

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF MAY 23, 1944

Claims Newspaper Ads Pull Five Times Radio Audience.....	1
Sen. Butler Suspicious Of Mysterious U.S. "Prencinradio".....	3
George Henry Payne Is New Finch Telecommunications V-P.....	5
Cincinnati Enquirer May Purchase WSAI.....	5
FCC Approval Seen For Cowles' Entry Into New York.....	6
WPB Denies Civilian Set Production Will Be Resumed.....	6
Now Television Broadcasters' Pres. Pats Mr. Fly On Back.....	7
Take It From Gen. Harbord, Invasion Whale Of A Job.....	7
Suggests Keeping An Eye On Mr. Fly.....	8
FM Station Applications Now 157; About Half Newspapers.....	10
Trade Notes.....	11

May 23, 1944

CLAIMS NEWSPAPER ADS PULL FIVE TIMES RADIO AUDIENCE

That the median radio audience for New York retail advertising programs is only about one-fifth the size of the median audience for retail newspaper advertising is demonstrated by statistics from three leading independent research organizations in an analysis of retail store advertising released recently by the New York Newspaper Promotion Managers' Association.

The median audience for radio retail advertising is 29,000, for newspaper advertising 151,500, the analysis, which is the most important project yet undertaken cooperatively by all New York dailies, reveals. The project was sponsored by the New York Newspaper Advertising Managers' Association and executed by the promotion group.

The research program was carried out by Crossley, Inc., Fact Finders Associates and Clark Syndicated Newspaper Service (now Grant Research Associates). In presentation and booklet form the survey is available to newspapers throughout the country.

A strong majority of both men and women expressed a preference for advertising in newspapers and for omission of advertising over the radio.

Of 7,830 women questioned only 13.6% wished newspapers without advertising, 86.4% with; of the 2,806 men queried 19.4% wished newspapers without advertising.

The conclusion of the presentation that radio commercials bother most people and create inattention is supported by the Crossley, Inc. survey measuring the audiences commanded by the 21 local retailers' programs occupying 15 minutes or more on the air, frequently in competition with top rank national network programs.

The same coincidental telephone technique by which national Crossley ratings are determined was used to measure the size of the audience and the proportion identifying the sponsor.

Audiences for the programs varied from a low of no homes found listening to the Jerry Lawrence program for National Shoes over WMCA to a top of 178,000 of the 3,060,000 radio homes in the New York market tuned in to George Palmer Putnam for Bond Clothes over WEA. Of these one-half knew the sponsor.

For 13 of the 21 programs surveyed no home checked could identify the sponsor.

The best percentage of sponsor identification belongs to Horn & Hardart's Children's Hour, 10:30 to 11:30 Sunday mornings over WEA. The chart, with percentages representing proportion of the 3,060,000 radio homes in the New York market, shows:

Not listening to radio	2,543,000 -- 83.1%
Not listening to WEA	354,000 -- 11.6%
Listening to H. & H.	163,000 -- 5.3%
Did not know sponsor	35,200 -- 1.1%
Knew sponsor	127,800 -- 4.2%

Only the Bond and Horn and Hardart programs were identifiable by more than 50,000 homes, and only these and Abraham & Straus' Missus Goes a-Shopping over WABC numbered over 100,000 listeners.

Misidentifications included Griffin Shoe Polish, Abraham & Straus, Vicks, Pillsbury Flour, Musterole, and Bond Bread.

In conclusion the presentation stated that "almost half the radio programs sponsored by New York retailers attract fewer than 1% of the sets" in the area.

By contrast with the median radio audience of 29,000 for New York retailer programs (not with the much lower identifying audience), the median audience for 94 retail women's apparel advertisements in newspapers, ranging from 300 to 1,000 lines, was shown to be 151,500 women.

The women's apparel advertisements were selected as most common from the findings of 19 reader traffic studies made of six New York newspapers between 1939 and 1943 by the Clark service. Papers surveyed were the Herald-Tribune, Mirror News, Sun, World-Telegram, and Times.

Of the 94 advertisements 81 were read by more than 100,000 women in the metropolitan area, 93 by more than 75,000.

A comparison of the audiences for each medium in the presentation reveals that the lowest-rated newspaper advertisement had an audience of 58,000 women, or twice the median audience for retail radio advertising programs. Of the latter 62% had audiences smaller than that of the lowest-rated newspaper advertisement.

While 86% of the women's apparel advertisements reached a metropolitan audience of 100,000 women or more, only 14% of the retail-sponsored radio programs reached a comparable audience.

