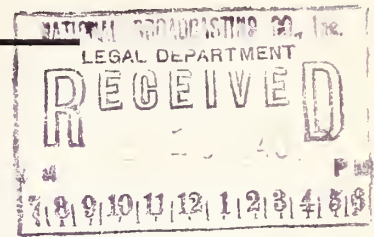


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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No. 1266

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September 17, 1940.

SMALL PERCENT OF CONTINUITIES FOUND QUESTIONABLE

From the total of 635,843 commercial continuities examined by the Federal Trade Commission during the past fiscal year in script rendered by individual broadcasts, 14,274 were marked and set aside for investigation, or only 2.2 percent.

A breakdown of the 2 aforementioned figures further discloses that of the total individual station continuities examined, 96,140 were broadcast by 89 stations located in 14 cities or population centers of over 500,000 population. From such radio station commercial continuities, 2.97% were deemed sufficiently questionable in the initial scrutiny to warrant further investigation.

The analysis discloses data concerning the principal sources as to population centers of origin of those commercial continuities broadcast by individual radio stations (non-network broadcasts) which were marked and set aside as warranting further investigation.

The completed tabulation in table "A" below shows particulars representing each of 6 ranges of population groupings whose commercial continuities were included in the advertising surveys during the fiscal year.

TABLE "A" - COMMERCIAL CONTINUITIES (NON-NETWORK)
ANALYZED AS TO ORIGIN BY POPULATION GROUPINGS

Station Location as to Population Range	Total Continu- ities Examined	No. of Stations Repre- Sented	Total Cities Represent- ed
Over 500,000	96,140	89	14
250,000-499,999	89,639	72	26
100,000-249,999	96,602	84	42
50,000-99,999	102,679	103	76
25,000-49,999	91,235	108	100
Under 25,000	159,548	241	235
Total	635,843	697	493

The percentages and other statistics presented above relate only to the initiation of inquiry and are not necessarily representative of any final adverse action taken by the Commission.

Surveys of radio advertising were carried on during the fiscal year reported upon, on a selective and representative basis somewhat similar to the method followed in scrutinizing published advertisements.

In comparing this station data with other radio review information, or other methods of advertising dissemination, consideration should be given to these facts: Local and individual broadcasting stations are often linked a large part of their broadcast time into nation-wide or regional networks broadcasting the same advertising material. For the purpose of avoiding unnecessary duplication of review efforts in our advertising examinations, local individual stations do not render commercial continuities for such network programs, but only commercial continuities for such programs as may originate in their respective station studios. Thus, the network advertising broadcasts, and the markings of those questioned continuities selected from network announcements have been regularly reported upon as such in Commission releases. However, there is no data available which would permit an apportionment to the individual affiliated stations of those questioned commercial announcements which may have utilized the facilities of many individual stations during the course of their network dissemination.

Of the total 14,274 questioned commercial radio continuities marked from individual station broadcasts, during the fiscal year ending June 30, 1940, it is observed that 20.0% originated from broadcasts by individual stations located in cities of over 500,000 population.

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FCC CHAIRMAN WOULD FAVOR NEITHER PARTY

It was made clear by Chairman James L. Fly of the Federal Communications Commission that all political parties should have the same treatment over the radio. He said one of the worst forms of public service would be for broadcasters to favor one party over another - Democratic over Republican, or vice versa. Such a situation he believed would be very unfortunate. The Chairman remarked that this discussion got him back to his favorite thesis of radio as an instrument of democracy. Broadcasters should give balanced discussions and other service factual, reporting, but without editorial policy.

This came up in connection with a conference the FCC Chairman had had recently with the heads of the Communist Party as to the Communist broadcasting rights in the presidential campaign. Mr. Fly explained to them that the Commission was quite unable to tell any station under any circumstances to take any particular speech, although improper refusal might subsequently come up later as a question of public service.

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Mr. Fly said that he had also discussed the Communist matter with the broadcasters. The latter have had some differences and there has been some delay in arriving at a decision but it is expected they will soon be in a position to inform the FCC where they stand. Chairman Fly said the Commission doesn't want to take any arbitrary position. The Communists contended they were told to take the matter up with the broadcasters after the convention but now time is passing and the broadcasters have failed to act.

