

# BROADCASTERS' NEWS BULLETIN

Reporting accurately and promptly current happenings of special interest to Broadcasting  
Stations in the Commercial, Regulatory, Legislative and Judicial Fields

Issued by

## OFFICERS

WALTER J. DAMM, . Milwaukee, Wis.  
President  
EDWIN M. SPENCE, Atlantic City, N. J.  
Vice President  
O. D. FISHER, . . . . . Seattle, Wash.  
Vice President  
PAUL W. MORENCY, Hartford, Conn.  
Treasurer

## THE NATIONAL ASSOCIATION OF BROADCASTERS

Incorporated  
NATIONAL PRESS BUILDING  
WASHINGTON, D. C.

Telephone District 9497

## EXECUTIVE PERSONNEL

PHILIP G. LOUCKS  
Managing Director  
EUGENE V. COGLEY  
Assistant to Managing Director  
OLIVINE FORTIER  
Secretary

## NAB MEETING SUCCESSFUL

July 24, 1931.

Seventy five Pacific Coast broadcasters attended the first Regional Meeting of the National Association of Broadcasters which was held at Hotel St. Francis, San Francisco, Calif., July 21 and 22 and discussed openly and frankly the legislative, legal and commercial problems which now confront the broadcasting industry in the United States.

This bulletin supplements the regular weekly bulletin which is being mailed from the Washington Office of the Association and gives a brief report of the meeting.

Arrangements are now being made to have the proceedings of the meeting printed for distribution.

The Board of Directors decided that the second Regional Meeting shall be held at New Orleans next winter, the date to be selected later. This action supersedes the action taken at the Detroit meeting of the Board which contemplated a southern meeting in advance of the Annual Meeting to be held in Detroit, Mich., October 26, 27 and 28, 1931.

The concensus was that the first regional meeting was a complete success. The attendance exceeded expectations and a splendid spirit of co-operation was shown on every side.

Officers and members from the east who journeyed to the West Coast for the meeting were shown every hospitality by broadcasters on the Pacific Coast.

Executive Committee: William S. Hedges, Chicago, Ill., Chairman; Henry A. Bellows, Minneapolis, Minn., and Frank M. Russell, Washington, D. C. Directors: William S. Hedges, Chicago, Ill.; H. K. Carpenter, Raleigh, N. C.; George F. McClelland, New York, N. Y.; Dr. Frank W. Elliott, Davenport, Ia.; A. J. McCosker, Newark, N. J.; Edgar L. Bill, Chicago, Ill.; A. B. Church, Kansas City, Mo.; J. G. Cummings, San Antonio, Tex.; Don Lee, Los Angeles, Cal.; E. P. O'Fallon, Denver, Colo.; C. R. Clements, Nashville, Tenn.; Henry A. Bellows, Minneapolis, Minn.; John J. Storey, Worcester, Mass.; E. B. Craney, Butte, Mont.; and Leo Fitzpatrick, Detroit, Mich.

July 24, 1931.

#### MAYOR ROSSI SENDS GREETING

Mayor Angelo J. Rossi of San Francisco, through Executive Secretary Cleary, sent greetings to the meeting. The city, he said, considered it to be an honor to be host to the National Association of Broadcasters and extended to the visiting delegates every courtesy of the city. It was his hope that in the near future San Francisco would again be selected as the meeting place for the Association. An important all-night conference with city supervisors on the city water supply situation prevented the mayor from coming to the meeting in person.

- - -

#### LAFOUNT CRITICISES ADVERTISING

Commissioner Harold A. Lafount, who delivered the principal address during the opening session of the meeting, warned against current advertising practices which, he said, are injuring the broadcasting business.

"Broadcasting is a difficult business and I do not know of a business that calls for more intelligence," the Commissioner said. "Radio broadcasters have become trustees of tremendous public responsibility. Running a broadcasting station has become more than just earning a living; it entails meeting a duty to the public. The broadcaster who is so blind to this duty as to give space to fraudulent stock promoters, star gazers and such personalities, fails in an obligation not merely to the Radio Commission which has given him his license, but to the great army of listeners in whom the final say as to whether or not he shall keep that license, is vested.

