

HEINL RADIO BUSINESS LETTER

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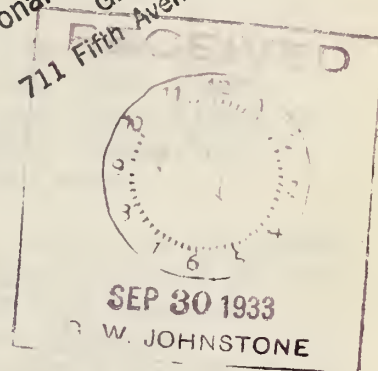
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No. 660



ROSENBLATT CRACKS THE WHIP AT CODE HEARING

Following the public hearing, Deputy Administrator Sol A. Rosenblatt is redrafting the Broadcasters' Code into final shape. He said that something would be worked out that aimed at justice to all. Guesses as to when the Code might reach the President varied all the way from two days to two weeks.

Mr. Rosenblatt lost no time taking up with his advisors and the Broadcasters' Code Committee the testimony offered at the hearing. The latter included Edward Nockles, of the Chicago Federation of Labor, Labor Advisor; G. A. Renard, Director of the National Association of Purchasing Agents, Consumer Advisor; D. A. Wallace, Research and Planning Advisor; L. M. Smith, Legal Advisor, and James W. Baldwin of the National Association of Broadcasters, Industrial Advisor.

John Shepard III, of Station WNAC, Boston, in the last minute was appointed a Special Industry Advisor. After Mr. Rosenblatt and those associated with him approve the Code, it goes to Gen. Hugh S. Johnson for review. Despite the number of Codes which are submitted to him, the General is said to go over them with a fine tooth comb.

General Johnson then submits the Code to President Roosevelt. The agreement becomes effective two weeks after the President signs it.

This writer has been covering hearings since Hector was a pub but never has he seen anybody crack the whip and make them jump through the hoop as did Administrator Rosenblatt at the Broadcasters' Code hearing. Former Secretary of Commerce Hoover used to be quite a disciplinarian at the old radio hearings but he was a tyro compared to Sol Rosenblatt.

During Rosenblatt's sharp questioning some of the witnesses seemed to be like school boys who were afraid they couldn't give the right answer and might get a crack over the knuckles. One witness, as if in fear, actually trembled.

At a sign of the slightest disturbance in the audience, Rosenblatt would rap his gavel vigorously. John W. Guider, Code Counsel for the Broadcasters, who had left his seat to ask someone a question, was called to order by Mr. Rosenblatt loudly hammering with the gavel. Mr. Guider hurriedly returned to his seat after nodding an apology to the Administrator. Two Government policemen were at the hearing, evidently to keep order, but they weren't needed with Rosenblatt on the job.

At the beginning of the session, Mr. Rosenblatt said the so-called "merit clause" had been struck out of the proposed Code. It read: "The selection, retention or advancement of employees should be on a basis of individual merit, without regard to their affiliation or non-affiliation with any organization. Nothing herein shall impair the constitutional right of employers to freedom in the selection, retention, and advancement of employees."

Alfred J. "Hollywood" McCosker, President of the National Association of Broadcasters, said that recognizing the new duties and functions it will assume under the Recovery Act, the Association would adopt the revised constitution and by-laws at the annual meeting at White Sulphur Springs designed to make it possible for smaller stations to join the Association at a minimal cost.

Mr. Rosenblatt seemed to be very much concerned with regard to the small station membership provision and demanded assurance that it would be carried out not only now but in the future. Mr. McCosker assured him that the Association really welcomed these stations and was earnestly striving to meet every requirement of the NRA in this respect.

"In 1931, one of the industry's peak years, 94 stations, or 18.4% of all the stations, did a total business of less than \$1,000 per month", Mr. McCosker testified. "Exactly one hundred additional stations, or 19.6%, did a business of less than \$2,000 a month. 69 other stations, or 13.5%, did a business of less than \$3,000 per month. Summarizing these figures, it may be seen that 51.5% of all radio stations did a total business of \$3,000 per month, or less. These figures might well be compared to the volume of business done by thousands of small mercantile establishments."

