

HEINL RADIO BUSINESS LETTER

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WAR OUTBREAK FAILS TO HALT U.S. RADIO EXPORTS

Despite the outbreak of the European war, United States radio exports continued to climb in September and actually set a new high mark for receiving set sales abroad, according to a compilation by the Electrical Division of the Bureau of Foreign and Domestic Commerce.

The receiving set exports valued at \$1,033,200 established an all-time high, while total radio exports, amounting to \$1,995,646, were the largest of any month during 1939. Radio exports for the nine months ending with September, totalled \$15,368,091, only slightly below those for the corresponding period in 1938.

Brazil was the largest purchaser of American radio equipment, valued at \$140,581. Mexico and the Union of South Africa were the next most important markets, receiving shipments valued at \$96,941 and \$91,404, respectively. Great Britain imported \$89,980 worth of American-made products, while other important outlets for this class of merchandise were found in Colombia, British India, Venezuela, Philippine Islands, Chile and Peru. Shipments to these markets varied at between \$33,000 and \$67,000.

Great Britain, Canada, Argentina, and Brazil were the foremost purchasers of radio receiving tubes; shipments to these nations being valued at \$45,426, \$38,130, \$37,136, and \$35,917, respectively.

When the war caused great dislocations in foreign radio markets, the Radio Manufacturers' Association noted. The September Government report showed a "zero" for radio exports to Germany, usually small, together with great decreases (from the preceding month) in American radio exports to Belgium, France, Netherlands, Norway, Sweden, and also Canada, Turkey, and the Philippine Islands. Large increases during September were shown in radio exports to United Kingdom, Ireland, Portugal, Switzerland, Greece, and the Latin American countries, especially Mexico, Cuba, Brazil, Venezuela, Guatemala, Nicaragua, and Panama, and also increased exports to British India and the Union of South Africa. The usually small exports to Soviet Russia were normal. No September shipments to Spain were recorded.

Receiving set exports for the nine months ending last September totaled \$7,140,609 compared with \$6,914,979 for the nine months ending September 1938. Set exports last September numbered 52,897 valued at \$1,033,200, against 41,218 sets valued at \$802,154 in August and compared with 37,385 sets valued at \$876,691 in September, 1938.

Radio tubes exported during the nine months ending September 1939 were valued at \$2,139,808 compared with \$2,030,943 during the nine months ending September 1938. Tube exports last September numbered 746,109 valued at \$295,120, compared with exports of 719,781 tubes valued at \$258,657 during the preceding month of August, and with September 1938 exports of 474,716 tubes valued at \$198,402.

Radio parts and accessory exports during the nine months ended last September totaled \$3,843,652 compared with \$4,785,200 during the comparative nine months of 1938. Parts and accessory exports last September totaled \$439,105 against \$484,203 in September 1938.

Loud speaker exports were valued at \$448,225 during the nine months ended September 1939, against \$510,520 during the comparative nine months of 1938. Loud speaker exports last September numbered 22,645 valued at \$31,066, compared with 31,529 valued at \$47,437 in September 1938.

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C.P. LICENSEE THREATENED WITH RECALL BY FCC

The Federal Communications Commission for the first time this week directed the recipient of a radio broadcasting station construction permit to show cause why the authority should not be recalled. The ground given by the Commission was that the concern involved, the Kentucky Broadcasting Co., is not financially qualified to construct and operate the proposed station in the public interest.

The issue was raised when the Kentucky company petitioned the Commission for a rehearing in the case of the Northside Broadcasting Corp., of New Albany, Ind., which had been granted a permit for increased facilities. The Northside station already is on the air.

The Kentucky corporation told the Commission the grant to the other company "would result in such severe loss of operating revenue to the petitioner's proposed station as to impair the service which it could render", and added: "It would destroy the ability of the Kentucky Broadcasting Corp. to render proper service in the public interest."

"Since the petitioner's station is not yet constructed, much less operating", the Commission said in its opinion, "and petitioner is not a licensee under the act, and is not engaged in the operation of a broadcast station, it is difficult to see how proof of the allegations could constitute proper grounds for a denial of Northside's application. At the most, such allegations cast serious doubts upon the petitioner's financial qualifications to construct and operate its proposed station."

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FTC CLOSES CASE AGAINST THREE RADIO FIRMS

The Federal Trade Commission has closed its case in which International Radio Corporation, 559 Williams St., Ann Arbor, Mich.; Wieboldt Stores, Inc., 106 South Ashland Blvd., Chicago, and Davega-City Radio, Inc., 76 Ninth Ave., New York, were charged with misrepresentation in the sale of radio sets.