"Broadcasters should present programs as if they were guests invited into your home to meet your wife and children.

"Some stations - only a few, I am happy to say - still sell five minute programs, in which the advertisers take advantage of the good programs which precede their broadcast. This is a bad practice."

- - -

July 24, 1931.

## PRESIDENT DAMM OUTLINES PROGRAM

A constructive program for the development of the broadcasting medium was outlined by President Walter J. Damm in his address to the meeting.

"Broadcasting today stands in grave jeopardy," he declared. "Smile if you will - but just because you yourself have not felt the constrictions of various influences is no reason why you should sit back any longer, self satisfied, until you find it necessary to gasp for breath and you are too weak to do anything about it. As yet, the various influences that I have in mind have not touched enough broadcasters to make them realize the seriousness of the situations.

"Business has been good - there is no question about that - and I have often wondered whether it is not a fact that the revenues for most stations have been entirely out of line with the expenses incurred in producing the revenue. When a station can turn in profits of thirty to forty thousand dollars on a one hundred thousand dollar expense, or seventy thousand dollars on a two hundred thousand dollar expense, isn't that an indication that there is a tendency to somewhat overlook what I am going to call insurance for the future?"

A newspaper, for example, he said, has found it necessary to belong to some 19 organizations and bureaus, in some instances costing \$8,000 in dues annually, in order to conduct its business successfully and in accordance with the best practices.

"All this spring and summer the newspapers have been decrying the fact that radio is a competitor of the newspaper. Radio is not a competitor of the newspaper, but my saying it to you and you telling it to your friends is not going to make a dent compared to the impression the newspapers are creating, and the membership of this Association, as well as the broadcasters who are not members, might well think about combating the propaganda being disseminated along these lines."

Another influence working against broadcasting in general is the bad trade practices indulged in by many broadcasters, he said, enumerating a few of them as follows:

1. Sanctioning or tolerating the time broker to undersell the station's rate card.
2. The station cutting its own rates for fear of losing some business.
3. Stations conducting lotteries.
4. Broadcasting of fake investment advertising.
5. Broadcasting of quack medical accounts.
6. Broadcasting of fortune telling and star gazing stunts and tea leaf readers.
7. Tolerance of too much advertising.



July 24, 1931.

"Most of these bad practices result from an abnormal desire to get out of the red or to show a big profit," he continued. "If the broadcasters do not clean up these conditions, somebody else will, and you have already had a fair indication of this in the Federal Radio Commission's notice to stations regarding lotteries, gift enterprises, etc. The Federal Trade Commission also has indicated that it is going to exercise a more pronounced supervision over radio advertising."

As a panacea for these ills, President Damm offered the following recommendations:

1. Join the National Association of Broadcasters.
2. Give the National Association of Broadcasters every ounce of cooperation you possibly can.
3. Adopt a standard form of accounting.
4. Form a clearing house for station open time, and adopt and promote a uniform station and market data folder.
5. Consider and approve a cooperative campaign to promote radio advertising.
6. Base your rates on a reasonable return and be satisfied with a reasonable return on your money.
7. Invest in future insurance.
8. Wake up to the fact that to properly conduct a broadcast show, you must spend money for promotion, both for the purpose of getting an audience for the show and getting somebody to help you pay for it.

- - -

#### BELLOWS WARNS OF PERILS

A clear-cut picture of the dangerous legislative situation which broadcasters must face was drawn by Henry A. Bellows, vice president of the Columbia Broadcasting System and chairman of the Association's legislative committee, in a speech before the meeting.

"Whenever I look at the real status of American broadcasting as it is today," he said, "I am inclined to think that we broadcasters are the most guileless, trusting, credulous lot of men in the world. The traditional idiot who lights cigarettes in a powder factory is a marvel of sanity compared to us. And the strangest part of it is that most broadcasters absolutely refuse to look the facts in the face, or to recognize the power and activity of the forces which are fighting for legislation hostile to broadcasting, and quite possibly ruinous to it."

