of ultra-short waves and with small telephone transmitters for use on cars. Should these tests prove successful, it will be possible for messages to be sent to headquarters from these mobile units. (England)

X X X X X X X X

PRINTER'S INK LOOKS AT PAST AND FUTURE OF RADIO ADS

Reprints of a comprehensive survey of radio advertising, its past, present, and future, as carried in the 50th Anniversary issue of Printer's Ink, are being circulated by E.P.H. James, Promotion Manager of the National Broadcasting Company.

Some of the highlights of the review, other than the historical, follow:

"In less than two decades broadcasting has made available to the advertiser all the ancient and powerful attraction between the speaker and his listener. More. It has performed a unique service by multiplying incalculably the number of individual calls a single speaker can make.

"The salesman who talks in a single day to 20 prospects is exceptional. But broadcasting enables a single personal salesman to speak to a thousand or a million or ten million in the space of a few minutes - and he meets each as an individual or as a member of the intimate family circle.

"That is the peculiar miracle of advertising by radio; the speaking of one person to a millions listeners as though alone and face to face with each one.

"This miracle has not lessened the value of printed advertising in any of its many forms. Rather it has added to their effectiveness by rounding out the functioning of modern advertising - by bringing to advertising the power of the well-spoken selling message directed at listeners who listen by coice and voluntarily.

"Thus broadcast advertising is both a supplementary and a primary instrument in making sales. It is supplementary in that it will never take the place of any other form of advertising. It is primary in that its appeal is the appeal of a personal speaker to an individual listener, something which can be secured in no other form of advertising."

"Broadcast advertising has conformed with most of the recognized practices of the advertising business. Leading advertising agencies now make the building of radio programs quite as much a part of their regular agency function as the preparation of publication advertisements, and employ radio time buyers who operate with their Media Departments.

"Broadcast advertising has been developed from the start with a sharp eye to its relationship with other mediums. Those guiding the network sales and advertising have always stressed the fact that it was not their aim to have broadcast advertising supplant other mediums, but to supplement them in

a program of rounded-out advertising appeal that would increase sales. Today, broadcasting enjoys an unchallenged place among the three or four leading advertising mediums in the United States.

"An important by-product of this attitude of co-operation with other forms of advertising has been the development known as 'broadcast merchandising' - the active tying in of radio with other forms of advertising and promotion."

"No review of broadcast advertising would be complete without reference to television. The RCA engineers have produced a practical television system - NBC is now pioneering in its development as a public service.

"There is little doubt that television will eventually be developed as an advertising medium. Indeed, in this country, where commercial broadcasters support the broadcasting structure, it would be impossible to develop an art like television without the aid of advertisers."

"In fifteen years, then, American business has seen broadcast advertising become, both statistically and by virtue of demonstrated results, one of the three or four major national mediums to reckon with.

"It is a striking development, but probably no more striking than that which lies ahead.

"The friendly but genuine rivalry existing among the major network operators - the Columbia Broadcasting System, the Mutual Broadcasting System, and the National Broadcasting Company - is certain to create still better programs and still better presentations of advertising. The work of individual stations will continue to contribute also to this further progress.

"We are witnessing the completion of a cycle. As the effectiveness of the speaker on his listeners reaches its height, a new element enters to make advertising still more effective.

"'Live' visual advertising is about to be added to the persuasiveness of speech. Advertisers will have at their command an instrument as fantastic as were the inventions of Jules Verne when they first appeared in print.

"The listener will also become a beholder. Every appeal to ear and eye will become possible on an immense scale.

"Such selling, together with the older forms of advertising will arm the business executive, his advertising manager, and his advertising agency with equipment whose completeness leaves nothing to be desired.

"It is impossible at this time, indeed, to imagine what advertising can desire after that!"

X X X X X X X X

8/9/38

TRADE NOTES

RCA Victor will soon start an extensive advertising and promotional campaign for a new line of battery radio receivers designed for farm and rural use.

Alfred J. McCosker, President of Station WOR and Chairman of the Board of the Mutual Broadcasting System, embarked last Saturday aboard the "Conte di Savoia" of the Italian Lines for Genoa, Italy. There he will meet Mrs. McCosker and together they plan to tour the Italian lake region, spending some time at Villa Vesta by Lake Como.