The three respondent companies have agreed to discontinue the unfair practices charged in the complaint and to accept and abide by the rules of fair trade practice for the radio receiving set manufacturing industry as promulgated by the Commission July 22, 1939.

The case was closed without prejudice to the Commission's right to reopen it, should future acts so warrant.

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RMA DIRECTORS TO CONSIDER XMAS RADIO PROMOTION

Industry plans for 1940, including radio sales promotion, and results of the closing year, will be discussed by the Board of Directors of the Radio Manufacturers' Association, Wednesday, December 6, in Chicago. Among the 1940 sales promotion projects to be considered will be short-wave radio, which has been greatly stimulated by the war, and a joint national promotion of the National Association of Broadcasters and the RMA. The latter includes the national "Radio Christmas" promotion for which details have been sent by the NAB to all of its member stations and in which a large number of local broadcasters, in addition to all networks, have agreed to participate, beginning early in December. (See story in Nov. 21 issue) Many local utility companies also are cooperating in the radio promotion by inserting enclosures in their December bills to customers calling attention to specific programs in suggesting the purchase of new and additional radios for Christmas.

In short-wave promotion, there has been a large increase in the weekly RMA programs of short-wave broadcast stations and further stimulated by the sponsored programs now permitted on American short-wave stations.

The Board will also make arrangements for the Sixteenth Annual Convention to be held in Chicago in the Spring. They will likewise receive reports on technical advances in the art, including television, facsimile, and frequency modulation. There will be a meeting of the Association's Export Committee in Chicago the day before the Director's meeting, Tuesday, December 5th.

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RADIO STATIONS WATCHED ON RACE TRACK REPORTS

The Justice Department is studying the effects of radio broadcasts of race track results on inter-state gambling, it was learned this week, as a follow-up of its campaign which brought the closing of the Annenberg wire service.

Attorney General Frank Murphy stated that the "whole subject is under study" after newspapers pointed out that many gamblers, especially in the District of Columbia, were getting all of their information from radio stations.

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S-W LISTENING GROWING IN MEXICO

Short wave is becoming more popular every day in Mexico due in part to the fact that United States stations and European ones have, during the past year, increased their broadcasts in the Spanish language, according to the U. S. Trade Commissioner at Mexico City. Short-wave programs from the United States are popular and their reception is good. Other western and European stations are heard regularly and are popular. Progressive improvement in Mexican broadcasting stations and other transmitters have improved reception and eliminated interference.

"Reception on the 49-meter band is not very good", the report to the Commerce Department said, "because there are too many stations operating on this frequency. There are not as many stations operating on the 31-meter band and, therefore, the reception is better than on the 49-meter band. Reception on the 25-meter band is the best. Reception on the 19-meter band is good at mid-day and during the early evening, on the 16-meter band good during the early morning and at noon time, and on the 13-meter band good during the very early hours of the morning. There have been no developments on the tropical bands. It is believed that there are not more than 12 or 15 ultra short-wave radios throughout the entire country."

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The Federal Communications Commission this week adopted a final order granting the application of WJMS, Inc., for construction permit to erect a new radiobroadcast station in Ashland, Wis., to operate on 1370 kilocycles with power of 100 watts, unlimited time, subject to certain conditions.

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STRICTER CONTROL OF TEMPORARY AUTHORIZATIONS SEEN

The Federal Communications Commission this week sent out notices to broadcast licensees that it will enforce more strictly henceforth the FCC rules regarding temporary authorizations.

Loose practices by individual Commissioners in granting temporary extensions for fulltime operation to stations licensed for only limited time will be stopped, it was said. A precedent established several months ago when WDGY, Minneapolis, was granted authority to operate fulltime on 1180 kc. resulted in pressure from Congressional and other sources for similar grants to stations in other areas.

At a special meeting the FCC decided to adhere strictly to its rules against such grants unless based on special programs of outstanding public merit. It was pointed out that extensions currently granted have been for one month periods covering all program renditions rather than those of special interest.

In its notice to licensees, the FCC said:

"The attention of all licensees of standard broadcast stations is called to the provisions of Section 1.365 of the Rules of Practice and Procedure. This section governs the filing and action on requests for special temporary authorizations. Two provisions are particularly called to the attention of these licensees. These provisions are briefly summarized as follows:

- "1. Requests must be made 10 days prior to the time of desired operation. In special cases where the request could not be made on time, a full explanation must be made in the request as a basis for acceptance.
- "2. The requests must be limited to temporary periods for the transmission of programs or events which are not recurrent.