Questioned if the law didn't require every party to be given equal time on the radio, the Chairman pointed out that the statute says this is mandatory only if a legally qualified candidate is accorded time in the first place under which condition other legally qualified candidates for the same office can demand equal time. Asked if Republicans and Democrats paid for time, would the broadcasters be expected to give the Communists equal time for nothing, the Chairman replied that "unlike" facilities was not a point at issue.

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CALLS F.D.R. "SMOOTH RADIO VOICE" A "GOLD BRICK"

Wendell Willkie, charged with being more or less of a "bust" on the radio, took quite a shot in his Coffeyville speech at the radio charm supposed to be possessed by the President. Mr. Willkie, discussing the Battle of Britain said that with the burning of London not only is the city in flames but a philosophy is in flames and a way of life is in peril, and referring to Mr. Roosevelt added:

"And I wonder what stands between us and that calamity except a smooth radio voice offering us the gold brick of safety without sacrifice."

Mr. Willkie calling attention to the great power now possessed by the President declared that the latter could crack down on the radio stations if he desired to do so:

"Mr. Roosevelt now has power, among other things, to close all of our banks whenever he wishes; to change overnight the value of the money you and I carry in our pockets; to issue several billion dollars' worth of paper money on his own say-so; to close the stock exchanges. If he declared another emergency he could close all the broadcasting stations. He has declared 40 emergencies in the last seven years."

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DUNLAP LEAVES TIMES FOR RCA

After eighteen years as Radio Editor of the New York Times, starting in the infancy of radio and making the radio section of that paper what it is today, Orrin E. Dunlap, Jr. last week resigned from the Times to go with the Radio Corporation of America as head of the RCA Press Department. It is understood he had the offer under consideration since last June. He succeeds Horton H. Heath, who has been appointed RCA Director of Advertising and Publicity.

Mr. Dunlap is a "career man" in radio and the author of seven books, including the biography, "Marconi: The Man And His Wireless", and "The Outlook For Television". Associated with wireless since 1912, when he built an amateur station, he served as chief operator of the Marconi Wireless Telegraph Company aboard the S.S. OCTORORA in 1917.

During the World War he served as operator in the U. S. Navy, graduating from the U. S. Naval Radio School at Harvard as one of the three honor men in the class.

Mr. Dunlap was graduated from Colgate University in 1920 after which he attended the Harvard Graduate School of Business, specializing in advertising and marketing. After a year with the Hanff-Metzger Advertising Agency, he joined the staff of the New York Times as Radio Editor.

Also for several years he was corresponding editor in charge of radio for the Scientific American and Boy's Life. As a pioneer in amateur wireless, Mr. Dunlap was an early member of the American Radio Relay League, and has been a member of the Veteran Wireless Operators' Association and the Institute of Radio Engineers.

Mr. Dunlap has been a close student of television. After carefully looking over the field last year, the National Association of Broadcasters selected him to discuss that highly controversial subject at their annual meeting. Will H. Hays was chosen to speak for the movies. Next to David Sarnoff, Mr. Dunlap, in writing the Marconi book, probably kept more closely in touch with the inventor of radio than anyone in the United States. Mr. Dunlap's life of Marconi was the only biography the great scientist himself ever approved.

It has been said of Mr. Dunlap that he likewise could have made a great success as a financial writer. Another hobby which might have been developed is his natural ability as a cartoonist. Letters illustrated by his caricatures have long been a joy to his friends. He also has a very valuable collection of autographed photographs indicative of his contact with prominent men.

A la Wendell Willkie putting Rushville, Indiana, on the map, Mr. Dunlap has been a perpetual booster for his old home town of Niagara Falls, N. Y. He never misses going there for his vacation, where his father, Mr. Orrin E. Dunlap, Sr., veteran newspaper correspondent, still resides. Niagara was also the home of his wife who was formerly Miss Louise M. Leggett.

Some years ago this writer was in Chicago attending a radio convention with Mr. Dunlap. Henrici's Restaurant was suggested for dinner. As Dunlap, who had not been any too complimentary about some of the things he had seen in Chicago, entered Henrici's, he exclaimed: "This is a great place!" "How do you know?" he was asked. "You haven't eaten here yet." "How could I help but like it?" Mr. Dunlap exclaimed, as he laughingly pointed to a huge oil painting of Niagara Falls, covering the whole side of the wall behind the cashier's desk.

