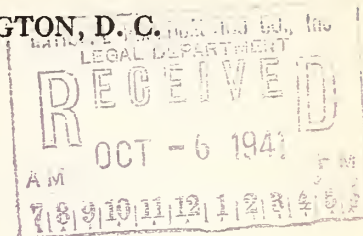


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



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CENSUS REPORTS 58% FURNITURE-HOUSEHOLD-RADIO SALES

The Census of Business retail trade report presenting an analysis of commodities sold by stores in the furniture-household-radio group has just been made public. It is based upon a sample of all establishments in this classification that were enumerated in the Census of Business of 1939. Sales of the furniture stores that reported commodity analyses amounted to over 61 percent of the sales of all stores classified as furniture stores by the Bureau of the Census. Almost 31 percent of the furniture stores reported commodity analyses. Sales of the 4,718 household-appliance stores that reported commodity data amounted to over 68 percent of the sales of the 11,095 stores so classified.

The commodity coverage for radio-household appliance stores was over 58 percent, this volume of sales being reported by 29 percent of such stores. The samples for the other kinds of business in this furniture-household-radio group are as follows: Floor-coverings stores, 77.3 percent of sales and 36 percent of stores; drapery, curtain, upholstery stores, 50.7 percent of sales and 22 percent of stores; interior decorators, 55.5 percent of sales and 31 percent of stores; radio stores, 44.8 percent of sales and 8 percent of stores; radio, musical-instrument stores, 60.4 percent of sales and 36 percent of stores.

In the explanation of terms, stores selling radios are defined as follows:

Radio - household appliance stores. These stores are engaged in selling radios in combination with household appliances.

Radio stores. - These stores specialize almost exclusively in the sale of radios, television sets, and parts. Radio repair shops are classified in the Service Census.

Radio - musical instrument stores. These stores are engaged in the sale of radios in combination with musical instruments.

The U. S. summaries for radio in these various classifications for 1939 are:

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COMMODITY	Stores	Reported
	Reporting	Sales of
	Commodity	Stated
	Data	Commodity
	Sales of	Amount
	Num- such	
	ber Stores	Reported
	(add 000)	(Add 000)
<hr/>		
<u>Radio Stores</u>		
United States Summary		
All stores	2,409	
Sales	\$22,901,000	
Commodity coverage	44.8 percent	
Total analyzed.	181:	10,252 : 10,252
Radio, television sets, parts	181:	10,252 : 8,929
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<u>Radio - Musical Instrument</u>		
<u>Stores</u>		
United States Summary		
All stores	502	
Sales	\$25,774,000	
Commodity coverage	60.4 percent	
Total analyzed.	184:	15,564 : 15,564
Radio, television sets, parts	184:	15,564 : 4,976
<hr/>		
<u>United States</u>		
All stores	6,907	
Sales	\$190,180,000	
Commodity coverage	58.8 percent	
Total analyzed.	1,983:	\$111,830 : \$111,830
Radio, television sets, parts	1,983:	\$111,830 : \$111,830

The number of stores, sales, personnel and payroll of the radio-household appliance stores for cities over 500,000 is as follows:

CITY	Number of stores	Sales (Add 000)	Total No. of Employees (Average for year)	Total Payroll (Add 000)
Boston, Mass.	21	\$ 731	72	\$ 92
Chicago, Ill.	136	6,555	388	592
Cleveland, O.	45	1,966	150	215
Detroit, Mich.	76	4,995	401	640
Los Angeles, Cal.	108	4,139	323	393
New York, N.Y.	290	19,460	1,341	2,201
Philadelphia, Pa.	80	2,561	200	241
St. Louis, Mo.	37	1,210	132	132
San Francisco, Cal.	25	776	74	103

The exact title of the report is "Census of Business: 1939 - Retail Trade - Commodity Sales - Furniture - Household - Radio Group", and copies are for sale by the Superintendent of Documents, Washington, D. C. Price 15 cents.

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WHAT! THEY DIDN'T THANK MR. FLY?

A story has been going the rounds that though congratulations poured in on the National Association of Broadcasters for the fight the broadcasters made which resulted in having the \$12,500,000 tax on radio time sales killed, that a sufficient number forgot to adequately thank Chairman James L. Fly for going to the bat for them.