"Now, no danger was ever overcome or even avoided by just pretending that it did not exist. You all know how the ostrich is said to conceal himself by thrusting his head into the sand, and assuming that because he can see nothing he has become invisible. Broadcasters in general have adopted this ostrich policy to such a degree that they no longer even see the perils from which they are hiding."



July 24, 1931.

"Let us look at them, and see what they really amount to. First, there is the danger of legislative inroads on the broadcast band of frequencies. Suppose, as the Glenn Amendment provided, that one channel is set aside for organized labor. Suppose the Fess bill had passed, and fifteen per cent of all our broadcasting facilities were turned over to educational institutions. What would happen? Do you think for a moment that agriculture would sit tamely back without demanding a share of the spoils? How about the demands of organized and commercialized religion? The moment Congress establishes the legislative principle that wave lengths within the broadcast band are to be dealt out as rewards for political support, broadcasting as we now know it in America is doomed.

"Remember that back of all the efforts of special interests to secure wave lengths for themselves is a tremendous amount of pressure on Congress to destroy commercial broadcasting entirely. I don't think I need to tell you where most of this pressure originates. Competing media, having tried vainly to discredit broadcasting as a profitable method of advertising are now trying to strike deeper, and to create a sentiment in favor of a tax-supported, advertising-free broadcasting system.

I do not think Congress will for the present anyway, enact legislation changing the basis of our broadcasting service. Such action would instantly provoke the wrath of fourteen million on the whole well satisfied set owners. The danger lies, not in legislative overturning, but in legislative chiselling. Take away a frequency here; a frequency there; crowd the survivors a little more closely together; put seven stations on a wave length where now there are four: this is the program of the enemies of American broadcasting. More than this, disgust and weary the listeners by forcing them to listen to hours of propaganda, dreary lectures, interminable reports - this is the best possible way to kill off public interest in broadcasting, and to lessen its value commercially."

The first big legislative battle is to keep broadcast allocations out of Congress, he said, lamenting the fact that "in such a battle, a battle for existence, nine-tenths of the broadcasters are content to sit back and do nothing."

He then reviewed the copyright situation and warned against the dangers of uncontrolled, monopolistic pools of copyright material. Broadcasters were asked to lend their entire support to a program which would lead to an adjustment of this condition. Passage of the Vestal bill in the last session of Congress would have cost "every broadcaster in America many thousands of dollars." State legislation he said was another danger which had grown to enormous proportions during the last year.

July 24, 1931.

"This is, of course, a plea for active membership in your Association," he concluded. "Yes, but it is far more than that. It is a demand that you as broadcasters wake up and face the facts that you stop believing that Santa Claus will always bring presents to good little boys. There isn't any Santa Claus in this business. When the idiot climbs down off the powder barrel, and the ostrich pulls his head out of the sand, then the few of us who for years have carried the burden of fighting your legislative battles will be able either to turn the work over to others who can do it better, or to carry on with the feeling that behind us is an industry aware of its own needs, and united in its effort to secure justice."

- - -

#### GILMAN URGES BETTER PRACTICES

Radio broadcasters who want to preserve the freedom of the ether waves must censor the advertising material they accept, and establish standards by which all commercial broadcasts may be judged.

So believes Don E. Gilman, Vice President in charge of the Pacific Division, National Broadcasting Company.

"The broadcaster is criticised for much of the advertising material accepted," Mr. Gilman said, in his address, whose theme was "Standards of Practice For the Broadcasting Medium".

"There are some stations which apparently accept anything in the form of advertising material and commercial announcements which is offered. If we are to believe what we hear from the broadcasts it is to be concluded that these stations have not the interest of their hearers at heart, and lend themselves to misrepresentation and quackery, the sale of unsound securities, the promotion of fraud, fortune-telling and so on.