"All requests for special temporary authorizations will be considered strictly under all other provisions of Section 1.365, as well as the two provisions outlined above. Requests for operation not in accordance with this section will not be granted.

"The provision requiring that the request be made 10 days prior to the desired time of operation means that events which are known 10 days in advance, such as the broadcast of election returns, addresses by prominent citizens, sports events, etc., must be filed 10 days before the event. In such cases a request for acceptance upon the basis that arrangements for the broadcast were not made 10 days prior to the event cannot be accepted. However, requests for operation in connection with an emergency or play-off of a sports event tie or championship

which could not have been foreseen, would constitute a basis for requesting an exception to the requirement for filing 10 days in advance.

"Requests must be limited to temporary periods for transmission of programs which are not recurrent. This means, for example, that a program concerning a community chest drive, the dedication of a public building, an address by a prominent citizen, a sports event, etc., may be considered, provided that only the actual time required for such operation is involved. Additional time for holding the audience or for the convenience of the licensee is not in order. Requests to carry programs which are recurrent and extend over considerable time, particularly beyond a definite 30-4ay interval, cannot be considered as proper basis for a request for temporary operation. Requests for such operation should be made by formal application in accordance with the rules governing the same.

"Any licensee making a request for a temporary authorization should read carefully and must comply fully with all provisions of Section 1.365. Such procedure is essential to avoid unnecessary expense and delay in the handling of the request."

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STUTTERING ON AIR HIT BY SPEECH TEACHER

Censuring the use of stuttering speech as comedy in broadcasting, Dr. James Sonnett Greene, founder and director of the National Hospital for Speech Disorders, New York City, has appealed to the program directors of 170 radio stations affiliated with major networks to halt the practice, asserting that it not only was unfair to those with speech defects, but also caused children to imitate stuttering and possibly acquire a permanent disorder.

In a letter to the program directors, Dr. Greene said:

"For many years we have been carrying on a crusade against depicting the stutterer in a 'humorous' or ridiculous role. However, we quite often hear the unfortunate stutterer used for comedy relief on the air. His handicap is just as real and just as serious as that of the person who has lost his sight or hearing. Yet no one thinks of deriding those who are physically disabled."

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RADIO LAISON COUNCIL ORGANIZED IN NEW ENGLAND

The Radio Council of Western Massachusetts, a new venture in cooperation between the listening public and the radio industry, has been organized in Springfield, Massachusetts. Its membership is drawn from various sources, including women's clubs, education, men's civic organizations, churches, social agencies, and the radio industry. It attempts to voice the opinion of a representative section of the general public.

The avowed purposes of the organization, as stated in its charter, are as follows: (1) to provide a medium whereby persons and organizations interested in radio programs may confer; (2) to develop mutual cooperation between radio stations and the general public; and (3) to consider the effectiveness and desirability of local and network programs, and to encourage types of broadcasts best suited to the community.

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COMMUNITY LISTENING ENCOURAGED IN GERMANY

Public address systems have been carried farther and are used more extensively in Germany than in any other country, the Commerce Department reports. The main reasons for this development are seemingly the great emphasis placed on the spoken word as the most efficient means of propaganda; the desire of having a complete network of public address systems as the fastest means of communication for anti air raid instructions; to provide workers with musical entertainment during breakfast and lunch time; and last, but not least, Government regulations concerning the installation of community receivers and the policy of the radio industry to supply them at very low cost.

Every large factory and office building is required to have a room for community reception and often loudspeakers are so arranged that employees do not need to leave their working premises for listening-in.

The enormous output of community receivers - over 1,500,000 units in 1938-39 - illustrates the wide spread use of public address systems but also of central receivers. It should not be overlooked that in most cases these community receivers are connected with several loudspeakers installed in various premises or at points of vantage in mass meetings.

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:::: TRADE NOTES ::::
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Substantial seasonal increases in radio factory employment, payrolls and working hours, together with the upturn in national industrial employment, were cited in the current employment report for August, 1939, of the U. S. Bureau of Labor Statistics.

Radio factory employment last August increased 4.8 percent over last July and was 38.3 percent above radio employment in August, 1938. The comparative indexes of the U. S. Bureau of Labor Statistics have been changed to conform to the 1937 Census of Manufactures, and the August radio employment index on the old series basis was 123 percent, compared with the July index of 117.3, while the new August index was 135.9. A supplementary government report stated that the percentage of radio employees laid off last August was 2.98 per 100, while the September percentage of layoffs was .86 per 100, compared with 1.27 per 100 in September 1938. The ratio of new radio employees hired last August was 8.16 per 100, and there followed in September an unusually large increase of 16.50 per hundred, compared with 7.67 percent in September, 1938.