Despite the fact that in 1931, expenditures for radio advertising time, over both networks and individual stations, totaled slightly over \$70,000,000, Mr. Guider, Code Counsel for NAB declared that the industry as a whole has not as yet operated at a profit. Mr. Guider added that in connection with this statement, however, there should be taken into consideration the fact that many radio stations are owned by universities, municipalities, churches, schools, and religious organizations, and in most of these instances, it is not the purpose of the owner to operate the station for direct financial return.

Therefore, any too great increase in the financial demands made upon the industry, and especially upon the small broadcasters, will seriously threaten the stability of the industry and the very existence of small stations.

Compliance with the proposed code, plus voluntary plans for increased network employment, will increase by 765 the number of persons regularly employed in the industry. Incidentally, this will exceed by 354 persons, or approximately 3.2 per cent, the total for any previous period in the history of the industry.

"It is estimated that total payrolls under the proposed Code will be more than double those of 1929, the peak year in most industries, and will equal 93.2 per cent of the payrolls in 1931, a peak year for the radio broadcasting industry, notwithstanding the salary cuts in the higher brackets", Mr. Guider testified. "The immediate effect of the Code will be to increase existing payrolls at the estimated rate of \$1,328,000 per year."

Mr. Guider said it must be remembered in a smaller station that the addition of one transmitter operator may mean a 33-1/3 or a 50 per cent increase in the station's technical staff.

Mrs. Annette R. Bushman, Vice-President of Allied Productions, Inc., representing the Broadway Producers' Group, stated that her organization was a new one in the program-production field and pointed out that there were no provisions in the Code covering radio talent. She proposed that the Code should take cognizance of this condition by an amendment providing minimum rates of pay for actors and musicians. Mrs. Bushman protested against pyramided commissions.

Frank Gillmore, President of the Actors' Equity Association, asked that free auditions be done away with. "When it doesn't cost prospective advertisers anything they don't care how many times they listen to a program", he said. Gillmore was against free radio appearances. Also the participation of studio employees in broadcasts.

J. N. Weber, President of the American Federation of Musicians, presented a brief in behalf of radio musicians and was assured by Deputy Rosenblatt that these would be taken care of in the Code.

The Chicago Federation of Labor, operators of Station WCFL, through its counsel, Ben F. Goldstein, presented in printed form a proposed modification of the Code which appeared at a casual glance to be almost a new Code as compared to that which the Broadcasters had submitted.

T. R. McLean, International Brotherhood of Electrical Workers recommended the same rates of pay for the smaller stations, with \$40 a week pay for 40 hours work. He claimed that some stations had a work-week of 84 hours. This practice keeps an employee tied to his station for as long as 16 hours a day, he said.

The Radio Victor Company wrote requesting that it be made a violation to broadcast records without the consent of the manufacturer. H. A. Huebner, counsel for the American Record Corporation and the Brunswick Corporation, declared broadcasting shortened the life of records from 16 to 3 months. A restriction on record broadcasting would permit the record manufacturers to employ 100% more people.

"If they announced the name of the phonograph record dealer would that help?" Mr. Rosenblatt asked.

"No", Mr. Huebner replied, "The people would say why should I buy a record when I hear it all the time free over the radio?"

"In asking us to restrict the use of phonograph records", Mr. Rosenblatt interrogated, "don't you regard this as trying to get the NRA to do something you can't get done through the courts?" Mr. Huebner said the court process would be long and involved.

Alice M. Edwards, Executive Secretary of the American Home Economics Association, recommended the inclusion in the Code of a provision under which no network would knowingly broadcast false, misleading or ambiguous statements of articles which, by such misrepresentation, might impair the public health.

A. E. Haase, of the Association of National Advertisers declared that the advertisers wanted to get as much money as possible to the talent "because that is what makes a success of the program". He said the character of the performance interested the advertisers "who, after all, foot the bill. The witness declared the advertiser was more concerned with this than with the wattage of the stations. "We believe the performers to be happy must be well paid", he added.

Numerous advertisers have complained, Mr. Haase said, that they had to pay "commissions on commissions". The advertisers' success in radio depended entirely upon the quality of the performance. The result of the pyramided commissions practice was that the actor did not get the amount he or she was supposed to receive.