It seems to be generally admitted that Mr. Fly's testimony was quite a factor in having the huge levy eliminated. He called the tax "pretty dubious". This apparently friendly gesture came as quite a surprise because it followed quite a series of crack-downs on the industry by Chairman Fly. The only "fly-in-the ointment" in his Congressional plea, as it were, was that while condemning the \$12,500,000 tax, Mr. Fly also took the occasion to put in a few kind words for a franchise tax of his own which he had been nursing along. This would only call for two or three million, just enough to pay the annual expenses of the happy and rapidly growing family of boys and girls at the Federal Communications Commission, but it was nevertheless quite a drop from the amount Congress tried to extract.

"Maybe the broadcasters have since got around to thanking his nibs for what he did for them, but gratitude is a rare flower and I am told Mr. Fly was far from pleased at the initial response", a high official of the Commission observed to this writer, "and as a result of this apparent lack of appreciation, I think Mr. Fly would go pretty slow next time helping the broadcasters pull their chest-nuts out of the fire."

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NEW TYPE LIBERTY SHIP RADIO UNIT SIMPLY PLUGGED IN

A new type of commercial marine radio equipment of revolutionary design which can be installed on board ship in one-fifth of the time usually required has been developed in connection with the emergency shipbuilding program. Among the vessels on which it is to be installed are the 312 Liberty type ships now being built by the Maritime Commission. The new unit combines in a single cabinet, radio equipment which ordinarily requires as many as twelve separate units and eliminates the intricate system of interconnecting wiring in the radio cabin. It includes all of the radio apparatus necessary for safety and communication purposes.

The new set is being manufactured by the Federal Telegraph unit of International Telephone & Radio Manufacturing Corporation. It will be available to shipbuilding companies through the Mackay Radio and Telegraph Company. Both companies are associated with the I. T. & T.

The equipment was designed by the Federal Telegraph to meet the speed requirements of the emergency shipbuilding program to do away with all wiring and other work usually done on the ships. It is practically ready to "plug in" at the power supply and radio antenna system when it arrives at the ship. This releases many hours of highly skilled labor for other National Defense work.

The combining of all apparatus in a single cabinet also means an important saving in space on the ship.

The fact that all installations are standard is expected to speed considerably the training of new operators. Each switch and each button is in exactly the same place on every ship carrying the equipment.

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RADIO COMPANIES EVIDENTLY NOT ALARMED BY TELEGRAPH UNITY

There is no apparent alarm in the radio-telegraph industry at the recommendation of a Senate Interstate Commerce sub-committee that the Communications Act be amended to permit a merger of domestic telegraph companies of the nation and an independent merger of American-owned international telegraph facilities.

It was pointed out by a radio telegraph representative that if there were a merger between the Western Union and the Postal that the Western Union would continue to operate the cables but that evidently there was no clause permitting the merger companies in the foreign service to continue domestic services. This referred to R.C.A. Communications and Mackay companies handling domestic radio telegrams between cities in the United States where they have offices of their own.

It was said that the Senate subcommittee evidently misjudged the value of having the domestic offices to pick up foreign messages and apparently contemplated their discontinuance of handling of domestic telegrams.

This brings to mind that last May Chairman James L. Fly of the Federal Communications Commission advocated the abandonment of domestic (inter-city) radio telegraph in the United States. This was vigorously opposed by radio telegraph representatives. Among these was W. A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, Inc., who when he appeared before the Senate Interstate Commerce subcommittee, said in his general conclusions:

"If Congress should adopt new legislation which may result in mergers or a monopoly in the domestic telegraph field, but not in the international telegraph field, I cannot urge upon you too strongly the importance from the standpoint of the nation and the public of safeguarding the competing carriers in the field of international communication against destruction or deterioration by putting them between the pressures which can be exerted by monopolies abroad and the pressures which can be exerted by a monopoly at home. This can be avoided by prohibiting any domestic merger from owning, controlling or engaging in international communication services and by requiring, as suggested by Chairman Fly, that all outgoing international traffic shall be divided among the international carriers in the proportions in which they turn over incoming messages to the domestic monopoly for delivery. Unless these safeguards are provided, there is nothing surer than the ultimate destruction of the services of the competing carriers engaged in the international field, and of their ability to carry on further research and development.