"The radio public is going to stand for this just so long, and then attempts will be made to regulate it, and restrictive measures will be introduced in successive legislatures and in Congress. We can anticipate this type of opposition and defeat it by cleaning house ourselves and eliminating undesirable commercial and sometimes sustaining programs from our service."

Broadcasting stations which accept contracts from "irresponsible advertising agencies" do themselves and the broadcasting business harm, Mr. Gilman declared, pointing out that broadcasters as a group can establish principles by which individual members of the group may recognize those agencies which are entitled to their support.

July 24, 1931.

"An alleged client," he said, "is brought to us sometimes by a so-called radio agency, and then when the contract is entered into we also have to recognize the legitimate agency which had the right of representation all the time. Approximately 30 percent is thus taken from revenue for the support of middlemen, one of whom at least has no right of revenue at all. I believe broadcasting is the only medium which sometimes allows two agency commissions for the same sale."

The practice of charging for remote control pick-ups provides ground for establishing another standard, the NBC executive said. This charge, although a basic and fixed one is often used as a competitive factor by stations, he explained. Some stations frequently give away all possible profit by making an inadequate charge for remote control installation and operation.

"This practice gives clients a wrong sense of value - and remote control broadcasts may be lost because of this false sense of values which the broadcaster has established to his own disadvantage," he said.

- - -

#### STRAIGHT JACKETING BROADCASTING

A discussion of the Commission's general orders relating to engineering aspects of broadcasting was given by C.M. Jansky, consulting radio engineer, in an address before the meeting on Wednesday morning.

"The practical impossibility of making any move in the broadcast spectrum without running afoul some Commission General Order or policy is rapidly tending to place the broadcasting industry in a regulatory straight jacket," Mr. Jansky said. "This development of an exceedingly complex and somewhat arbitrary set of rules may have been necessary to prevent chaotic changes and upheavals.

"Consideration of the technicalities of broadcast coverage show that in the main the provisions for determining quotas found in General Orders 92 and 102 bear very little relation either to coverage or to interference and are in fact primarily arbitrary. Yet in view of the complexity of the radio transmission phenomenae and particularly in view of the ambiguity of the Davis Amendment and the paradoxical interpretations possible what else can the Commission do but adopt an arbitrary quota system if it is to attempt to interpret the Davis amendment at all?



July 24, 1931.

"This discussion could be continued almost indefinitely. However, before closing I would like to call attention to a procedural situation which, in my opinion, is placing the radio broadcasting industry in a regulatory straight jacket of such limited dimensions that it is exceedingly difficult, and may in fact become impossible, to secure any change in a broadcasting station assignment regardless of the fact that such a change might be of great public benefit.

"Regardless of what sort of a change in frequency assignment, power, or operating hours a station may apply for, the Commission is now in a position where it can, in practically all cases, show that the granting of the applicant's request will violate some General Order.

"Now Commission General Orders were, with very few exceptions, promulgated without hearing. If at a hearing on his issues, an applicant tries to introduce evidence to show that the order which he knows will be used as the reason for denying his application is unsound, he is told that the General orders of the Commission are not in issue. Furthermore the examiner, in making his report, will refuse to consider any evidence tending to show the invalidity of a Commission General Order. It may still be necessary pending the determination of broad questions of public policy which cannot be correctly answered quickly, in a field so new and complex as this. However, the rigidity of the present regulatory system and the exceedingly great difficulty of securing changes regardless of how meritorious they may be should be viewed with great concern by all those who realize that our present broadcasting structure is far from perfect."