Mr. Haase read a statement typical of many complaints of this character. The statement said: "Too frequently the artist receives only a small percentage of the amount paid by the advertiser. There is too much mystery about the engagement of artists. It is suggested that a code for broadcasters should contain provisions that would prevent a perpetuation of such conditions."

Haase said that actors should not be paid any uniform rate. Pay should be proportionate to skill and radio personality. "The advertisers not only are willing but anxious to pay the actor well. But when the actor himself has to pay out so many commissions, the result is general dissatisfaction."

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Because they were to be sponsored by a brewery, the Minnesota University declined to allow its football games to be broadcast under those auspices.

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COHEN'S WIRED STATION ALIBI DIDN'T GET OVER

The Federal Radio Commission and the Department of Justice was successful in prosecuting Norman Cohen, who was indicted for operating a radio station with a license at Bridgeport, Conn.

Cohen contended that he was using wired radio and therefore no license was required. He further asserted that the signals from his transmitting equipment were emitted through the power lines of Bridgeport; from there were received at stations connected with these power lines, and, therefore, the system was not a radio station as defined in the Radio Act.

The Government contended that this transmitting equipment acted as a radio station and emitted signals through the air as any other station, which signals were picked up by receiving sets connected with antennas. The Commission proved that the station was heard in Connecticut by receiving sets with antennas, and when the antennas were disconnected, no signals were received. The Government showed by agents of the Federal Radio Commission, that the signals were received in New York State upon a receiving set not connected with power wires used by the transmitting station. The Commission proved that Cohen's system was not really a wired radio system but an ordinary radio station.

The verdict of guilty was on two counts - the operation of the station without an operator's license, and without a station license. Judge Fincks, who heard the case, fined the defendant \$25 after a plea of leniency. This case is the first one coming up in which the question of wired radio has been involved.

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SMALLER STATIONS TURN DEAF EAR TO MERGER

"Stations in Illinois and Wisconsin are most militant in their demands for more time and more power, so as to increase their service area", according to Radio Commissioner James H. Hanley, who has just returned from conferring with them. "They are convinced that we are on the verge of a big trade revival and they are anxious to be prepared to take care of expected increased demands for radio facilities on the part of manufacturers and distributors of the necessities and luxuries of life."

Commissioner Hanley pointed out that until more radio channels are provided, it is impossible to grant their requests.

Commissioner Hanley received no encouragement when he suggested that the smaller stations get together and pool their radio facilities.

"Such mergers, in many instances, would solve the problem of many of the smaller stations and would not conflict in any way with the anti-trust laws", he explained. "But the licensees turned a deaf ear to my suggestion as they are convinced all radio stations face a bright future".

Commissioner Hanley received many complaints while in the Middle West regarding Dr. John R. Brinkley's station in Mexico.

"The people resent having reception in the United States spoiled by interference from his station. While I was not a member of the Commission when Brinkley, Rev. Bob Shuler, and Norman Baker were taken off the air, I am in thorough sympathy with that action. I am also glad that W. K. Henderson is going off the air as many of his broadcasts were intemperate and created unhealthy agitation.

"Progress is being made through diplomatic channels in clearing up the interference caused by stations in Mexico by discredited broadcasters from this country. Judge E. O. Sykes of the Federal Radio Commission, laid the foundation for an amicable adjustment. Mexico, when she learns all the facts, will no longer offer a refuge to such outlaws."

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DALL AND LAFOUNT HUNG UP IN ED WYNN ELEVATORS

Curtis Dall, son-in-law of President Roosevelt and Chairman of the Ed Wynn system and Federal Radio Commissioner Harold Lafount were among those who had experiences they doubtless will remember for sometime to come in stalled elevators in the crush of people who turned out for the chain's opening night.

"I don't believe I ever saw such a crush", Commissioner Lafount said. "The lobby of the building, the sidewalks in front of it and even the street were packed with people. There was hardly a fighting chance to get into an elevator. When one came the crowd would rush it and the operator was powerless to limit the number of passengers. The result was that the cars were badly overloaded, would blow out a fuse and stick.

"I was caught between the 24th and 25th floors for about 10 minutes. There were about 20 of us in the elevator including Mr. Orrin E. Dunlap, Jr., Radio Editor of the New York Times. One young lady fainted and I helped to try to revive her. I guess everybody had a good scare. Mr. Dall came up in the next elevator but this car also stuck and it was 10 or 15 minutes before it arrived. In the studios there were seats for 500 but I should say the crowd was nearer to 5,000."