"If there are to be mergers or monopolies, let there be two distinct monopolies; one in the domestic field and the other in the international field. Then all questions of international traffic distribution would disappear automatically and the single American international carrier would meet foreign governments and carriers on an equal footing as to bargaining power."

Among the Senate subcommittees recommendations last Tuesday were the following:

"There should be no requirement that the domestic or international mergers be carried out simultaneously or at all.

"The legislation should define 'domestic' and 'international' operations and should not prevent the inclusion of all existing operations of any domestic carrier which may be engaged partially in international telegraph communication, and should empower the FCC eventually to permit the merged domestic carrier to restrict itself solely to domestic operations if found to be in the public interest.

"The merged companies should be required to be of the simplest possible financial structure."

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ROCKEFELLER CALLS SET MAKERS TOGETHER ON S-A SITUATION

Considerable secrecy attended a meeting of radio set manufacturers which Nelson Rockefeller, Coordinator of Inter-American affairs called in Washington last Tuesday. No statement was given out by Mr. Rockefeller. One suggestion ventured as to the object of the meeting was that it was to discuss the possibility of enlarging the South American listening audience to U. S. programs by offering for sale cheap all-wave receivers.

Apparently the Rockefeller officials were very much disturbed that anything had been printed about the meeting and stated that the Government had made no promises that priorities would be granted to manufacturers making these cheap sets, and that no manufacturers were told to go ahead on their own pending the Government's getting the matter arranged. So far the whole thing was said to be all just talk.

Among the radio manufacturers Mr. Rockefeller called to the Capital were said to have been Larry E. Gubb, of Philadelphia, President of Philco; E. F. McDonald, Jr., of Chicago, President of Zenith, and George K. Throckmorton, of Camden, N.J., President of RCA Manufacturing Company. Don Francisco, head of the Communications Division of the Rockefeller group, and M. H. Aylesworth, credited with being the author of the cheap set idea, were understood to have been the Government representatives present.

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CHARGES PAPERS WITH UNFAIR RADIO HEARINGS REPORTING

Strong opposition to newspaper-owned stations was voiced by Morris L. Ernst, counsel for the American Civil Liberties Union, when hearings were resumed on Thursday by the Federal Communications Commission to determine future policy towards newspaper applications for broadcasting licenses.

Mr. Ernst even went so far as to say that the newspapers had been unfair in their reporting of the radio press hearings which are being held by the Commission. He said they fail to state their stake in the matter - the money they had invested in radio stations. The witness said the joint ownership of newspapers and broadcasting stations was a menace to the Bill of Rights.

Mr. Ernst said that he was willing to concede that newspapers could do a better job of running radio stations than any other interests, but he felt that radio could preserve freedom of speech only if there were diversity of ownership.

Mr. Ernst charged the newspapers with unfairness in reporting the present hearings because, he said, they fail to state their stake in the matter - the money they had invested in radio stations.

"Don't tell me", the noted attorney and author said as he was questioned sharply by Commissioners and attorneys, "that the owner of a 'mike' hasn't an advantage in forming the public opinion of a community."

Personally, he emphasized, he would deny newspapers the right to run stations, on the theory that this was placing too much power in one group.

Mr. Ernst said that if newspapers came to dominate "this pipeline to human thought", he feared practices resulting would bring about a public demand for the Government to take over all radio. "And that", he added, "is what I fear most."

He saw as one of the undesirable features of newspaper-radio affiliation the failure of these two means of communication to criticize each other.

Pointing out that radio already was dominated to a large extent by chains, he asked: "Do you think any radio chain would hold a debate on the present issue before the Federal Communications Commission? Never."

Mr. Ernst said he did not care who owned radio stations, but added:

"What I want is diversity of ownership."

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ROCHESTER FIRST UNDER WIRE ON PROPOSED CBS ASCAP PACT

First reaction on the CBS letter to its affiliates on the proposed agreement with the American Society of Composers, Authors and Publishers came from Rochester, N. Y., as Clarence Wheeler, Vice President of WHEC, wired that he had signed the station-network agreement.

Mr. Wheeler's enthusiastic telegram to Edward K. Klauber, CBS executive Vice President, follows:

"Have read your letter of September 27th thoroughly and am sending you signed copies of agreement between WHEC and CBS. I have followed the negotiations from the beginning and feel that all parties are to be congratulated on arriving at the terms for returning ASCAP music to all who wish to use it."