- - -

#### DILL UNABLE TO ATTEND

Senator Clarence C. Dill of Washington, who was scheduled to deliver an address at the Tuesday session of the meeting was unable to attend. The Washington senator had arranged to fly to San Francisco from his Spokane, Washn., home with Louis Wasmer but became ill during the first leg of the flight and was compelled to return to his home. Congressman Arthur M. Free of San Jose, Calif., was detained in Washington, D.C., and failed to arrive in time for the meeting. The California Congressman, however, sent a written message which was read by the Managing Director. The message in part read:

"Broadcasting has become one of the most potent things in our life today. Its opportunity for good or ill is largely in the hands of the broadcasters. Legislation, of course, can regulate many matters concerning broadcasting but after all is said and done in this great country of ours any attempt to infringe upon the right of free speech would not be tolerated. Broadcasting, if it is to continue to play the part that it should in our national life, must, and I feel will be, kept upon a very high plane and I feel that meetings of the kind now being held will contribute much toward keeping the industry on a high and worthy plane. Radio listeners today in the United States are getting better programs and better reception without charge than any other country in the world. The radio has brought into nearly every home in America, the opportunity to enjoy things that otherwise would be closed to people of moderate means. Good orchestras, operas, speeches and similar high grade forms of entertainment are now to be had for the listening."

- - -

July 24, 1931.

## FIFTY PER CENT MEMBERSHIP INCREASE

Membership in the National Association of Broadcasters increased exactly fifty per cent during the period from January 1 to July 1, 1931, it was revealed in the report of Philip G. Loucks, managing director, given at the Wednesday session. "On December 31, 1930, membership in the Association consisted of 88 active members and 25 associate members," the report stated. "On June 30, 1931, the number of active members had increased to 122 and the number of associate members to 28. During this period six members were dropped for non-payment of dues and four others resigned. The present membership of 150 may be classified as follows: Stations operating on clear channels, 32; stations operating on regional channels, 73; stations operating on local channels, 28; stations operating on day or limited time assignments, 9; members not engaged in the business of broadcasting, 8."

The report reviewed briefly the work of the Washington headquarters of the Association.

"No industry in the history of our government is more dependent upon organization for its welfare and growth," the report concluded. "Only through close and effective organization can you hope to protect the business which you have so industriously labored to build. The National Association of Broadcasters offers to you the only form of broadcasting insurance available."

- - -

## APPOINT COPYRIGHT COMMITTEE

A meeting of the Board of Directors was held Tuesday afternoon. One of the principal matters before the board was the request received from the American Society of Composers, Authors and Publishers that the Association appoint a committee to meet with a committee from the Society for the purpose of discussing a more equitable basis for the assessment of music license fees. The board voted that the President appoint the committee requested. The President and members of the Executive Committee were named.

- - -

## 118 ATTEND BANQUET

Commissioner and Mrs. Harold A. Lafount were among the guests who attended the banquet on Wednesday night. One hundred and eighteen members and guests were served. The entertainment was furnished by the San Francisco broadcasting stations with Milton Blank acting as master of ceremonies.

- - -

## MANY SUBJECT DISCUSSED

Nearly one-half of the time of the meeting was devoted to open discussion of broadcasting problems. Broadcasters from the east and west exchanged ideas on the subjects of brokers' commissions, station representation, copyright, legislation, Commission activities, line charges and nearly every other phase of broadcasting. This discussion will be printed if plans to have the proceedings published are carried out.

- - -



July 24, 1931.

## 21 NEW MEMBERS APPROVED

Twenty one new members were approved at the meeting of the Board. They are: WBEO, Marquette, Mich.; WDGY, Minneapolis, Minn.; WFAA, Dallas, Tex.; WGBI, Scranton, Pa.; WHFC, Cicero, Ill.; WIP-WFAN, Philadelphia, Pa.; WKJC, Lancaster, Pa.; WLAP, Louisville, Ky.; WMBD, Peoria, Ill.; WRAC, Williamsport, Pa.; WFYO, Abilene, Tex.; KGO, San Francisco, Calif.; KLRA, Little Rock, Ark.; KSL, Salt Lake City, Utah; KSO, Des Moines, Iowa; KFBB, Great Falls, Mont.; KMJ, Fresno, Calif.; KFBK, Sacramento, Calif.; and Patrick and Company, San Francisco, Calif. Applications from stations KOL, Seattle, Wash.; KHQ, Spokane, Wash.; and KFPY, Spokane, Wash.; were received too late for Board action but it was decided that a mail ballot would be made at the earliest possible date.