Mr. Dunlap said when the car stalled the elevator operator appeared frightened and kept calling into a pilot telephone for help.

"I told him", Mr. Dunlap remarked laughingly, "that Ed Wynn had better equip the elevators with short-wave S.O.S. apparatus."

"I was told the station had booked no commercial business at the beginning, excepting a few spot announcements, but expected to pick up quite some business after the chain ran awhile and prospective sponsors had a chance to see what the programs were like", Mr. Lafount said further discussing the opening.

Another visitor from Washington described the studios as "a nice little average 1000 watt layout - a nice little beginning."

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It is hoped that Marconi may be persuaded to remain in the United States until November 15 so that he may be present for the opening of Radio City.

Making no specific reference to a Montreal station supposed to be negotiating for a hookup with an American chain, Chairman Charlesworth of the Canadian Radio Commission has forbidden stations in that country to hook up permanently with broadcasting systems in the U. S.

"Plenty of army officers were among those present at the New York Radio Show's advance showing for the Press", James McMullin writes in the "National Whirligig". "Most of them, representing the Army Signal Corps and the Military Intelligence Service, were in mufti. They inspected each new apparatus and gadget with minute interest; four or five exhibitors were taken aside for little conferences. When the show opened for the public at least one type of receiver and some intercepting devices were no longer on display."

The Ark-La-Tex Radio Corporation of Shreveport, La., has filed an appeal in the District Court against the Federal Radio Commission assigning the facilities of the Henderson station KWKH to the International Radio Corporation, contending the action was taken by the Commission without a hearing.

Arthur Godfrey, NBC announcer in Washington, appeared on the bill a week at Keith's Theatre so that listeners might see in person the "President of the WMAL Breakfast Club", a radio feature which he has been successful in developing.

In the case of Stations KSEI, of Pocatello, Idaho, now on 900 kc., and KFPY, of Spokane, Wash., on 1340 kc., both of which requested a change to 890 kc., Ralph L. Walker, Examiner, recommended that the latter application be granted.

The Examiner reported that objectionable interference would not result from the operation of either station on 890 kc. He said that from a comparison of the records of the two stations and the areas proposed to be served by each, it appeared that KFPY could better serve the public. Noel S. Symons and Paul D. P. Spearman were the attorneys for KFPY.

Rex Martin, of Chicago, Assistant Director of Aeronautics, Commerce Department; William T. Miller, pilot, and Chester H. McColl, New York City, Special Assistant to Secretary Roper, were injured serious Wednesday (Sept. 27) night in an airplane crash near Washington, D. C.

McColl was making a night flight in a demonstration of the use of radio beacons and weather reports. The plane plunged through a thick fog and crashed into a deep bog.

Although it is believed all may recover, Martin, suffering from brain concussion since the accident, has been conscious only periodically. McColl will be out of the hospital in 10 days and Miller is much improved.

In the Business Letter of September 26, page 10 in story "N. Y. Show Is Sales Getter", line 9, where it said the "total paid gate of the Show up to Saturday night was \$68,009", this should have read just 68,009 without the dollar sign, indicating the number of persons.

Lieut. E. M. Webster, Communications officer of the U. S. Coast Guard, addressing a gathering of steamship and broadcasting people in New York, declared that at the present time rarely is any interference experienced during S.O.S. calls due to land broadcasting stations "which are giving fine cooperation."

Viscountess Snowden, formerly a Governor of the British Broadcasting Corporation, described as "bad taste and very bad form" a recent change of the corporation's policy whereby light music is now broadcast from 6 to 8 on Sunday evenings.

Formerly the radio was silent at these hours to avoid conflict with church meetings. The corporation, however, continues to broadcast two religious services between 8 and 9.