The Federal Communications Commission this week adopted a final order granting the application of Vincennes Newspapers, Inc., for a construction permit to erect a new radiobroadcast station in Vincennes, Indiana, to operate on the frequency 1420 kilocycles with 100 watts power, unlimited time.

World Radio Market reports of the Bureau of Foreign and Domestic Commerce released this week covered the following: French Oceania, Cuba (supplement), Algeria, Bolivia, Mexico, Gibraltar, Burma, and Germany.

New York socialites are planning a Television Ball on the night of December 15 in the Grand Ballroom of the Waldorf-Astoria for the benefit of the Goddard Neighborhood Center at 599 First Avenue.

The Ball Committee has arranged with the National Broadcasting Company for the telecast of the ball itself and three preliminary programs. With television as the theme of the ball, the special entertainment program will be telecast and guests at the party will be able to see the program as intercepted from the air on receivers installed in the ballroom for the occasion.

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RADIO HAS LOUD VOICE, WEAK HEART, SAYS EDITOR

Further criticism of the NAB Code ban on sponsored controversial talks came last week in an editorial published in the Washington Times Herald, which said as follows, in part:

"We've been doing some more investigating of the code of ethics clamped down on the radio industry October 1 by the National Association of Broadcasters and the further we go into the matter the greater grows our contempt.

"The central theme of the code is a project to keep down the broadcasting of programs which may cause public controversy.

"A very nice piece of window dressing has been installed to make it appear that the broadcasters are not trying to dodge their responsibilities but are eager to be fair to everybody. The NAB says they are not forbidden to give away time for controversial programs. They just aren't allowed to sell it.

"All the flossy chatter they can think up concerning free speech and equal debate can't conceal the catch in this.

"Radio stations, like newspapers, grocery stores and peanut peddlers, have to make a profit if they are going to stay in business. The station managers naturally sell all their time if they can. If they have a dull hour when not enough people are listening to make it worth while for an advertiser to sponsor a program, they are glad to have somebody fill in and save them the cost of paying for sustaining talent.

"But in the hours when lots of people are likely to be tuned in, they sell to the highest bidder, naturally.

"The radio industry, if it lets the NAB ride it with this 'no controversy' saddle, is taking a big chance on getting ridden straight into the corral of Government ownership. Which would be a catastrophe for all of us.

"Something a lot of broadcasters are inclined to overlook is the fact that they operate their stations only by public sufferance. The Government grants them a license, tax free, to maintain the very profitable and entertaining institution we call radio. And what the Government gives free it can take back.

"Every radio broadcasting license is granted on the premise that the holder will serve public interest, necessity and convenience. When he fails that test he isn't worthy to have the license any longer.

"And one of the elements of serving the public interest is giving rein to public discussion of public issues. We don't hold any particular brief for John L. Lewis, Father Coughlin, Elliott Roosevelt, ex-Congressman Pettingill, or anybody else insofar as the line of controversy he wants to stir up on the radio is concerned.

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"But we do have a deep conviction that these gents ought to be allowed to pay the radio stations and get their controversial chatter out over the airwaves just as freely as the food companies shove their gelatine and coffee by courtesy of Charlie McCarthy and Jack Benny.

"Radio has the most powerful voice the world has ever known. It can reach the minds and heart of people up in the sky, speeding along the roads, at sea and under the earth. It has a duty to let those people in on whatever is controversial as well as whatever is the latest Broadway wisecrack.

"And it better develop a heart as strong as its voice is loud, or it is headed for the muffler."

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CHANGE IN BIG RADIO AD BUDGETS FORECAST

The intense scrutiny that advertisers and agencies are beginning to give to all media may bring about important changes in 1940 expenditures, according to agency executives, the New York Times reported this week. "Although there is disagreement on this point, some executives hold that there is a definite tendency to question heavy expenditures on radio and to wonder whether equal sums spent in publication advertising might not be more than profitable.

"Just as advertisers disliked the forced combinations in newspapers, so do some of them object to having to pay for certain stations in basic networks, covering territories in which they have a poor distribution. This objection has caused many of them to turn to spot broadcasting, accounting in part for the sharp rise in that medium this year. But the anxiety of many stations to become affiliated with chans may in turn hamper spot programs.

"Criticisms of media by advertisers, however, are not confined to radio. The rate differential between local and national advertising in newspapers is still a sore spot. As far as magazines are concerned, the chief reason apparently why linage does not increase at a greater rate is that advertisers dislike the time lag between approval of ads and publication in monthly magazines, under present unsettled conditions, it was said."

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