Appointment of Sherman D. Gregory, now Assistant Manager of Broadcasting for the Westinghouse Electric and Manufacturing Company, as Manager of Station KDKA, Pittsburgh, Blue Network outlet of the National Broadcasting Company, was announced last week at Radio City by A. H. Morton, General Manager of NBC operated stations. Mr. Gregory succeeds A. E. Nelson, recently made Sales Manager of the NBC-Blue Network.

WSA Eye Openers, new trade release from Cincinnati's WSAI, made its initial appearance August 1st. The publication, issued in mimeograph form, is handled by Wilfred Guenther, Station Sales Promotion Manager, and designed especially for agencies, sponsors and potential clients. In the first issue W S A Eye Openers listed recent new business, puffed some of the station's programs and gave a summary of WSAI's standing with other Cincinnati stations with reference to local and national spot quarter hours. The Openers will be a weekly release.

An arrangement has been made by Paramount Pictures, Inc., to purchase an interest in the Allen B. DuMont Laboratories, Inc., holders of basic patents for television transmitting and receiving, according to an announcement this week in New York City by Barney Balaban, President of the motion picture company.

"The DuMont organization has been engaged in and has been successful in the manufacture of scientific and cathode-ray tubes", Mr. Balaban said. "These tubes are the most essential and unusual part of television transmitting and receiving as the art is now developed in England, on the Continent and in this country."

X X X X X X X X X

MONOPOLY PROBE NO "WITCH HUNT", SAYS COLUMNIST

The Congressional investigation of monopolies, which may embrace the broadcasting and radio industries, is definitely no "witch hunt", according to Ernest Lindley, Washington columnist and reputed mouthpiece of the New Deal administration.

Writing in the Washington Post, he said, in part:

The work of the temporary national economic committee - the "monopoly" investigation - is still in the formative stage, but there is nothing in the present attitude or objectives of a majority of the committee members to justify the suspicion that the inquiry is intended to be a "witch hunt".

Those who voice this suspicion greatly under estimate the ability and ambition of the six representatives of the Administration, who, with six members of Congress, make up the committee. The Administration members, at least, are uninterested in such petty and immediate political capital as might be made out of inflicting embarrassment on a few business and financial leaders.

There will be public hearings, and during them various business and financial practices may be ventilated more or less dramatically. But most of the Administration members of the Committee are not politically minded in the narrow sense. It is clear that they are thinking in terms of a comprehensive examination of American business organization and practices.

The central aim of this examination is to find ways of achieving "a fuller and more balanced use" of the Nation's resources. Although this phrase originated with a New Deal economist who is not a member of the committee, it is being used by spokesmen for the committee. As yet, the only official document elaborating the assignment given in the resolution creating the committee is the President's message of April 29 on "Strengthening and Enforcement of the Anti-trust Laws". A confidential memorandum, prepared by another prominent New Dealer at the request of two members of the committee emphasizes that proposed methods of reforming or controlling the business system should have these objectives in mind:

"To provide more goods, better goods and cheaper goods.

"To provide more jobs, better-paying and steadier jobs.

"To provide continuous ready access to capital financing needed to create and maintain additional plant; to provide for the continued development of the arts.

8/9/38

"Where a high degree of competition will accomplish the result that should be the method used. Where a high degree of cartelization under suitable control will accomplish the result, that should be the method. Where quasi-public ownership produces the result, use that. The answers will be different in different fields."

X X X X X X X X X

NBC SIGNS 27 NEW FALL SPONSORS

The biggest year in the history of the National Broadcasting Company is indicated by bookings for new Fall commercial programs, which will go on the air in company with many of the favorites which stayed on the Red and Blue Networks throughout the Summer, a NBC release states.

Present indications are that NBC gross revenue for 1938 will top all previous years. Returns this year, month by month, have invariably exceeded those of last year, which were the best since NBC was founded in 1926.

Returns for the first seven months of 1938 averaged \$3,426,000 per month, as compared with an average of \$3,235,000 for the same period in 1937. The stiffest test, the month of July, was met with an income of \$2,958,710, or an increase of 9.3 percent over July, 1937, previously NBC's best record for that month.

For the Fall, 27 programs which are not now on the air have been booked and negotiations are about to be closed on many others. Practically all of last Winter's stars will be back in their old or in new network spots, and sponsors are busily auditioning new talent as the Summer draws to a close.

X X X X X X X X X