The WHEC official added that his station would sign a local agreement with ASCAP as soon as the Society adjusts an audit made by its own auditors. He did not indicate which of the several proposed local station-ASCAP agreements he would sign.

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 ::: TRADE NOTES :::
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The Chicago Board of Education for the fifth consecutive year has selected the stations of Ralph L. Atlass, WJJD, of Chicago, and WIND of Gary, to broadcast its official educational programs.

The hearings before the Committee on Interstate Commerce in the Senate last June before Senator Burton K. Wheeler, of Montana, on the resolution introduced by Senator Wallace White, of Maine, to authorize a study of the network regulations of the Federal Communications Commission, have now been printed. As yet the Committee has made no report and there is no indication when or if it will do so.

A pamphlet "Meet Mr. Big" has been sent out by the Clear Channel Broadcasting Service, a group of independent stations, emphasizing the importance of clear channels as a part of a campaign to prevent the FCC from breaking down these channels. The pamphlet is directed to the listener - especially in rural and small communities - and shows how essential it is to keep these channels clear and free from interference.

Alfred H. Morton, Vice President of NBC's Television Division, has assumed active supervision of all television programs now being transmitted over WNBT, the National Broadcasting Company's television station. Warren Wade, a pioneer in the television field, has been named by Mr. Morton as Executive Producer. Arthur Hungerford, another television pioneer, has been named Business Manager.

WJZ, New York's oldest radio broadcasting station and key outlet for the Blue Network of the National Broadcasting Company on Sunday, October 5, will celebrate twenty years on the air. Next week will be known as "WJZ's 20th Anniversary Week", with special programs, both local and network, honoring the station.

During August, never noted as a period of heavy merchandising, the national total of FM sets increased by 27.6%. It was the greatest single monthly gain of listeners since FM began. The national total of sets is now estimated at about 70,000, with totals of receiver distribution in September expected to top by a good margin those of August.

It was recently announced that the combined output of Armstrong licensees among the set makers is now about 1000 units a day. In spite of this, demand is still well ahead of supply.

Philco Distributors of New York, now featuring a newly developed FM receiving set, has bought time on WOR's all night program for six announcements per night, six nights a week.

The traffic jam confronting the NBC Chicago Spot Sales Department due to the fact that Chicago will remain on Daylight Time for another month while the rest of the country returns to Standard Time, has been solved without the loss of a single local account on stations WMAQ and WENR, an NBC bulletin states.

Three additional programs in English, French and Dutch have been launched by KGEI, General Electric's 50-kilowatt short-wave station in San Francisco, for the benefit of listeners in Asia, the Antipodes and Africa.

Chinese, both Cantonese and Mandarin, are used on the station's "Chinese Good Neighbor Hour", directed to Asia. KGEI is said by G.E. to be the only U.S. station consistently heard in the Orient.

Mrs. Franklin D. Roosevelt now has 129 stations on her hook-up for Pan-American Coffee which ties her for the largest hook-up on NBC with the "Fibber McGee and Molly" program which also has 129 stations this season, Variety reports.

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FCC ACTION

Applications Granted: KFEQ, KFEQ, Inc., St. Joseph, Mo., construction permit to increase power to 5 kilowatts, increase hours to unlimited, move transmitter locally and install new transmitter and directional antenna for day and night use. Now operates on 680 kilocycles, 500 watts night, 2½ kilowatts-LS, D to LS at San Francisco; KDON, Monterey Peninsula Broadcasting Co., Monterey, Cal., construction permit to increase power to 250 watts day and night and install new transmitter. Now operates on 1240 kilocycles, 100 watts, unlimited time.

Designated for Hearing: WLWL, Independent Merchants Broadcasting Co., Minneapolis, Minn., application for construction permit to install new transmitter, change frequency to 630 kc., increase day power to 5 KW, move transmitter locally, make changes in directional antenna system; WMIN, WMIN Broadcasting Co., St. Paul, Minn., application for construction permit to change frequency to 630 kilocycles, change power to 1 kw night, 5 kw day, directional antenna day and night, install new transmitter and directional antenna; KSAN, Golden Gate Broadcasting Corp., San Francisco, Calif., application for construction permit to change frequency to 1460 kc., increase power to 1 kw day and night, install a new transmitter and make changes in equipment and antenna; John R. Scripps, Ventura, Calif., removed from pending files application for construction permit for new station to operate on 1460 kc., 1 kilowatt, unlimited time; this application to be heard jointly with KSAN above.