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DECISIONS OF THE FEDERAL RADIO COMMISSION

Applications Granted (Sept. 29, 1933)

WFAM, The South Bend Tribune, South Bend, Ind., C.P. to make changes in last radio stage; WAAT, Bremer Broadcasting Corp., Jersey City, N. J., modification of C.P. to make changes in equipment, extend commencement date to 30 days after today, and completion date to Feb. 1, 1933; WPTF, WPTF Radio Co., Raleigh, N. C., modification of C.P. to extend commencement date to August 19 and completion date to Nov. 9, 1933; WRVA, Larus & Bros. Co., Inc., Richmond, Va., modification of license to determine power of station by direct measurement of antenna power; KTRH, KTRH Broadcasting Co., Houston, Tex., renewal of special experimental authority to increase power from 500 watts to 1 KW until April 1, 1934; WEED, Wm. Avera Wynne, Greenville, N. C., license to cover C.P., 1420 kc., 100 watts, daytime to local sunset; WNBZ, d/b as Smith & Mace, Saranac Lake, N. Y., renewal of license, 1290 kc., 50 watts, daytime (application of WHDL applying for facilities of WNBZ has been dismissed).

Also, KGER, Consolidated Broadcasting Corp., Ltd., Long Beach, Cal., extension of special authority to make tests using portable transmitter on 1360 kc., to December 1; WTAR, WTAR Radio Corp., Norfolk, Va., authority to operate from 2 to 3 A.M., Oct. 14, 1933, with 1 KW power, in order to broadcast program in cooperation with the York Radio Club of York, Pa.; KTHS, Hot Springs Chamber of Commerce, Hot Springs National Park, Ark., authority to operate on 970 kc., from 12:30 P.M. CST, until 6 P.M. CST, Sept. 30, Oct. 7, 14, 21 and 28; Nov. 4, 11, 18, 24, 25 and Dec. 2 and 9, 1933, in order to broadcast athletic events; KWFFV, Hilo Broadcasting Co., Ltd., Hilo, Hawaii, modification of C.P. to extend commencement date to Dec. 1 and completion date to Feb. 1, 1934; KRLD, KRLD Radio Corp., Dallas, Tex., authority to use time assigned to but not used by KTHF from 12:30 to 6 P.M., CST, Sept. 30; Oct. 7, 14, 21 and 28, Nov. 4, 11, 18,

24, 25 and Dec. 2 and 9.; KROW, Educational Broadcasting Corp., Oakland, Cal., extension of authority to use the time of KFWI, provided that station continues to remain silent, until April 1, 1934; WKBH, WKBH, Inc., LaCrosse, Ws., 2 week's extension of special authority to operate with 500 watts power pending repair of generator; WHB, WHB Broadcasting Co., Kansas City, Mo., extension of special experiment authority to operate from 12 midnight to 6 A.M. on 1120 kc. with 500 watts power, to Feb. 1, 1934 (normally licensed on 860 kc., 500 watts, daytime only); WBEO, The Lake Superior Broadcasting Co., Marquette, Mich., special temp. authority to broadcast World Series Baseball games; WMBH, W. M. Robertson, Joplin, Mo., special temporary authority to operate from 3 to 6 P.M. CST on Oct. 6, and Nov. 11, 17, and 30, 1933.

Also, KFQD, Anchorage Radio Club, Inc., Anchorage, Alaska, temporary extension of license, to Nov. 1, 1933, pending receipt and/or action on application for renewal; WMC, Memphis Commercial Appeal, Inc., Memphis, Tenn., renewal of license for auxiliary transmitter to March 1, 1934; KVOA, Arizona Broadcasting Co., Inc., Tucson, Ariz., renewal of license on a temporary basis subject to such action as the Commission may take on any pending applications affecting the facilities of KVOA, and designated KVOA's application for hearing.

Renewal Of Licenses

The following stations were granted renewal of licenses for the regular period: WDOD, Chattanooga, Tenn.; KGCU, Mandan, N. Dak.; KTRH, Houston, Tex.; KTW, Seattle, Wash.; WNBX, Springfield, Vt.; KMA, Shenandoah, Ia.; KROW, Oakland, Cal.

The following stations were granted renewal of licenses on a temporary basis, subject to such action as the Commission may take on their pending applications for renewals: WHN, New York; WIBG, Glenside, Pa.; WQAO-WPAP, New York; WRNY, New York.