At that same convention in Chicago there was considerable indignation among radio editors and radio manufacturers because Mr. Dunlap had an exclusive story in the New York Times describing in detail the forthcoming year's development in radio sets when the whole thing was to have been a secret and not sprung until the day the show opened. The radio manufacturers declared they had guarded their exhibition closely and were sure no newspaper correspondent had seen the new sets. They couldn't understand how the thing had gotten out. Nevertheless Mr. Dunlap had it all in the Times the morning the show opened.

When pressed by this writer as to how he got the story, he laughed as he said: "There was nothing to it. All the public wanted to know was what was the latest thing in radio sets. In the convention number of the radio manufacturing trade papers, every manufacturer advertised the latest improvements he would display at the Chicago exhibition. All I had to do was to read these advertisements and there was my story."

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NO "CZAR" FOR DEFENSE COMMUNICATIONS COMMITTEE

Chairman James L. Fly of the Federal Communications Commission reiterated yesterday that the proposed Defense Communications Committee would be a planning agency and not an administrative agency. Asked if a single administrator was contemplated, the Chairman replied that no single "czar" representing either the Government or industry would have charge of this job.

"In fact such a step would be contrary to our democratic processes", Mr. Fly concluded. "The Defense Committee will represent both Government and industry and will not be headed by any one 'big gun'. Why should it?"

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NEW CAPITAL STATION SOON

The approximate date set for the opening of the new Washington, D. C. Station WINX is October 15th. There are now four stations in the Capital - WRC and WMAL of the National Broadcasting Company, WJSV, of Columbia Broadcasting System, and WOL of Mutual Broadcasting System. The new little brother will begin with 250 watts on 1310 kilocycles.

Lawrence J. Heller, President of the new station, has announced the appointment of Reggie Martin as General Manager. Calling itself the Washington radio station for Washingtonians, the new venture is already in its own building at Eighth and I Streets, N.W., in the heart of the business section of the city, and in possession of a synchronized booster on the American University campus.

Commenting on his new position this week, Mr. Martin said: "WINX will endeavor to render a service devoted exclusively to the interest of Washingtonians. It is our desire to cover in one way or another everything of importance which happens in the Capital's metropolitan area. We shall also attempt to offer a different type of program than is available on other local stations. We intend to give ample time to all civic matters and to encourage first class local talent."

Mr. Martin is a native of South Bend, Ind., where he started in radio. He attended the University of Chicago and has been associated with various Midwestern stations, including the Register and Tribune stations in Des Moines and with the Central States System in Nebraska. For the past two years as General Manager of Station WJNO, Palm Beach, Fla., he is familiar to sports fans throughout the country over the nation-wide networks.

The new station's service range is expected to be within a radius of 20 or 25 miles.

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GLIDERS GET PORTABLE-MOBILE STATION

Construction permits have been granted to the Airhoppers Gliding and Soaring Club for two new portable-mobile flying school stations. The first is to be used at any point where glider operations may be held and the second to be operated on various gliders while soaring over landing fields to communicate with portable-mobile flying school land station.

Both stations will operate on a frequency of 39060 kc., one with 15 watts power and the other with 2 watts power.

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NEW U.P. RADIO BUREAU HEAD

Hartzell Spence will reorganize and develop the United Press's Department of promotional activities. He will also continue as Manager of U.P.'s Special Service Bureau and Manager of Radio Shows, Inc., a U.P. subsidiary.

The Special Service Bureau and Radio Shows are by-product departments of U.P. for publishing and radio, respectively, handling special news, research service for Newsweek, Look and other publications and servicing such radio commentators as Lowell Thomas, H. V. Kaltenborn, Raymond Gram Swing and others. Mr. Spence has headed the Special Service Bureau for nearly two years and Radio Shows since last year.

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PLAYS NEWSPAPERS AND COMMENTATORS

Not mentioning Wendell Willkie, Representative Hamilton Fish (R.), of New York, blames newspapers and radio commentators for the defeat of his amendment which would have postponed the draft until after election.

Mr. Fish contended that his amendment would have increased the size of the Army far sooner than the bill as it now stands, by permitting enlistment as a preliminary to the operation of the draft.