The following members were dropped by Board action under the Constitution for non-payment of dues: WADC, Akron, Ohio; WDEL, Wilmington, Del.; WIBO, Chicago, Ill.; WRHM, Minneapolis, Minn.; KFNF, Shenandoah, Iowa; and KTS?, El Paso, Tex.

- - -

## LIST OF ATTENDANCE

The following is a nearly complete list of those who attended the meeting:

Adams, M.S. Culver City, Calif.	Green, A.H., Stockton, Calif.
Anthony, E.C. Los Angeles, Calif.	Greig, H.J., San Francisco, Calif.
Barrish, R.B., Los Angeles, Calif.	Gruen, Louis, San Francisco, Calif.
Bellows, B.A.	Holeman, K.B., Santa Maria, Calif.
Bishop, L.P. Medford, Oregon.	Haller, A.V., San Francisco, Calif.
Bowan, S.H., New York, N.Y.	Hamilton, G.C., Sacramento, Calif.
Bories, Merton, San Francisco, Calif.	Hedges, W.S., Chicago, Ill.
Brendenburg, F.C., San Francisco, Calif.	Hopkins, Barry,
Brown, M.E., Portland, Oregon.	Hunt, C.R., Portland, Oregon.
Brunton, R.R., San Francisco, Calif.	Jacobson, Jessie, Great Falls,
Brydone-Jack, Ned. Los Angeles, Calif.	Jansen, E.J.
Cannan, S.C., Salt Lake City, Utah.	Jones, M., San Francisco, Calif.
Case, Tom, Portland, Oregon.	Kadderly, W. L., Corvallis, Oregon.
Chatterton, C.O., Portland, Oregon.	Kales, A.F., Los Angeles, Calif.
Church, A.B., Kansas City, Mo.	Kincaid, G., Astoria
Church, S.R., Kalispell, Montana.	King, G., Hollywood, Calif.
Craney, Butte, Montana.	Kraft, C., Fort Worth, Texas.
Crowe, J.C., San Francisco, Calif.	Lamb, A.B., Los Angeles, Calif.
Cummins, O.R., Los Angeles, Calif.	Lasky, P.G.
Damm, W.J., Milwaukee, Wis.	Laughlin, J.W., San Francisco, Calif.
Dickson, Sydney, San Francisco, Calif.	Lilly, R.A., San Francisco, Calif.
Doernbecher, E.M., Tacoma, Wn.	Linden, Mr.
Earl, G., Los Angeles, Calif.	McCullum, Edward, San Francisco, Calif.
Bickelberg, W., San Francisco, Calif.	McCarthy, C. L. San Francisco, Calif.
Fisher, Birt, Portland, Ore.	Meighan, C. W., Phoenix, Arizona.
Fox, S.S., Salt Lake City, Utah.	Milholland, H. I., San Francisco, Calif.
Gilman, Don E., San Francisco, Calif.	Moore, Lawrence, Oakland, Calif.
Glade, E.J., Salt Lake City, Utah.	Morency, P.W., Hartford, Conn.
Gleeson, W.L., San Francisco, Calif.	Nielsen, E.A., Phoenix, Arizona.



July 24, 1931.

O'Brien, D.L., Los Angeles, Calif.  
O'Fallon, Gene, Denver, Colo.  
Peck, C.D., San Francisco, Calif.  
Peffer, E. P., Stockton, California.  
Ray, Wm., Hollywood, Calif.  
Riggins, E.S., Fresno, Calif.  
Roberts, M.E., San Francisco, Calif.  
Ryan, Quin, Chicago, Ill.

Schullinger, K.W., San Francisco, Calif.  
Sharp, T.E., San Diego, Calif.  
Shaw, Harry, Waterloo, Iowa.  
Smith, A.L., Los Angeles, Calif.  
Storm, Norman F., Seattle, Wn.  
Swallow, C.W., Culver City, Calif.  
Symons, W., Jr., Spokane, Wn.  
Wasmer, Louis, Spokane, Wn.