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HEAVY SELENIUM DEMAND FOR RECTIFIERS FORESEEN FOR 1942

Metallic selenium of the absolute purity which is required in electric current rectifiers is now being refined in the United States in increasing commercial quantities to meet the requirements of the International Telephone & Radio Manufacturing Corporation for the manufacture of I. T. & T. Selenium Rectifiers. Early this year the Company doubled its Varick Street space, where the rectifiers had been manufactured. Last month it started production of the rectifiers in its East Newark, N. J. factory.

George Lewis, Vice President of I. T. & T. Manufacturing Corp., estimates that his requirements of ultra-refined selenium may be 10,000 pounds monthly next year compared with only 1,500 pounds monthly at present.

As for the raw material supply, selenium is found chiefly in copper ore and years ago it was tossed on the slag piles. Inasmuch as the United States and Canada together normally produce two or three times more copper than the rest of the world combined, Mr. Lewis says that selenium is one metal of which a shortage seems unlikely in spite of its rapidly growing importance in the electrical industry.

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CALLS IT "NATION'S BULLETIN BOARD OF AGRICULTURE"

"Whenever this department wants to send out facts nationwide we think first of the National Farm and Home Hour. It's one of the Old Reliable in our business of taking information to the American people. I know we'd be lost without it, and I think that millions of farm and city homes would be lost too."

This is a quotation from a letter written by Secretary of Agriculture Claude R. Wickard, of Indiana, to Niles Trammell, President of the National Broadcasting Company, in commemoration of the 4,000th broadcast of the Farm and Home Hour.

Vice President Wallace, who also wrote Mr. Trammell, said:

"These broadcasts have done much to add to the knowledge and enjoyment of the people throughout the country, and I wish the National Farm and Home Hour many more years of usefulness."

The story of the National Farm and Home Hour has made radio history. Back in 1923 when radio was in its swaddling clothes, a young man named Frank E. Mullen came out of South Dakota to take a job with the "National Stockman and Farmer" to direct farm broadcasts for them over KDKA in Pittsburgh, and he went ahead and organized his programs.

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On those farm programs, the "Daddy" of the present nationwide daily broadcasts, Mr. Mullen was very much the whole show, "doubling in brass" as theme player, sound effects expert, announcer, commentator, weather and market analyst. And the farm folks loved it. In those days a 100 mile radius was all that was anticipated by KDKA, but letters began to pour in from far afield, and Mr. Mullen added telegraphic reports from the Midwest as well as the East to his programs, and also arranged the first regional weather forecasts compiled by the U. S. Weather Bureau in Washington. By 1924 he was receiving from 2,000 to 3,000 letters a week.

In 1926 the National Broadcasting Company was formed and in 1927 Frank Mullen was appointed Agricultural Director of NBC, and transferred to Central Division headquarters, Chicago, where he planned, organized and directed the first broadcasts of the National Farm and Home Hour. This was the first network show ever broadcast from Chicago.

Mr. Mullen, the fond parent of the Farm and Home Hour, is now Vice-President and General Manager of NBC.

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TWICE AS MANY LISTENERS BUY AS NON-LISTENERS

A booklet, "Heads...They Won", presents in summary form the results of a fifth study for NBC by C. E. Hooper. Specifically, it is an analysis of the selling job being done by "Mr. District Attorney" for Vitalis.

"A further step in each study has been to confirm our research findings with the advertiser's own sales records", Roy C. Witmer, Vice-President, concludes. "Thus we add to our verification of listeners and non-listeners a double check on the sales effectiveness of each program studied. These five separate program studies...involving interviews with more than fifteen thousand families from California to New York and two years of analytical tabulation...have revealed definite patterns in the sales effectiveness of network programs. For example, the ratio in sales of a given network advertised product to listeners vs non-listeners to that program has averaged $2\frac{1}{2}$ to 1. That is, two and one-half listener homes buy a radio network advertised product to one non-listener home."

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