A comparison of the cost of the radio programs studied by Crossley and the newspaper advertisements surveyed by Clark, using total, not sponsor-identifying, audiences for radio and omitting the cost of talent of programs, shows radio from two to six times as expensive.

For radio the highest cost per thousand members of the audience exclusive of talent, was \$21.93, for newspaper space \$3.77;

the median for radio was \$4.57; for newspaper retail ads \$1.16, and the lowest for radio \$1.03, for newspapers \$.52.

Copies of the New York Newspaper Promotion Managers' Association survey may be secured by writing to Vernon Brooks, Advertising Manager, New York World-Telegram, New York City.

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SEN. BUTLER SUSPICIOUS OF MYSTERIOUS U.S. "PRENCINRADIO"

Senator Butler (R), of Nebraska, who made sensational charges about the way our Government corporations and lending agencies were throwing money around in Latin-America, called the Senate's attention last week to a secret U. S. Government corporation which has been operating in Latin-America, in connection with the "good neighbor" policy, for the past two years known as Prencinradio, Inc., in which he expressed considerable distrust.

Senator Butler said when a charter was quietly filed in Delaware, no mention was made that Prencinradio, Inc. was a government agency and that he had heard of numerous complaints both from here and from Latin-America about its competition with private capital.

"Incidentally, the Prencinradio Corporation enjoys freedom of control by the Budget Bureau and Congress over its administrative expenses, and it is not audited by the General Accounting Office", the Senator declared. "There is a footnote to the effect that the Coordinator has agreed to submit accounts to the General Accounting Office, but as of December, 1943, he has not done so. No wonder it appears impossible to get an accurate statement as to how much is being spent in Latin America or elsewhere. These organizations are not responsible to anyone, not even to Congress itself."

Senator Butler referred to an article which appeared in the Wall Street Journal May 18th headed:

"United States mystery agency; Government-owned Prencinradio, Inc., Works in Latin-American field; activities a well-kept secret for 2 years - has radio and movie interests."

Portions of the article relating to radio follow:

"The Federal firm has most sweeping powers, especially to make, produce, edit, publish, exhibit, broadcast, or distribute motion pictures, radio script, transcriptions, and recordings, and/or programs, news, articles, books, magazines. * * *

"It is impossible now to make a comprehensive analysis of how many of Prencinradio's powers have been translated into action. (Officials do say the bond-issuing power has not yet been used.) Here are certain facts, pieced together from numerous sources:

"Case 1: Strategically located in Montevideo, Uruguay, is a broadcasting firm entitled 'Prencinradio, Sociedad de Responsabilidad Limitada (limited-risk company).' Though ostensibly a private concern, and nothing more, it has close financial connection with Prencinradio, Inc., of Delaware. Just what these arrangements are officials of the United States corporation will not say for publication; the Office of the Coordinator of Inter-American Affairs declines to make public any information about this operation.

"Officials of the Federal Communications Commission, however, say their records show the Uruguayan Prencinradio is operating two long-wave stations in Montevideo, CX-16 and CX-24. These communications experts are not in on the secret that the United States Government is the financing sponsor of the stations. 'I don't see how they would be tied in at all with the Government; we don't have anything to indicate that', said one of them.

"So far as the FCC knows, control of Prencinradio in Montevideo is vested in two individuals, Roberto Fontaina and Dardo Regules. The Uruguayan Embassy here says that two gentlemen of these names are members of the Government of Uruguay. Senor Regules is a member of the house of representatives of that nation and Senor Fontaina is an official of the Uruguayan Office of Information, with offices in Rockefeller Center in New York City.

"The Montevideo radio transmitters are about 150 miles from Buenos Aires, and a good portion of Argentina is within their service area.

"The Bureau of the International Telecommunication Union, in its most recent list of broadcasting stations, tenth edition, 1942, shows Station CX-16 operating on 850 kilocycles with 10 kilowatts power; Station CX-24 on 1010 kilocycles with 2.5 kilowatts. (The stations were then owned by Radioelectricas del Plata.) Without 'beaming', the more powerful of these stations would have a service area of about 200 miles in daytime, 500 miles at night, and directional antennas would multiply this range by five. The smaller station would have about 200 miles' effectiveness with beaming.

"Besides Nelson Rockefeller, the principal officers of the corporation are: President, Don Francisco, Assistant Coordinator of Inter-American Affairs for Radio; Vice Presidents, Francis A. Jamieson, Assistant Coordinator of Inter-American Affairs for Press; Francis Alstock, Director of the O.C.I.A.A. Motion Picture Division, and John W. Ogilvie, Associate Director of the O.C.I.A.A. Radio Division."