"The eastern internationalist press", Mr. Fish said, "deliberately and maliciously headlined my amendment as an attempt to delay the draft by 60 days, and this slimy and contemptible perversion of the truth was repeated over the radio by warmongering commentators such as H. V. Kaltenborn."

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GERMAN RADIO SETS INCREASE DESPITE WAR

The number of licensed radio receiving sets in Greater Germany (inclusive of the new Eastern Provinces but exclusive of the Protectorate of Bohemia and Moravia and of the occupied areas) amounted to 14,431,142 on June 1, 1940, the American Embassy in Berlin reports. This is an increase of 103,224 over the preceding month. This number includes 1,022,061 sets which are exempted from paying the license fee for social reasons.

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NAVY COMMUNICATIONS POLICY

The new communications policy is outlined as follows in the recent U. S. Naval Policy:

"To provide and maintain a naval communication system based on war requirements.

"To operate the communication facilities as required, primarily, by the current operating force plan and for direct communication with overseas possessions.

"To continue the use of naval communication facilities to increase safety at sea and in the air, including adequate communication with the United States Merchant Marine and commercial aircraft flying overseas.

"To cooperate with American commercial communication activities so as to enhance their military value in the time of national emergency and to safeguard the communication interests of the United States."

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SALES OF RADIO SETS CLIMB WELL ABOVE 1939 RECORDS

So far in 1940 the radio industry has bettered by a substantial margin the sales records chalked up in 1939, reports Dun & Bradstreet, Inc.

"Manufacturers' unit sales have run better than 25 percent above last year, when total volume exceeded 10,000,000 receivers. A favorable sales stimulant is the public's intense interest in European war news and in the presidential campaign. Buying of the smaller, inexpensive models has continued strong, and these count heavily in unit volume.

"With turnover at a highly satisfactory rate, the industry's efforts now are directed toward translating volume into net earnings. Profit margins have been slimmed in recent years by the increased emphasis given low-priced sets and by outbreaks of price-cutting, particularly in retail channels. In 1939, the average retail price of receivers was only \$34, compared with well over \$100 10 years earlier. Since the latter part of 1939, the value of the average unit sale has shown a slight upward tendency, so that currently it is estimated closer to \$40. It is not improved sufficiently, however, to raise dollar sales volume to the peak of proportions of 1937.

"Efforts to increase dollar totals have resulted in more emphasis on the relatively expensive radio-phonograph models.

Television receivers and the new frequency-modulation sets, although still of small volume importance, are also counted upon to add to the average unit sale. Meanwhile, the volume market is being constantly widened by improved mechanical and styling features. Latest innovations include low-priced record players with automatic changers and candid-camera type portables.

"Although no comprehensive inventory figures are available, reports suggest a fairly healthy stock condition in the industry. Manufacturing activity in 1939, as revealed by employment statistics, was below the 1936-7 level despite a very substantial increase during the latter part of the year. In the first half of 1940, employment was above the same period of 1939 but still below 1936 and 1937."

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AP SIGNS NEWS EXCHANGE PACT WITH NBC, CBS

The Associated Press announced last week it had signed with the National Broadcasting Company and Columbia Broadcasting System one-year "exchange agreements" providing for the exchange of all news obtained by the networks, plus a cash differential, for AP dispatches. The arrangement went into effect officially on Tuesday, although it had operated on an informal basis for several weeks with NBC.

The size of the money payments by the networks to AP will vary, as news will be broadcast on both a sustaining and commercial basis. No news will be used on sponsored programs without the AP's approval, under the terms of the agreement.

It was said by Editor & Publisher that the AP also is negotiating with officials of the Mutual Broadcasting System for a similar agreement.

The move announced this week by W. J. McCambridge, Assistant General Manager who signed for the AP, placed AP in competition with the United Press, International News Service, and Transradio. The agreement with the networks will come up for ratification by the AP's Board of Directors at a meeting on October 1st.

First accounts to use AP news are Musterole, Barbasol and Pa-Pi-A, all handled by Erwin, Wasey & Co., Inc., and Nash. NBC facilities will be used by Musterole, Pa-Pi-A and Nash, while Barbasol and Pa-Pi-A will use CBS.