Applications Granted Other Than Broadcasting

WIXG, WIXAU, Shortwave & Television Corp., Boston, Mass. granted temporary experimental television license for period beginning Sept. 21, 1933, pending decision of Court of Appeals of the District of Columbia, in this case, or until further order of the Court and the Commission. Also granted modified renewal of special experimental license beginning Sept. 21, pending decision of said Court, or until further order of the Court and of the Commission. These temporary licenses are issued pursuant to and in conformity with that certain Stay Order granted and issued by the Court of Appeals of D. C. Sept. 21st, in the case of Shortwave & Television Corp. vs. Federal Radio Commission.

National Broadcasting Co., Inc., Portable and Mobile, C.P. for temporary broadcast pickup service, frequencies 1566 and 2390 kc., 150 watts; WRGA, Bay City, a municipal corp., Bay City, Mich., license for police service, 2442 kc., 50 watts; WFK, Wabash Radio Corp., Frankfort, Mich., modification of C. P. extending commencement date to Sept. 10 and completion date to Oct. 15, 1933; D. Reginald Tibbetts, Portable & Mobile: New, 7 C.P.s for

for general experimental service, frequencies 41000, 51400, 61000, 63000, 25 watts; W6XL, on vessel "Bridget", general experimental license, 61000 kc., 3 watts; W6XW, Portable & Mobile, general experimental license, 63000, 41000, 51400, 61000 kc., 25 watts; W6XT, Same, C.P. and license for general experimental service, 41000, 51400, 61000, 63000 kc., 25 watts; Aeronautical Radio, Inc.: New, Portable & Mobile, C.P. and license for general experimental service, frequencies 27100, 34600, 41000, 51400, 60000-400000, 401000 and above kc., 25 watts; New, Portable & Mobile, C.P.s (2) and licenses for general experimental service 27100, 34600, 41000, 51400, 60000-400000, 401000 kc. and above, 25 watts;

D. Reginald Tibbetts

Also, Asiatic Wharf #2, W6XU, Oakland, Cal., general experimental C.P. frequency 51400 kc., 25 watts, for use as communication aid in connection with San Francisco-Oakland Bay Bridge only; W6XX, Same, San Francisco, granted general experimental C.P. 41000 kc., 25 watts; W6XY, Portable & Mobile, 2 General experimental C.P.s frequencies 41000, 51400, 61000, 63000 kc., 25 watts; W6XN, Outer Harbor, Oakland, Cal., general experimental C.P. 61000 kc., 25 watts, also granted license covering same; W6XV, Same, Pier 24, San Francisco, general experimental C.P. and license, 63000, 41000, 51400, 61000 kc., 25 watts; W6XW, Same, Portable & Mobile, general experimental C.P. 41000, 51400, 61000, 63000 kc., 25 watts.

Ratifications

Action taken Sept. 20: KDHC, Radiomarine Corp. of America, Washington, D. C., granted 60 day authority to operate 200 watt tube transmitter aboard vessel "Harvester", frequencies 313 to 500 kc., pending receipt of formal application; Action taken Sept. 22: Los Angeles Broadcasting Co., Inc., Los Angeles, Cal., granted authority to take depositions of certain witnesses at Los Angeles, Oct. 3; Action taken Sept. 23: KDMJ, Cameron & Perkins, Long Beach, Cal., granted authority to operate station aboard barge "Perlata", 10 watts, frequencies 375 to 500 kc.; KDPR, Mackay Radio & Telg. Co., San Francisco, granted 60 day authority to operate 200 watt tube transmitter aboard vessel "Nontebello"; frequencies 375 to 500 kc., and 550 to 22000 kc.; KUPM, Radiomarine Corp. of America, Washington, D. C., granted 60 day authority to operate aboard vessel "Patrick Henry", frequency range 125 to 500 kc., 2 KW.

Action taken Sept. 25: WIEX, National Broadcasting Co., Washington, D. C., authorized to use Station WIEX on 1566 and 2390 kc., Sept. 25 to Oct. 31, in connection with stratosphere balloon flight from Chicago; Action taken Sept. 26: WPEW, Commonwealth of Mass., Dept. of Public Safety, Northampton, Mass., granted license 1574 kc., 1100 watts day, 500 watts night; KUVX, Mackay Radio & Telegraph Co., Inc., New York, granted 60 day authority to operate 2000 watt spark transmitter aboard vessel "EXANTHIA", 375 to 500 kc.

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