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The Liberty Ship RAYMOND CLAPPER was launched at the St. Johns River Shipbuilding Company yard, Jacksonville, Fla., on May 22nd at 12:45 P.M., it has been announced. Mrs. Raymond Clapper, who is soon to make her debut as a commentator, sponsored the ship. The launching took place less than four months after the death of the columnist and commentator, which occurred February 2nd.

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GEORGE HENRY PAYNE IS NEW FINCH TELECOMMUNICATIONS V-P

George Henry Payne, the mystery of whose reappointment to the Federal Communications Commission still remains unexplained, has been named Vice-President and Director of the Finch Telecommunications Company of New York. The Finch Company, headed by Commander William G. H. Finch, U.S.N.R., has pioneered in both the television and facsimile fields and is a rapidly growing concern. Its factories are in New Jersey.

Mr. Payne, a Progressive Republican, political advisor to former President Theodore Roosevelt, was a "stormy petrel" on the FCC and because of his independence gave a lot of trouble to Chairman James L. Fly and the New Deal politicians. At that he was re-appointed for a second term and his name sent to the Senate by President Roosevelt for a third term but later recalled by the President who, after many months' delay, finally appointed E. K. Jett, former Chief Engineer of the Commission, to fill the place. As Commissioner, Mr. Payne advocated numerous reforms and campaigned primarily for a reform in children's radio programs on the theory that "while the eye may discard, the ear may receive", and his contention is that children have not attained the power of distinction between good and bad so far as radio is concerned.

Mr. Payne, before becoming Federal Communications Commissioner, was Tax Commissioner of the City of New York, and previous to that he was adviser to the late Otto Kahn, financier and patron of the arts; manager of the campaign of Gen. Leonard Wood for the presidential nomination, and the editor of The Forum Magazine. For several years he was president of the Bronx National Bank of New York City.

Mr. Payne is the author of "The Child in Human Progress"; "A History of Journalism in the United States"; "England and Her Treatment of America"; "The Progressive Party", and numerous essays and articles.

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CINCINNATI ENQUIRER MAY PURCHASE WSAI

Broadcast Division of the Crosley Corporation, operators of WLW and WSAI, Cincinnati, are reported to be negotiating for the sale of WSAI in order to comply with the FCC ruling governing dual ownership.

The Enquirer is the only daily in the city without a broadcasting outlet, and has been mentioned as the purchaser although it is reported that Wall Street interests also are negotiating too.

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FCC APPROVAL SEEN FOR COWLES ENTRY INTO NEW YORK

Although the transfer has not yet come before the Federal Communications Commission, it seemed to be a foregone conclusion that the sale of Station WHOM, Jersey City, covering the New York City metropolitan area, to the Iowa Broadcasting Company, headed by Gardner Cowles, Jr. and his brother John Cowles, would be approved. The overall price of WHOM was slightly more than \$400,000 and the station was bought from Joseph Lang and Paul F. Herron.

It is expected that supervising WHOM will be one of the first jobs assigned to Commissioner T.A.M. Craven when he leaves the Commission June 1st. Commander Craven years ago when he was in private practice as a consulting engineer, owned an interest in WHOM but sold it when he went into the FCC.

Mr. Lang, General Manager of WHOM, was quoted as saying that it was his understanding that WHOM would continue to carry foreign language programs under the new ownership because of their importance in the war effort. It is presumed also that the staff, except for the new management, will remain intact. Messrs. Herron and Lang are also part owners of WIBG in Philadelphia.

Mr. Cowles announced that both television and FM stations would be sought in New York to be operated with WHOM.

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WPB DENIES CIVILIAN SET PRODUCTION WILL BE RESUMED

Contrary to published reports, the War Production Board has not authorized the production of any new radio receiving sets for civilians and there is no prospect of such authorization this year, the Radio and Radar Division of WPB said last Friday.

Production of radio receiving sets for civilians has been prohibited by WPB since April, 1942. The military electronics equipment program for 1944 is approximately 50 per cent above 1943 production, the Radio and Radar Division pointed out, so the prospect of resumption of civilian radio set production is remote.

Assembly of a limited number of radio receiving sets by manufacturers for military users for morale purposes, such as overseas recreation centers and hospitals, has been authorized, the Division said, which may have given rise to reports of resumption of civilian production.

No steps in the direction of authorized production of civilian radio sets would be taken without first consulting the radio industry through the WPB Industry Advisory Committees, the Radio and Radar Division pointed out.