All contracts call for five-minute news periods, and will start shortly except Nash, which starts Sept. 30. NBC is now attempting to clear time on 60 stations for this account, marking the first time the network has sold five-minute news periods on a coast-to-coast basis.

In the meantime, AP member papers will continue the sale of news to local stations. Mr. McCambridge disclosed Sept. 10 that 180 contracts had been obtained on this basis since AP news was made available late last Spring. Under this arrangement, member papers pay to AP 5% of their assessment rate when news is sold for use on sustaining programs, and 25% when the programs are sponsored.

O. S. Gramling, Executive Assistant in charge of AP membership, said the NBC and CBS agreements open up to AP regularly all news gathered by the networks' foreign staffs. Transcripts of the radio correspondents' broadcasts will be provided.

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:::: TRADE NOTES ::::
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President Roosevelt has proposed a radio round table further to publicize the defense program. Stephen T. Early, White House secretary, said yesterday. The same information proposed to be made available to radio commentators would be offered to newspaper men in Washington, he said.

KOME, Tulsa, Oklahoma, becomes affiliated with the National Broadcasting Company Blue network September 29.

WOR's position on the radio dial will not be affected by the general reallocation of broadcasting channels which will take place next March 29th, when the North American Regional Broadcasting Agreement goes into effect. The frequency assignment of WOR remains the same, 710 kilocycles - 71 on the dial.

The General Electric Company has been granted a license to cover construction permit which authorizes a new relay television broadcast station at New Scotland, N. Y. The frequencies allocated are 156,000-162,000 kilocycles, 10 watts. It is to be used in connection with the General Electric television Station W2XD at Schenectady.

It was said by radio officials that \$20,000 would fall far short of full compensation for the three networks in giving up thirty minutes of their best commercial periods to put the President on the air.

David C. (Dave) Garroway, KDKA special events announcer, will leave Sept. 13 to join the National Broadcasting Company's announcing staff in Chicago.

The DuMont station in New York, W2XWV will temporarily operate a 50 watt television transmitter on 60000-86000 to conduct field tests.

P. J. Hennessey, Jr., counsel for the National Broadcasting Company, and J. A. Chambers, radio engineer, both of Washington, were among the lucky thirteen passengers landing safely in an American Airline plane with only one motor operating, the other having caught fire in midair. Their remarkable experience took place at an emergency landing field near Louisville, Ky., last Friday night. Mr. Hennessey has long been connected with NBC and now has his own law business in the Capital. Mr. Chambers is of the radio engineering firm of McNary & Chambers and formerly was Chief Engineer of the Crosley Radio Corporation.

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NAB WAXES SARCASTIC IN "ASCAP VICTORY?"

The following paragraph appears in the current issue of the National Association of Broadcasters' report:

"Warner Brothers motion picture interests control the Remick, Witmark and Harms music publishing houses, which are understood to receive considerably more than \$500,000 a year from ASCAP.

"Warner Brothers motion picture interests control Station KFVB of Los Angeles, which has, presumably, paid ASCAP something in the neighborhood of \$30,000 a year.

"KFVB has signed the new ASCAP contract.

"A full page advertisement in Variety announces the consummation of this undoubtedly difficult negotiation."

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TOLD RADIO NEWS HELPS NEWSPAPERS

Circulation Managers from New Jersey, Pennsylvania, Maryland, Delaware, West Virginia and the District of Columbia meeting in Atlantic City were addressed by Matt Sullivan, Circulation Director for Frank Gannett's chain of newspapers, who said:

"The effect of radio news broadcasting on the reading of news is decidedly favorable to the newspaper. Though newspapers no longer can give first notice of major news events, the reader, still seeks newspapers for reliability, accuracy and completeness. People continue to look to newspapers for details of how it happened, what everybody concerned has to say, and what it all means."

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RADIO CRIME PLAYS HIT BY INTERNATIONAL POLICE

Police chiefs from many lands attending the annual meeting in Milwaukee of the International Association went on record as saying that the presentation of crime dramas on the radio was detrimental to the morals and proper training of children. They adopted a resolution to supply no factual information on crimes to the radio.

Don F. Stiver, of Indianapolis, Superintendent of the Indiana State Police, who headed a committee studying the effects of crime drama, said that much of the information furnished to radio programs was so distorted by script writers that the police could not recognize the story.

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