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NOW TELEVISION BROADCASTERS' PRES. PATS MR. FLY ON BACK

What looked like an about-face on the part of the Television Broadcasters' Association, Inc. was a statement issued by Allen B. Du Mont, its President, that he was "wholeheartedly in agreement" with Chairman James L. Fly of the Federal Communications Commission in the television row. Originally the Television Broadcasters went on record as opposing the views of Paul W. Kesten, Executive Vice-President of the Columbia Broadcasting System, and Mr. Kesten was vigorously backed by Chairman Fly.

Mr. DuMont, apparently by way of buttering up Chairman Fly, said:

"The remarks of Mr. Fly delivered at the first session of the Television Seminar, conducted by the Radio Executives Club of New York, indicate that the Federal Communications Commission is showing excellent foresight in its attitude toward television.

"I agree wholeheartedly with the F.C.C. Chairman that when the war ends the television industry should be ready to provide the best practical television picture and I am confident this will be the case.

"Mr. Fly's forthrightness is to be commended. Progressiveness and not stagnation is and will always be the aim of the nation's television broadcasters. When hostilities cease and the doors to a national television service are swung open, television images of excellent pictorial quality and adequate size will, I feel certain, be ready for a nation anxious to see and accept this new and wonderful medium."

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TAKE IT FROM GEN. HARBORD, INVASION WHALE OF A JOB

When the great invasions of Europe get under way, Americans can be confident of the ultimate results, Lieut. Gen. J. G. Harbord, Chairman of the Board of the Radio Corporation of America, told members of the Historical Society of Pennsylvania in Philadelphia last week, but he warned that "we will do our fighting men an injustice if we overlook the tremendous difficulties involved and expect an overnight miracle."

General Harbord, who served as Chief of Staff of the American Expeditionary Forces in France in the last war, cited what he described as a "hypothetical invasion" by an army of 250,000 men to bring out the multiple problems of establishing a foothold on enemy-held soil. He said that for a force of that size more than 1,750,000 tons of equipment would have to be landed with the invaders, and at least 250,000 additional tons of supplies would have to be landed each month, to say nothing of replacements in men and materiel.

"Suppose the leader of the invasion encountered no special problem because of enemy air attacks or enemy submarine attacks", General Harbord declared, "he would still have enough regular and routine problems. When supplies come ashore, warehouse space and storage space must be found for them. He would need 2,000,000 square feet of open storage space and some 1,750,000 square feet of covered storage space. He would need to arrange for the arrival of more than 30 cargo ships a month and their unloading.

"If the invasion leader intended to push the enemy back - and make the invasion more than a mere landing -- he would have to discover what rail facilities were available for taking his supplies forward, what their capacity was, the state of the rolling stock and the roadbed, what the census of the motor truck pool was, how many trained men would be available to keep the railroads functioning and the trucks running."

"Theories, as well as men, perish by the sword", the General declared. "What is important is to make certain that we are armed against the chances and changes and accidents of war. The commander who brings 250,000 men to solid footing on a hostile shore is at the end of one chain of chances, changes and accidents. We must remember that he is only at the beginning of another chain of chances, changes, and possible accidents."

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SUGGESTS KEEPING AN EYE ON MR. FLY

Another prominent newswriter, Frank C. Waldrop of the Washington Times-Herald this week took a wallop at Chairman Fly, saying:

"One of the most important men in Washington is James Lawrence Fly, Chairman of the Federal Communications Commission. Mr. Fly is smart, tough, and he knows what he wants. You can judge what he wants by what he does.

"And what he does is to bully people who come within his reach.

"Mr. Fly's latest bullying hasn't worked out altogether according to plan, however, and deserves a little thoughtful attention both for what it shows about him and about ways of dealing with him.

"To begin with, some background about Mr. Fly himself.

"This gentleman came to the Federal Communications Commission from the Tennessee Valley Authority, where he had worked himself up to be general counsel.

"Before joining TVA, he was just another obscure, small-size governmental lawyer, but with that outfit he had made himself

a considerable reputation as a legal sharpshooter in the cause of the Government as against private power companies.

"Now, on the other hand, consider the Federal Communications Commission. It was created in 1934 for the purpose of regulating radio, telephone and telegraph 'in the public interest, necessity and convenience.'

"Noble-reading words, indeed, but, as you can easily see, wide and vague enough in meaning to accommodate just about any kind of interpretation.

"The FCC, from its very first days, was a flop. It had enormous powers, but no idea how to use them.

"Result: Chairman and members fell by the wayside in a steady stream. Congress complained and the people doing business with the FCC were baffled. By 1939 the demand for a really able Chairman was universal.

"And through the influence of Thomas Gardiner Corcoran, the all-over-the-place handy man of the New Deal in his day, up to Washington came Mr. Fly, September 1, 1939.

"On the whole, people were glad to see him. He was young, as men of his rank go, vigorous and positive. Radio and the telephone and telegraph business hoped he would knock the Commission into business-like condition.

"He did. But what kind of business?

"Mr. Fly knows only one kind of business - the Government harassing the business man. He knows that all too well.

"So he began to put on pressure. He lectured the radio companies as to the kind of programs they should use. For instance, he hates 'soap operas', the universally popular radio serial dramas that run night and day because the public likes them, and has told the radio industry to cut that kind of thing down if it hopes to hold its place in the 'public interest, necessity and convenience'.

"So, what with one thing and another, the House of Representatives finally decided Mr. Fly's administration of the FCC needed investigation. It appointed a select committee to do the job.

"Incredible as it may seem, Mr. Fly licked that committee to a standstill by sheer generalship. He is smart.

"But he didn't like its collection of testimony, not quite.

"And that is where the business of beating Mr. Fly comes in. A publication called Reader's Digest sent a reporter down here to get the Committee's evidence and Fly's rebuttal, put the two together and see what would come out in the way of a balanced analysis of Fly's career.

"The Reader's Digest story hasn't yet been printed in Reader's Digest, but last week it got considerable publicity.

"For it was disclosed before the House committee aforementioned that Fly has been nailed in an attempt to kill the story.

"You may have read about all that, but, in brief, it was disclosed by the Digest reporter that she got one set of facts from the Committee files, tried to check them with Fly, and that he refused to see her.

"Then having refused the reporter that chance to present him with the charges, he threatened dire consequences to Reader's Digest if it should print the story he himself admits he had never read.

"That, friends, is bullying in high fashion.

"The way to combat it is to keep pulling Mr. Fly out into the open and onto the record. Let his actions speak for themselves.

"But don't go to sleep at the job. Keep your eye on Mr. Fly. He believes in governmental control of radio - which means, when it goes through to its final stages, the end of free speech in America."

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FM STATION APPLICATIONS NOW 157; ABOUT HALF NEWSPAPERS

Newspapers continue to dominate the applicants for Frequency Modulation (FM) broadcast stations. To date 157 applications are on file, 65 of which are newspapers or newspaper-affiliated companies.

The New Orleans Times-Picayune, the Cleveland Plain Dealer and News, the Ashland (O.) Times-Gazette, and the Galion (O.) Inquirer are named in applications received recently.

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Edward W. Wood, Jr., General Sales Manager of the Mutual Broadcasting System addressing the members of the Advertising Club of New Orleans last week, said:

"It will require about another five or eight years for the radio industry to install the new frequency modulated sets in the 30,000,000 American homes now possessing radios, and in the meantime further research and development will be made with television", the executive stated.

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TRADE NOTES

"Free Radio, An American Institution", an address by Frank E. Mullen, Vice President and General Manager of the National Broadcasting Company, before the 53rd Continental Congress of the National Society of the Daughters of the American Revolution in New York, recently, has now been reprinted as a booklet.

The Spring meeting of Columbia Broadcasting System's Affiliates Advisory Board will be held at network headquarters in New York City on May 24 and 25. This session is the Board's sixth since its inception in March, 1943. The agenda includes discussions of television and FM.

Western Union has developed, "for eventual public use", a telegraph office no bigger than a mail box, it was disclosed by A. N. Williams, President of the company. "You merely press a button, drop your message in a slot and a facsimile is whisked over the wires to its destination", Mr. Williams said at the dedication of Morse Study Hall at New York University. "We are working on a coin box to combine with this Telefax, so that you can pay for your telegram the moment you send it."

Variety, trade paper of the entertainment field, has added a weekly television page to its radio section.

Ben Gross, radio editor of the New York News, who has been assigned to do "color stuff" for the NBC at the forthcoming political conventions, will be one of the first radio editors to cover a national convention.

Much greater speed in the sorting and inspection of tiny contact assemblies produced at General Electric's Schenectady Works has been made possible through the development of an electronic sorting table which routes the assemblies into three different channels depending on whether they are too high, too low, or within the tolerances.

Utah Radio Products, Inc. and Subsidiary - For 1943: Net profit, after \$1,144,900 taxes, was \$405,724 or \$1.38 a share, against \$138,057 or 47 cents a share after \$202,000 taxes, for 1942.

Lyman Bryson, Director of Education for the Columbia Broadcasting System and Professor of Education at Teachers College, Columbia University, has been elected President of the American Association for Adult Education.

Said to be one of the first commercially sponsored television shows ever given to a midwest public was broadcast by Marshall Field & Co. recently from Station WKBK, in Chicago.

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